

FAYAIR (STANSTED) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

FAYAIR (STANSTED) LIMITED

COMPANY INFORMATION

DIRECTORS

M Al Fayed
O Fayed
K Fayed
M Esreb
K Bayes
J Byrne (resigned 31 October 2017)
M Irvin

COMPANY SECRETARY

A Morgan

REGISTERED NUMBER

07566864

REGISTERED OFFICE

55 Park Lane
London
W1K 1NA

TRADING ADDRESS

Ninth Avenue
London Stansted Airport
Stansted
Essex
CM24 1AN

INDEPENDENT AUDITOR

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

FAYAIR (STANSTED) LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 14

FAYAIR (STANSTED) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company was the operation of a General Aviation handling facility at London Stansted Airport.

PROPOSED DIVIDEND

The directors do not recommend the payment of a dividend (£NIL).

DIRECTORS

The directors who served during the year were:

M Al Fayed
O Fayed
K Fayed
M Esreb
K Bayes
J Byrne (resigned 31 October 2017)
M Irvin

POLITICAL CONTRIBUTIONS

The company made no political donations or incurred any political expenditure during the year.

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

FAYAIR (STANSTED) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 12 April 2018 and signed on its behalf.

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K Bayes

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAYAIR (STANSTED) LIMITED

OPINION

We have audited the financial statements of Fayair (Stansted) Limited (the 'Company') for the year ended 31 December 2017, which comprise the Profit and Loss Account, the Balance Sheet and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

DIRECTORS' REPORT

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 we are required 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAYAIR (STANSTED) LIMITED (CONTINUED)

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report these respects.

DIRECTORS' RESPONSIBILITIES

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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 Auditor's 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.

Andrew Turner (Senior Statutory Auditor)

for and on behalf of

KPMG LLP

Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

12 April 2018

FAYAIR (STANSTED) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	3	4,453,509	3,738,274
Cost of sales		(1,272,454)	(1,000,292)
GROSS PROFIT		<u>3,181,055</u>	<u>2,737,982</u>
Administrative expenses		(3,302,106)	(3,388,613)
OPERATING LOSS	4	<u>(121,051)</u>	<u>(650,631)</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(121,051)</u></u>	<u><u>(650,631)</u></u>

There was no other comprehensive income for 2017 or 2016.

The notes on pages 7 to 14 form part of these financial statements.

FAYAIR (STANSTED) LIMITED
REGISTERED NUMBER: 07566864

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2017 £	2016 £	2016 £
FIXED ASSETS					
Tangible assets	8		11,174,488		11,620,002
			<u>11,174,488</u>		<u>11,620,002</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	9	743,830		590,477	
Cash at bank and in hand		699,156		358,397	
		<u>1,442,986</u>		<u>948,874</u>	
Creditors: amounts falling due within one year	10	(1,796,317)		(1,626,668)	
NET CURRENT LIABILITIES			<u>(353,331)</u>		<u>(677,794)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,821,157</u>		<u>10,942,208</u>
NET ASSETS			<u><u>10,821,157</u></u>		<u><u>10,942,208</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		17,850,000		17,850,000
Profit and loss account			(7,028,843)		(6,907,792)
			<u>10,821,157</u>		<u>10,942,208</u>

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 were approved and authorised for issue by the board and were signed on its behalf on 12 April 2018.

.....
K Bayes

Director

The notes on pages 7 to 14 form part of these financial statements.

.....
M Irvin

Director

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

1. ACCOUNTING POLICIES

1.1 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:

1.2 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the company's loss for the year of £121,051 (2016: £650,631) and net current liabilities of £353,331 (2016: £677,794), which the directors believe to be appropriate for the following reason. The Company is reliant for its working capital on funds provided to it by the Company's ultimate parent undertaking, which has provided the company with an undertaking that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

1.3 Turnover

Sales of one-off services are recognised when the goods or services supplied have been completed. Amounts due under annually-renewable contracts for a package of services are recognised in equal monthly instalments.

1.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Tangible fixed assets (continued)

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.

The estimated useful lives range as follows:

Long-term leasehold property	-	Over life of lease (51 years)
Plant and machinery	-	Between 3 and 10 years
Other fixed assets	-	Between 3 years and end life of lease

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 Profit and Loss Account.

1.5 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 that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

1.6 Operating leases: the Company as lessee

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

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

1. ACCOUNTING POLICIES (CONTINUED)

1.7 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 Profit and Loss Account 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.

The amount owing to the plan at the year end was £13,938 (2016: £13,810).

1.8 Provisions

A provision is recognised in the Balance Sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.9 Taxation

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. GENERAL INFORMATION

Fayair (Stansted) Limited is a company limited by shares and incorporated and domiciled in the U.K. The address of the registered office is 55 Park Lane, London, W1K 1NA. The company is part of a group.

