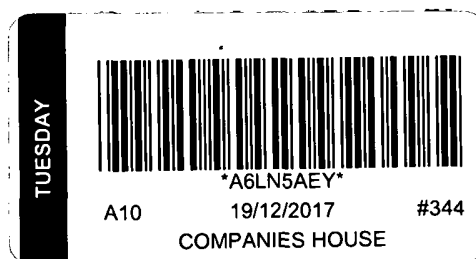


Company Registration No. 06311845 (England and Wales)

OA HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017



OA HOLDINGS LIMITED

COMPANY INFORMATION

Directors	P C O'Driscoll S Nahum J A Reuben
Company number	06311845
Registered office	73 Cornhill London EC3V 3QQ
Auditor	Gerald Edelman 73 Cornhill London EC3V 3QQ

OA HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Profit and loss account	7
Statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 27

OA HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report for the year ended 31 March 2017.

Principal Activity and Review of the Business

The principal activity of the group continued to be that of managing London Oxford Airport.

The year ended 31 March 2017 was another successful period in terms of aircraft activity which once again showed improvement on the previous year in commercial aircraft movements, including notably jet movements increased by 6.5% year on year.

During the year the Airside Operations team progressed work on the Airspace Change Project and full upgrade of Navigational Procedures working closely with the Project Team for Brize Norton to ensure a combined and efficient airspace surrounding both Airports. The project was successful in being awarded a funding grant to contribute around 25% of the costs.

Hangar demand increased throughout the year, as was the consensus with peer airports. By year end London Oxford Airport was consistently at full capacity requiring careful management of available hangar space in order to accommodate both resident and non-resident aircraft. This increased demand has initiated strategic planning with design work being completed for 1 hangar project (construction scheduled to complete during 2018) and in progress for the development of 2 major zones at the Airport.

Future Outlook

Regulatory and safety compliance remain the number one priority of the airport as we strive to maintain a seamless VIP service and overall customer experience for business and private customers alike. We continue to invest in all manners of infrastructure, security and technology in order to ensure we offer first class services and facilities to all airport users.

Following another satisfactory year, the directors are confident about the prospects for the future and thank the staff and many business partners for all their efforts during the year.

Key performance indicators

Total revenue

Total revenue in the year posted strong growth at £9.866m (2016: £9.097m). A focus on delivering a first class VIP customer experience continues to drive this result.

Operating Profit

Operating profit was £0.523m (2016: £0.387m loss) mainly as a result of headline growth in revenues from aeronautical charges.

Cash at bank and in hand

Available cash increased in the year to £951k (2016: £696k) mainly due to increased sales revenue, management of debtor days and solid cash collection.

OA HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Our people

Our people are central to our aim of being the Thames Valley area's primary regional and business aviation airport, the only commercial airport between London Heathrow and Birmingham. We recruit, train and remunerate to attract the best professionals to enhance organisational performance. Our people include administration personnel that are key to supporting the operational and management team. Performance is actively monitored and upon achievement of certain targets employees benefit from appropriate financial incentives. The group also operates a defined contribution pension scheme.

Environment and society

The group is committed to the goals of environmental sustainability and accountability. We are conscious of our operating environment and the effect our activities can have on neighbouring communities. There are appropriate environmental policies and waste disposal contracts in place and noise surveys are conducted on a regular basis.

On behalf of the board



P C O'Driscoll

Director

7 December 2017

OA HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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

Principal activities

The principal activity of the company continued to be that of a holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P C O'Driscoll
S Nahum
J A Reuben

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to 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 of which the auditors of the company and group are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditors of the company and group are aware of that information.

OA HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources and support available from its parent undertaking to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies of the financial statements.

On behalf of the board



P C O'Driscoll

Director

7 December 2017

OA HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OA HOLDINGS LIMITED

We have audited the financial statements of OA Holdings Limited for the year ended 31 March 2017 set out on pages 7 to 27. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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 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 group's and the parent 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 annual 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

OA HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OA HOLDINGS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Stephen Coleman ACA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

7 December 2017

Chartered Accountants
Statutory Auditor

OA HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £'000	2016 £'000
Turnover	3	9,866	9,097
Cost of sales		(2,515)	(2,571)
Gross profit		<u>7,351</u>	<u>6,526</u>
Administrative expenses		(6,828)	(6,913)
Operating profit/(loss)	4	523	(387)
Interest payable and similar expenses	8	(6,177)	(5,773)
Loss before taxation		<u>(5,654)</u>	<u>(6,160)</u>
Taxation	9	855	-
Loss for the financial year		<u><u>(4,799)</u></u>	<u><u>(6,160)</u></u>

