

COMPANY REGISTRATION NUMBER: 05319176

Fairwood Management Services Ltd

Unaudited Financial Statements

28 February 2017

JAMES & UZZELL LTD
Chartered Certified Accountants
Axis 15, Axis Court
Mallard Way
Riverside Business Park
Swansea
SA7 0AJ

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Fairwood Management Services Ltd

Financial Statements

Year ended 28 February 2017

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Fairwood Management Services Ltd

Officers and Professional Advisers

Director Mr G M Davies

Company secretary Mr G M Davies

Registered office 8 Heather Rise
Jersey Marine
Swansea
SA10 6LJ

Accountants James & Uzzell Ltd
Chartered Certified Accountants
Axis 15, Axis Court
Mallard Way
Riverside Business Park
Swansea
SA7 0AJ

Fairwood Management Services Ltd

Director's Report

Year ended 28 February 2017

The director presents his report and the unaudited financial statements of the company for the year ended 28 February 2017.

DIRECTOR

The director who served the company during the year was as follows:

Mr G M Davies

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 24-11-17 and signed on behalf of the board by:



Mr G M Davies
Director

Fairwood Management Services Ltd

Report to the Director on the Preparation of the Unaudited Statutory Financial Statements of Fairwood Management Services Ltd

Year ended 28 February 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Fairwood Management Services Ltd for the year ended 28 February 2017, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html.

Our work has been undertaken in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf.


JAMES & UZZELL LTD
Chartered Certified Accountants

Axis 15, Axis Court
Mallard Way
Riverside Business Park
Swansea
SA7 0AJ

Dated: 27.11.17.

Fairwood Management Services Ltd

Statement of Comprehensive Income

Year ended 28 February 2017

		Year to 28 Feb 17 £	Period from 1 Sep 14 to 29 Feb 16 £
TURNOVER	Note	176,806	236,667
GROSS PROFIT		176,806	236,667
Administrative expenses		167,107	173,129
Other operating income	4	66,924	4,761
OPERATING PROFIT	5	76,623	68,299
Interest payable and similar expenses	7	29,223	25,363
PROFIT BEFORE TAXATION		47,400	42,936
Tax on profit		(43,756)	7,526
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		91,156	35,410

All the activities of the company are from continuing operations.

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

Fairwood Management Services Ltd**Statement of Financial Position****28 February 2017**

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	8	872,263	1,112,866
CURRENT ASSETS			
Debtors	9	26,866	—
Cash at bank and in hand		89,966	180,586
		<u>116,832</u>	<u>180,586</u>
CREDITORS: amounts falling due within one year	10	<u>387,028</u>	<u>652,230</u>
NET CURRENT LIABILITIES		<u>270,196</u>	<u>471,644</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>602,067</u>	<u>641,222</u>
CREDITORS: amounts falling due after more than one year	11	395,714	506,626
PROVISIONS			
Taxation including deferred tax		18,261	37,660
NET ASSETS		<u>188,092</u>	<u>96,936</u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Profit and loss account		188,090	96,934
MEMBERS FUNDS		<u>188,092</u>	<u>96,936</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 28 February 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.
The notes on pages 8 to 15 form part of these financial statements.

Fairwood Management Services Ltd

Statement of Financial Position *(continued)*

28 February 2017

These financial statements were approved by the board of directors and authorised for issue on 24.11.17, and are signed on behalf of the board by:



Mr G M Davies
Director

Company registration number: 05319176

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

Fairwood Management Services Ltd

Statement of Changes in Equity

Year ended 28 February 2017

	Called up share capital £	Profit and loss account £	Total £
AT 1 SEPTEMBER 2014	2	61,524	61,526
Profit for the year	—	35,410	35,410
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	35,410	35,410
AT 29 FEBRUARY 2016	2	96,934	96,936
Profit for the year	—	91,156	91,156
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	91,156	91,156
AT 28 FEBRUARY 2017	2	188,090	188,092

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

Fairwood Management Services Ltd

Notes to the Financial Statements

Year ended 28 February 2017

1. GENERAL INFORMATION

Fairwood Management Services Ltd is a private company limited by shares incorporated in England & Wales, United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements. The nature of the company's operations and principal activities are that of a property rental company and a hire charge company.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)', Section 1A for Small Entities and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

The reporting period of these financial statements is 12 months and its comparative period is 18 months.

