

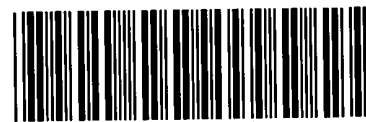
Registered number: 04140620

LONDON ASHFORD AIRPORT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

**LUBBOCK FINE
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB**

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	15,929,424	15,711,643
		<u>15,929,424</u>	<u>15,711,643</u>
Current assets			
Stocks	5	48,487	72,221
Debtors: amounts falling due within one year	6	1,946,573	2,007,350
Cash at bank and in hand	7	8,913	141,480
		<u>2,003,973</u>	<u>2,221,051</u>
Creditors: amounts falling due within one year	8	(1,111,452)	(4,005,644)
Net current assets/(liabilities)		<u>892,521</u>	<u>(1,784,593)</u>
Total assets less current liabilities		<u>16,821,945</u>	<u>13,927,050</u>
Creditors: amounts falling due after more than one year	9	-	(12,542)
Net assets		<u><u>16,821,945</u></u>	<u><u>13,914,508</u></u>
Capital and reserves			
Called up share capital	13	37,384,616	33,384,616
Share premium account		1,538,463	1,538,463
Profit and loss account		(22,101,134)	(21,008,571)
		<u><u>16,821,945</u></u>	<u><u>13,914,508</u></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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


Bader Fahad Mohammed Al-Athel
 Director

Date: 15/9/2017.

The notes on pages 2 to 9 form part of these financial statements.

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

London Ashford Airport Limited is a private company limited by shares incorporated in England and Wales. Its registered office and principal place of business is Lydd Airport, Lydd, Kent, TN29 9QL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The company meets its day to day working capital requirements by the support of the ultimate parent company. The directors believe it is appropriate to prepare the financial statements on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future on the basis of the company's plans and the continued support of the ultimate parent company.

If the company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and provide for further liabilities that might arise.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Turnover consists of the following:

Airport Operations:

- Aircraft landing charges are based on the aircraft's weight and type and recognised on the aircraft landing.
- Hangarage is charged on the basis of the parking area occupied and duration.

Fuel income:

- Fuel income is recognised on delivery.

Catering income:

- Catering income is recognised at the point of sale.

Other operating income consists of rental income which is recognised on a straight line basis over the life of the lease.

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 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.

Depreciation is provided on the following basis:

Plant and machinery	- 10% to 33% on cost
Motor vehicles	- 15% to 25% on cost
Airport Operations	- 10% to 15% on cost

Freehold and leasehold property includes runways, taxiways and aprons. The airport building and runway are depreciated over the life of the lease being 80 years on a straight line basis. Other leasehold property including hangars and portacabins are depreciated over the expected useful life of the assets.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Assets under construction are not depreciated until the asset is ready for use at which point it is transferred to the relevant asset class and is subsequently depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 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.

Exchange gains and losses are recognised in the Profit and Loss Account.

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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.

3. Employees

The average monthly number of employees, including directors, during the year was 42 (2015 - 50).

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4. Tangible fixed assets

	Freehold and Leasehold Property £	Plant and machinery £	Motor vehicles £	Assets under construc- tion £	Airport Operations £	Total £
Cost or valuation						
At 1 January 2016	10,457,733	946,887	455,485	6,301,799	952,539	19,114,443
Additions	6,238	35,838	4,500	397,348	-	443,924
Disposals	-	(59,304)	-	-	-	(59,304)
Transfers between classes	154,909	-	-	(154,909)	-	-
At 31 December 2016	<u>10,618,880</u>	<u>923,421</u>	<u>459,985</u>	<u>6,544,238</u>	<u>952,539</u>	<u>19,499,063</u>
Depreciation						
At 1 January 2016	1,373,184	732,235	354,841	-	942,540	3,402,800
Charge for the year on owned assets	131,963	68,217	23,163	-	2,683	226,026
Disposals	-	(59,187)	-	-	-	(59,187)
At 31 December 2016	<u>1,505,147</u>	<u>741,265</u>	<u>378,004</u>	<u>-</u>	<u>945,223</u>	<u>3,569,639</u>
Net book value						
At 31 December 2016	<u>9,113,733</u>	<u>182,156</u>	<u>81,981</u>	<u>6,544,238</u>	<u>7,316</u>	<u>15,929,424</u>
At 31 December 2015	<u>9,084,549</u>	<u>214,652</u>	<u>100,644</u>	<u>6,301,799</u>	<u>9,999</u>	<u>15,711,643</u>

5. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>48,487</u>	<u>72,221</u>
	<u>48,487</u>	<u>72,221</u>

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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6. Debtors

	2016 £	2015 £
Trade debtors	87,974	89,700
Amounts owed by group undertakings	1,786,547	1,789,792
Other debtors	8,172	50,114
Prepayments and accrued income	63,880	77,744
	<u>1,946,573</u>	<u>2,007,350</u>

7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	8,913	141,480
Less: bank overdrafts	(37,504)	(119,853)
	<u>(28,591)</u>	<u>21,627</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	37,504	119,853
Trade creditors	77,091	140,095
Amounts owed to group undertakings	938,103	3,628,002
Other taxation and social security	26,395	27,348
Obligations under finance lease and hire purchase contracts	12,542	54,922
Other creditors	1,209	10,901
Accruals and deferred income	18,608	24,523
	<u>1,111,452</u>	<u>4,005,644</u>

Secured loans

Bank overdrafts of £37,504 (2015 - £119,853) are secured by way of a fixed charge on the company's tangible fixed assets and debtors, and a floating charge over all other assets.

Obligations under finance leases of £12,542 (2015 - £54,922 due less than one year and £12,542 due greater than on year) are secured against the respective assets.

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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9. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	-	12,542
	<u>-</u>	<u>12,542</u>

10. Pension commitments

The company maintains a pension scheme for the certain employees of the company. The scheme operates on a defined contribution money purchase basis and the contributions are charged to the profit and loss account as they arise. The assets of the scheme are held separately from those of the company in an independent administered fund. The charge for the year was £27,722 (2015 - £24,110).

11. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	18,540	-
Later than 1 year and not later than 5 years	58,710	-
	<u>77,250</u>	<u>-</u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	12,542	54,922
Between 1-2 years	-	12,542
	<u>12,542</u>	<u>67,464</u>

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

13. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
37,384,616 (2015 - 33,384,616) ordinary shares of £1 each	<u>37,384,616</u>	<u>33,384,616</u>

On 9 November 2016 the company issued 4,000,000 ordinary shares of £1 each at par to its immediate parent company.

14. Related party transactions

During the year the ultimate parent company subscribed for shares in the company for £4,000,000 (2015 - £nil) of which consideration was received in the form of a reduction in the intercompany loan with another company from the group.

15. Ultimate parent undertaking

The ultimate parent company is FAL Holdings Limited, a company registered in Saudi Arabia.

16. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

17. Auditors' information

These financial statements have been prepared for the purposes of filing with Companies House and no Statement of Income and Retained Earnings is included within this set of financial statements. The full financial statements have been subject to audit and there were no qualifications or modifications to the audit report on the full financial statements. The audit was undertaken by Lubbock Fine Chartered Accountants & Statutory Auditors, and the Senior Statutory Auditor was Andrew Noton.