Loss for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

OA HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	2017 £'000	2016 £'000
Loss for the year	(4,799)	(6,160)
Other comprehensive income		
Tax relating to other comprehensive income	516	859
Total comprehensive income for the year	<u>(4,283)</u>	<u>(5,301)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

OA HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	11	52,386	53,654
Current assets			
Stocks	14	131	101
Debtors	15	7,947	6,580
Cash at bank and in hand		951	696
		<u>9,029</u>	<u>7,377</u>
Creditors: amounts falling due within one year	16	<u>(14,768)</u>	<u>(13,228)</u>
Net current liabilities		<u>(5,739)</u>	<u>(5,851)</u>
Total assets less current liabilities		46,647	47,803
Creditors: amounts falling due after more than one year	17	(90,337)	(86,694)
Provisions for liabilities	19	(182)	(698)
Net liabilities		<u>(43,872)</u>	<u>(39,589)</u>
Capital and reserves			
Called up share capital	21	200	200
Profit and loss reserves		<u>(44,072)</u>	<u>(39,789)</u>
Total equity		<u>(43,872)</u>	<u>(39,589)</u>

The financial statements were approved by the board of directors and authorised for issue on 7 December 2017 and are signed on its behalf by:



P C O'Driscoll
Director

OA HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £'000	£'000	2016 £'000	£'000
Fixed assets					
Investments	12		1		1
Current assets					
Debtors	15	66,931		68,301	
Creditors: amounts falling due within one year	16	(11,569)		(10,380)	
Net current assets			55,362		57,921
Total assets less current liabilities			55,363		57,922
Creditors: amounts falling due after more than one year	17		(90,337)		(86,694)
Net liabilities			(34,974)		(28,772)
Capital and reserves					
Called up share capital	21		200		200
Profit and loss reserves			(35,174)		(28,972)
Total equity			(34,974)		(28,772)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £6,202,000 (2016: £5,793,387 loss)

The financial statements were approved by the board of directors and authorised for issue on 7 December 2017 and are signed on its behalf by:



P C O'Driscoll
Director

Company Registration No. 06311845

OA HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2015		200	(34,488)	(34,288)
Year ended 31 March 2016:				
Loss for the year		-	(6,160)	(6,160)
Other comprehensive income:				
Tax relating to other comprehensive income		-	859	859
Total comprehensive income for the year		-	(5,301)	(5,301)
Balance at 31 March 2016		200	(39,789)	(39,589)
Year ended 31 March 2017:				
Loss for the year		-	(4,799)	(4,799)
Other comprehensive income:				
Tax relating to other comprehensive income		-	516	516
Total comprehensive income for the year		-	(4,283)	(4,283)
Balance at 31 March 2017		200	(44,072)	(43,872)

OA HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2015		200	(23,179)	(22,979)
Year ended 31 March 2016:				
Loss and total comprehensive income for the year		-	(5,793)	(5,793)
Balance at 31 March 2016		200	(28,972)	(28,772)
Year ended 31 March 2017:				
Loss and total comprehensive income for the year		-	(6,202)	(6,202)
Balance at 31 March 2017		200	(35,174)	(34,974)

OA HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	25		1,845		2,544
Investing activities					
Purchase of tangible fixed assets		(255)		(3,657)	
Proceeds on disposal of tangible fixed assets		15		13	
Net cash used in investing activities			(240)		(3,644)
Financing activities					
Proceeds of new bank loans		-		1,300	
Repayment of bank loans		(1,350)		-	
Net cash (used in)/generated from financing activities			(1,350)		1,300
Net increase in cash and cash equivalents			255		200
Cash and cash equivalents at beginning of year			696		496
Cash and cash equivalents at end of year			951		696

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

OA Holdings Limited ("the company") is a limited company incorporated in England and Wales. The registered office is 73 Cornhill, London EC3V 3QQ.

The group consists of OA Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of OA Holdings Limited and all of its subsidiaries (ie. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The directors have prepared these financial statements on a going concern basis, notwithstanding that there is a deficiency of assets as at 31 March 2017 amounting to £43,872,000 (2016: £39,589,000), the validity of which is dependent on the continued support of the company's parent undertaking and ultimate controlling parties. The financial statements do not include any adjustments that would result from discontinuance of their financial support. On this basis, the directors consider that it is appropriate for the financial statements to be prepared on the going concern basis.

1.4 Turnover

Turnover represents amounts receivable and invoiced, for the provision of aircraft handling services and management of the airport, net of VAT and trade discounts. Turnover is recognised on service provision.