These financial statements only include the results of the individual entity made up to 28 February 2017.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 September 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 16.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Going concern

The directors have considered the future trading position of the company and are confident that the going concern principle can be applied to the financial statements. The company has received support from its parent company Fairwood Holdings Limited and its fellow subsidiary Fairwood Engineering Limited.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Fairwood Management Services Ltd

Notes to the Financial Statements *(continued)*

Year ended 28 February 2017

3. ACCOUNTING POLICIES *(continued)*

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Judgements and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Operating leases

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from hire of equipment is recognised by raising a hire charge invoice to its customers.

Fairwood Management Services Ltd

Notes to the Financial Statements (continued)

Year ended 28 February 2017

3. ACCOUNTING POLICIES (continued)

Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset. Deferred taxation is accounted for in accordance with the requirements of the FRSSE.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Investment Property	-	Not Depreciated
Freehold Property	-	2% straight line
Plant & Machinery	-	10% straight line
Fixtures & Fittings	-	10% straight line
Motor Vehicles	-	25% straight line

Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Fairwood Management Services Ltd

Notes to the Financial Statements (continued)

Year ended 28 February 2017

3. ACCOUNTING POLICIES (continued)

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

4. OTHER OPERATING INCOME

	Year to 28 Feb 17	Period from 1 Sep 14 to 29 Feb 16
	£	£
Government grant income	1,674	2,511
Other operating income	65,250	2,250
	<u>66,924</u>	<u>4,761</u>

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	Year to 28 Feb 17	Period from 1 Sep 14 to 29 Feb 16
	£	£
Depreciation of tangible assets	98,570	163,778
Gains on disposal of tangible assets	(76,978)	-
Impairment of trade debtors	<u>10,424</u>	<u>-</u>

6. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 1 (2016: 1).

Fairwood Management Services Ltd

Notes to the Financial Statements (continued)

Year ended 28 February 2017

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year to 28 Feb 17 £	Period from 1 Sep 14 to 29 Feb 16 £
Interest on obligations under finance leases and hire purchase contracts	15,137	17,870
Other interest payable and similar charges	14,086	7,493
	<u>29,223</u>	<u>25,363</u>

8. TANGIBLE ASSETS

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 March 2016	781,745	691,468	204	345,592	1,819,009
Disposals	—	(357,170)	(204)	(292,705)	(650,079)
At 28 February 2017	<u>781,745</u>	<u>334,298</u>	<u>—</u>	<u>52,887</u>	<u>1,168,930</u>
Depreciation					
At 1 March 2016	2,626	413,541	151	289,825	706,143
Charge for the year	8,533	57,629	15	32,393	98,570
Disposals	—	(228,900)	(166)	(278,980)	(508,046)
At 28 February 2017	<u>11,159</u>	<u>242,270</u>	<u>—</u>	<u>43,238</u>	<u>296,667</u>
Carrying amount					
At 28 February 2017	<u>770,586</u>	<u>92,028</u>	<u>—</u>	<u>9,649</u>	<u>872,263</u>
At 29 February 2016	<u>779,119</u>	<u>277,927</u>	<u>53</u>	<u>55,767</u>	<u>1,112,866</u>

Fairwood Management Services Ltd**Notes to the Financial Statements (continued)****Year ended 28 February 2017****8. TANGIBLE ASSETS (continued)**

Land and Buildings comprise of the following:

	2017 £	2016 £
Investment Property	770,586	–
Freehold Property	–	779,119
	<u>770,586</u>	<u>779,119</u>

On 16th July 2016, the freehold property was reclassified to an investment property. The freehold property has therefore been depreciated in line with the rates disclosed in the accounting policies to this date and no depreciation has been charged in respect of the investment property.