FAYAIR (STANSTED) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. TURNOVER

All turnover derives from one activity, rendering of services to the general aviation industry and occurs in one geographical market, the UK.

4. OPERATING LOSS

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	445,514	463,717
Lease expenses	463,093	446,630
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>10,675</u>	<u>10,145</u>

5. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	1,259,536	1,289,834
Social security costs	134,914	132,070
Cost of defined contribution scheme	111,793	114,384
	<u>1,506,243</u>	<u>1,536,288</u>

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

	2017 No.	2016 No.
Customer services	20	20
Management and administration	8	8
	<u>28</u>	<u>28</u>

FAYAIR (STANSTED) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. DIRECTORS' REMUNERATION

	2017 £	2016 £
Directors' emoluments	421,104	457,066
Company contributions to defined contribution pension schemes	40,576	43,214
	<u>461,680</u>	<u>500,280</u>

During the current and prior year the directors' emoluments, not included above, were borne by another group company. The amount attributable to services provided in relation to the Company is not considered material.

7. TAXATION

On the basis of the results for the year there is no provision for corporation tax.

The company has estimated tax losses of £5,839,000 to carry forward against future trading profits (2016: £5,980,000).

There is no provision for deferred tax on the tax losses in these accounts (2016 - £Nil).

8. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery £	Other fixed assets £	Total £
COST OR VALUATION				
At 1 January 2017	10,834,325	2,267,630	713,698	13,815,653
At 31 December 2017	<u>10,834,325</u>	<u>2,267,630</u>	<u>713,698</u>	<u>13,815,653</u>
DEPRECIATION				
At 1 January 2017	884,473	1,149,373	161,805	2,195,651
Charge for the year	216,693	213,078	15,743	445,514
At 31 December 2017	<u>1,101,166</u>	<u>1,362,451</u>	<u>177,548</u>	<u>2,641,165</u>
NET BOOK VALUE				
At 31 December 2017	<u>9,733,159</u>	<u>905,179</u>	<u>536,150</u>	<u>11,174,488</u>
At 31 December 2016	<u>9,949,852</u>	<u>1,118,257</u>	<u>551,893</u>	<u>11,620,002</u>

FAYAIR (STANSTED) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. DEBTORS

	2017 £	2016 £
Trade debtors	394,708	278,533
Other debtors	43	3,334
Prepayments and accrued income	330,343	289,563
VAT recoverable	18,736	19,047
	<u>743,830</u>	<u>590,477</u>

10. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	420,509	310,828
Amounts owed to parent undertaking	1,200,000	1,200,000
Other taxation and social security	60,431	57,974
Accruals and deferred income	115,377	57,866
	<u>1,796,317</u>	<u>1,626,668</u>

11. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	465,322	457,322
Later than 1 year and not later than 5 years	1,947,885	1,913,577
Later than 5 years	12,869,194	13,370,824
	<u>15,282,401</u>	<u>15,741,723</u>

FAYAIR (STANSTED) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. RELATED PARTY TRANSACTIONS

Transactions with related parties were undertaken such as are required to be disclosed for the year were as follows:

	Transactions to 31.12.17 £	Balance owing (to)by related party 31.12.17 £	Transactions to 31.12.16 £	Balance owing (to)by related party 31.12.16 £
Services provided to Fayair (Stansted) Ltd				
Hyde Park Residence Ltd - management charges	3,898	(382)	6,237	(436)
Liberty Publishing & Media Ltd- management fee	-	-	3,389	-
Services provided by Fayair (Stansted) Ltd				
Fayair (Jersey) Co Ltd - Handling services	<u>546,317</u>	<u>4,109</u>	<u>544,275</u>	<u>3,287</u>

13. SHARE CAPITAL

	2017 £	2016 £
Allotted, called up and fully paid		
17,850,000 ordinary shares shares of £1 each	<u>17,850,000</u>	<u>17,850,000</u>

14. PROFIT AND LOSS ACCOUNT

	2017 £	2016 £
Balance brought forward	(6,907,792)	(6,257,161)
Loss for the financial year	(121,051)	(650,631)
Balance carried forward	<u>(7,028,843)</u>	<u>(6,907,792)</u>

15. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2017 £	2016 £
Balance at the start of the year	10,942,208	11,592,839
Loss for the year	(121,051)	(650,631)
Balance at the end of the year	<u>10,821,157</u>	<u>10,942,208</u>

FAYAIR (STANSTED) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. CONTROLLING PARTY

The company is a subsidiary undertaking of Stanfay Limited. The registered office of Stanfay Limited is 3076 Francis Drake's Highway, P.O. Box 3463, VG 1110, Road Town, Tortola, British Virgin Islands. The ultimate controlling party is the Al Fayed family trust.

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.