

Airwair Property Limited

Report and Financial Statements

31 March 2015



Airwair Property Limited

Registered No: 2303538

Directors

S M Murray

Secretary

SLC Registrars Limited
42-50 Hersham Road
Walton-on-Thames
Surrey
KT12 1RZ

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC Bank Plc
Avebury Boulevard
Milton Keynes
MK9 2GA

Solicitors

DLA Piper UK LLP
1 St Paul's Place
Sheffield
S1 2JX

Registered office

Cobbs Lane
Wollaston
Nr Wellingborough
Northamptonshire
NN29 7SW

Directors' report

The directors present their report and financial statements for the year ended 31 March 2015

Results and dividends

The profit for the year, after taxation, is £84,896 (2014: £174,336). During the year no dividends were paid (2014: £1,500,000).

Principal activities and review of the business

The Company's principal activities during the year continued to be holding of properties for use within the Group.

Directors and their interests

The directors who served the Company during the year and subsequently were as follows:

D R Suddens – resigned 31 August 2015

S M Murray – appointed 27 October 2014

H Holmark – appointed 3 December 2014 & resigned 30 September 2015

There are no directors' interests requiring disclosure under the Companies Act 2006.

Going concern

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

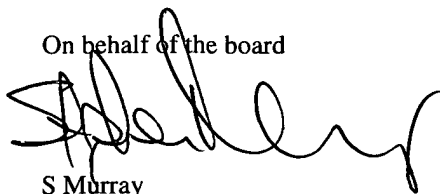
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and of the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

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

The directors' report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities and is therefore exempt from preparing a Strategic Report.

On behalf of the board



S Murray

Director

16th December 2015

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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

Independent auditors' report

to the members of Airwair Property Limited

We have audited the financial statements of Airwair Property Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 set out on page 3, 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 (APB'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report (continued)

to the members of Airwair Property Limited

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 2015 and of its profit 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.

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Ernst & Young LLP

Julie Carlyle (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

17 December 2015

Profit and loss account

for the year ended 31 March 2015

	Notes	2015 £	2014 £
Revenue	2	100,000	100,000
Depreciation		(15,104)	(15,104)
Other operating income/(charges)		-	(1,000)
Operating profit/(loss)	3	84,896	83,896
Bank interest receivable		-	440
Profit on ordinary activities before taxation		84,896	84,336
Tax on profit on ordinary activities	6	-	90,000
Profit for the financial year	11	84,896	174,336

All of the operations of the Company are considered continuing.

There are no recognised gains or losses other than the profit of £84,896 attributable to the shareholders for the year ended 31 March 2015 (2014: £174,336).

Airwair Property Limited

Registered No. 2303538

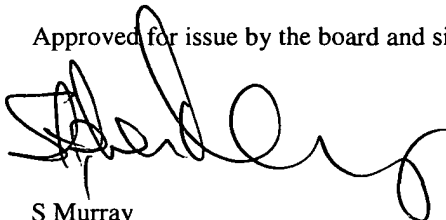
Balance sheet

at 31 March 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	7	1,159,896	1,175,000
Current assets			
Debtors	8	301,465	326,464
Cash at bank		123,801	–
		425,266	326,464
Creditors: amounts falling due within one year	9	(25,001)	(26,200)
Net current assets		400,265	300,264
Net Assets		1,560,161	1,475,264
Capital and reserves			
Called up share capital	10	2	2
Revaluation reserve	11	505,229	512,333
Profit and loss account	11	1,054,930	962,929
Shareholders' funds	11	1,560,161	1,475,264

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Approved for issue by the board and signed on its behalf by



S Murray
Director
16th December 2015

Notes to the financial statements

at 31 March 2015

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Going concern

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent publishes consolidated financial statements.

Related party transactions

The Company is a wholly owned subsidiary of Doc Topco Limited, the consolidated accounts of which are publicly available. Accordingly, the Company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with members or investees of the Doc Topco Group.

Fixed assets

Tangible fixed assets are initially recorded at cost. Freehold properties are stated at cost, net of depreciation and any provision for impairment.

Finance costs incurred as a consequence of obtaining tangible fixed assets are not capitalised.

Revaluation

Freehold properties are initially recorded at cost, every 3 years the properties are revalued to the current market price by external valuers with the surplus or deficit recorded in the revaluation reserve.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold property - 2% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue Recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for providing property for rental. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Notes to the financial statements

at 31 March 2015

1. Accounting policies (continued)

Deferred taxation (continued)

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

Turnover is the total amount receivable by the Company for services provided net of value added tax and trade discounts.

Turnover is attributable to one continuing UK activity, the holding of properties for use within the Doc Topco Group.

	2015 £	2014 £
Rent receivable	<u>100,000</u>	<u>100,000</u>

3. Operating profit

This is stated after charging:

	2015 £	2014 £
Depreciation of owned assets	<u>15,104</u>	<u>15,104</u>

4. Auditors remuneration

The audit fee of £1,000 (2014: £1,000) has been borne by Airwair International Limited a fellow group company.

Notes to the financial statements

at 31 March 2015

5. Staff costs and directors emoluments

No salaries or wages have been paid to employees during the year.