The comparable amounts determined according to the historical cost convention are as follows:

	2017 £	2016 £
Cost of Freehold Property	781,746	781,746
Depreciation of Freehold Property	(11,159)	(2,626)
Reclassification to investment property	(770,587)	–
Cost of investment property	770,587	–
	<u>770,587</u>	<u>779,120</u>
Net Book value at year end		

Land and Buildings were valued at 28th February 2017. The valuation was undertaken by the director, Mr G Davies. Although Mr G Davies does not have a qualification for valuations, he has extensive knowledge of the area the property is located. His companies have owned the property for many years so he is sufficient to review the value of the property included in the financial statements.

9. DEBTORS

	2017 £	2016 £
Trade debtors	25,200	–
Other debtors	1,666	–
	<u>26,866</u>	<u>–</u>

10. CREDITORS: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	36,452	36,451
Trade creditors	1,176	2,088
Amounts owed to group undertakings and undertakings in which the company has a participating interest	319,767	497,754
Corporation tax	–	24,358
Social security and other taxes	5,828	8,850
Other creditors	23,805	82,729
	<u>387,028</u>	<u>652,230</u>

Fairwood Management Services Ltd

Notes to the Financial Statements (continued)

Year ended 28 February 2017

10. CREDITORS: amounts falling due within one year (continued)

Bank loan is secured over the property to which it relates.

Obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

11. CREDITORS: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	384,744	407,111
Other creditors	10,970	99,515
	<u>395,714</u>	<u>506,626</u>

Obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

Bank loan is secured over the property to which it relates.

Aggregate total of secured liabilities is £447,629 (2016: £550,134)

12. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

13. CONTINGENCIES

The company also has a cross guarantee in relation to the discounting facility guaranteed by the group. The balance due by Fairwood Engineering Limited at the year end was (£2,628)dr in respect of its discounting facility. (2016: £62,012cr)

14. RELATED PARTY TRANSACTIONS

Exemption under Section 33.1A has been claimed to not disclose transactions for 100% group companies.

15. PARENT COMPANY

The ultimate parent company is Fairwood Holdings Limited, a company registered in Great Britain.

16. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 September 2014.

Fairwood Management Services Ltd

Notes to the Financial Statements (continued)

Year ended 28 February 2017

16. TRANSITION TO FRS 102 (continued)

Reconciliation of equity

	1 September 2014			29 February 2016		
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£	£	£	£
Fixed assets	430,081	10,533	440,614	1,104,844	8,022	1,112,866
Current assets	311,954	–	311,954	180,586	–	180,586
Creditors: amounts falling due within one year	(508,274)	63,479	(444,795)	(714,306)	62,076	(652,230)
Net current liabilities	(196,320)	63,479	(132,841)	(533,720)	62,076	(471,644)
Total assets less current liabilities	233,761	74,012	307,773	571,124	70,098	641,222
Creditors: amounts falling due after more than one year	(119,332)	(74,012)	(193,344)	(436,528)	(70,098)	(506,626)
Provisions	(52,903)	–	(52,903)	(37,660)	–	(37,660)
Net assets	61,526	–	61,526	96,936	–	96,936
Capital and reserves	61,526	–	61,526	96,936	–	96,936

Reconciliation of profit or loss for the year

	Year ended 29 February 2016		
	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£
Turnover	236,667	–	236,667
Administrative expenses	(170,618)	(2,511)	(173,129)
Other operating income	2,250	2,511	4,761
Operating profit	68,299	–	68,299
Interest payable and similar expenses	(25,363)	–	(25,363)
Tax on profit	(7,526)	–	(7,526)
Profit for the financial year	35,410	–	35,410

The transitional adjustment as at 1 September 2014 has incurred as the company has chosen to adopt the accrual model for capital-based Government Grants where they are recognised in profit and loss on a systematic basis over the useful economic life of the asset and recognised as a liability (Deferred Income) rather than being deducted from the carrying value of the asset.