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

	2015 No.	2014 No.
Directors	<u>2</u>	<u>2</u>

The directors of the Company are also directors or officers of a number of the companies within the Doc Topco Group. Directors' emoluments have been borne by other group companies. The directors received total remuneration in the year of £1,030,700 (2014: £1,278,233). The value of pension contributions to defined contribution pension schemes totalled £23,540 (2014: £48,652) which was also borne by other group companies. During the year retirement benefits were accruing to 2 (2014: 2) directors in respect of defined contribution schemes. Due to Airwair Property Limited income all relating to the property and the balance sheet assets predominantly comprising of the property the directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies'.

6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

Current tax:

	2015 £	2014 £
UK Corporation tax	-	-
Total current tax (note 6(b))	-	-
Deferred tax: Origination and reversal of timing differences (note 6(c))	-	90,000
Tax on ordinary activities	<u>-</u>	<u>90,000</u>

(b) Factors affecting the current tax charge

The differences are reconciled below:

	£	£
Profit on ordinary activities before tax	<u>84,896</u>	<u>84,336</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	17,828	19,397
Expenses not deductible for tax purposes	3,172	3,704
Capital allowances in excess of depreciation	(122)	(163)
Utilisation of tax losses brought forward	(20,878)	(22,938)
Total current tax (note 6(a))	<u>-</u>	<u>-</u>

Notes to the financial statements

at 31 March 2015

6. Tax (continued)

(c) Deferred tax

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2015		2014	
	<i>Provided</i>	<i>Not provided</i>	<i>Provided</i>	<i>Not provided</i>
	£	£	£	£
Accelerated capital allowances	–	530	–	646
Tax losses carried forward	200,000	1,451,731	200,000	1,471,415
	<u>200,000</u>	<u>1,452,261</u>	<u>200,000</u>	<u>1,472,061</u>

Tax losses not recognised relate to non-trade losses. A deferred tax asset has not been recognised when the availability of future profits against which these may be used is uncertain.

(d) Factors affecting the future tax charges

The main rate of UK corporation tax reduced from 23% to 21% from 1st April 2014. A further reduction in the main rate of corporation tax to 20% from 1st April 2015 was enacted in July 2013, and has been applied in calculating deferred tax at 31st March 2015, based on the expected date the underlying temporary differences will reverse. It should be noted that the Government announced on 8 July 2015 that it intends to introduce legislation to reduce the mainstream rate of UK Corporation tax to 19% with effect from 1st April 2017 and to 18% with effect from 1st April 2020. These changes were not substantively enacted at the balance sheet date, therefore the calculation of deferred tax balances does not reflect the potential impact of these proposed rate reductions. The effect of the reductions would reduce deferred tax assets by approximately £0.3m.

Notes to the financial statements

at 31 March 2015

7. Tangible fixed assets

	<i>Freehold land and buildings £</i>
Valuation:	
At 1 April 2014	1,175,000
Revaluation	-
31 March 2015	<u>1,175,000</u>
Depreciation:	
At 1 April 2014	-
Provided in the year	15,104
Eliminated on disposal	-
At 31 March 2015	<u>15,104</u>
Net book value:	
At 31 March 2015	<u><u>1,159,896</u></u>
At 31 March 2014	<u><u>1,175,000</u></u>

Freehold land and buildings were revalued on 10th January 2014 by Blacklee Smith Chartered Surveyors. The basis of valuation used was open market value with vacant possession in existing condition. The historic valuations of the property are as follows:

	£
31 March 2006	1,600,000
31 March 2009	1,235,000
31 March 2012	1,150,000
31 March 2014	1,175,000

If land and buildings had not been revalued, they would have been included on the historical basis at the following amounts:

	£
Cost	750,000
Accumulated depreciation	<u>95,337</u>
Net book value:	
At 31 March 2015	<u><u>654,663</u></u>
At 31 March 2014	<u><u>662,663</u></u>

Notes to the financial statements

at 31 March 2015

8. Debtors

	2015 £	2014 £
Amounts owed by group undertakings	101,354	126,354
Other debtors	111	110
Deferred tax (note 6c)	200,000	200,000
	<u>301,465</u>	<u>326,464</u>

9. Creditors: amounts falling due within one year

	2015 £	2014 £
Bank overdraft	-	1,199
Accruals and deferred income	25,001	25,001
	<u>25,001</u>	<u>26,200</u>

10. Share capital

	2015 £	2014 £
2 Allotted, called up and fully paid ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Revaluation reserve £	Profit and loss account £	Total share- holders' funds £
At 31 March 2013	2	464,229	2,281,489	2,745,720
Result for the year	-	-	174,336	174,336
Payment of ordinary dividend	-	-	(1,500,000)	(1,500,000)
Transfer of depreciation on revalued fixed assets	-	(7,104)	7,104	-
Revaluation of fixed assets	-	55,208	-	55,208
At 31 March 2014	<u>2</u>	<u>512,333</u>	<u>962,929</u>	<u>1,475,264</u>
Result for the year	-	-	84,896	84,896
Payment of ordinary dividend	-	-	-	-
Transfer of depreciation on revalued fixed assets	-	(7,104)	7,104	-
At 31 March 2015	<u>2</u>	<u>505,229</u>	<u>1,054,930</u>	<u>1,560,161</u>

Notes to the financial statements

at 31 March 2015

12. Ultimate parent company

The ultimate controlling party and largest group financial statements which the company is included is IngreLux S.a.r.l, a company registered in Luxembourg. The company's immediate parent company is Dr Martens Airwair Group Limited (registered in England and Wales). The directors consider Doc Bidco Limited to be the smallest group for which group financial statements including the company are drawn up.

Copies of the accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.