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	10-50 years
Fixtures, fittings & equipment	3-10 years
Motor vehicles	3-15 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £'000	2016 £'000
Turnover	9,866	9,097

4 Operating profit/(loss)

	2017 £'000	2016 £'000
--	---------------	---------------

Operating profit/(loss) for the year is stated after charging/(crediting):

Depreciation of owned tangible fixed assets	1,520	1,635
(Profit)/loss on disposal of tangible fixed assets	(12)	75
Amortisation of intangible assets	-	196
Cost of stocks recognised as an expense	2,066	2,217

5 Auditor's remuneration

	2017 £'000	2016 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	21	20

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Airport staff	75	72	3	3

Their aggregate remuneration comprised:

	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Wages and salaries	2,624	2,467	25	20
Social security costs	264	247	-	-
Pension costs	99	117	-	-
	2,987	2,831	25	20

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Directors' remuneration

	2017 £'000	2016 £'000
Remuneration for qualifying services	25	20

8 Interest payable and similar expenses

	2017 £'000	2016 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on loans	4,993	4,589
Interest on preference shares	1,184	1,184
	6,177	5,773
Total finance costs	6,177	5,773

9 Taxation

	2017 £'000	2016 £'000
Deferred tax		
Origination and reversal of timing differences	(855)	-

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £'000	2016 £'000
Loss before taxation	(5,654)	(6,160)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(1,131)	(1,232)
Tax effect of expenses that are not deductible in determining taxable profit	235	291
Tax effect of utilisation of tax losses not previously recognised	(279)	-
Unutilised tax losses carried forward	-	838
Effect of change in corporation tax rate	45	-
Additional losses recognised to offset excess capital allowances	-	(97)
Depreciation	136	200
Losses recognised	(922)	-
Losses not recognised	1,061	-
Tax expense for the year	(855)	-

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017 £'000	2016 £'000
Deferred tax arising on: Revaluation of property	(516)	(859)

10 Intangible fixed assets

Group	Goodwill £'000
Cost	
At 1 April 2016 and 31 March 2017	324
Amortisation and impairment	
At 1 April 2016 and 31 March 2017	324
Carrying amount	
At 31 March 2017	-
At 31 March 2016	-

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Tangible fixed assets

Group	Land and buildings Freehold	Assets under construction	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2016	55,708	206	5,917	765	62,596
Additions	(12)	170	87	10	255
Disposals	-	-	(6)	(63)	(69)
Reclassification	18	(58)	40	-	-
At 31 March 2017	55,714	318	6,038	712	62,782
Depreciation and impairment					
At 1 April 2016	6,443	-	2,290	209	8,942
Depreciation charged in the year	865	-	582	73	1,520
Eliminated in respect of disposals	-	-	(3)	(63)	(66)
At 31 March 2017	7,308	-	2,869	219	10,396
Carrying amount					
At 31 March 2017	48,406	318	3,169	493	52,386
At 31 March 2016	49,265	206	3,627	556	53,654

The company had no tangible fixed assets at 31 March 2017 or 31 March 2016.

12 Fixed asset investments

	Notes	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Investments in subsidiaries	13	-	-	1	1

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Oxford Aviation Services Limited*	England & Wales	Managing London Oxford Airport	Ordinary	100.00
OA Acquisitions Limited	England & Wales	Intermediate holding company	Ordinary	100.00

* Indirect holding through subsidiary

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

14 Stocks

	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Finished goods and goods for resale	131	101	-	-

15 Debtors

	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Amounts falling due within one year:				
Trade debtors	1,199	1,203	-	-
Amount due from parent undertaking	5,000	5,000	5,000	5,000
Amounts due from subsidiary undertakings	-	-	61,931	63,301
Other debtors	80	97	-	-
Prepayments and accrued income	813	280	-	-
	7,092	6,580	66,931	68,301

Amounts falling due after more than one year:

Deferred tax asset (note 19)	855	-	-	-
------------------------------	-----	---	---	---

Total debtors	7,947	6,580	66,931	68,301
----------------------	--------------	--------------	---------------	---------------

16 Creditors: amounts falling due within one year

	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Trade creditors	798	905	-	-
Other taxation and social security	220	279	-	-
Other creditors	12,106	10,742	11,544	10,360
Accruals and deferred income	1,644	1,302	25	20
	14,768	13,228	11,569	10,380

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

17 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Loans	18	75,537	71,894	75,537	71,894
Other borrowings	18	14,800	14,800	14,800	14,800
		<u>90,337</u>	<u>86,694</u>	<u>90,337</u>	<u>86,694</u>

18 Loans and overdrafts

	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Other loans	75,537	71,894	75,537	71,894
Preference shares	14,800	14,800	14,800	14,800
	<u>90,337</u>	<u>86,694</u>	<u>90,337</u>	<u>86,694</u>
Payable after one year	<u>90,337</u>	<u>86,694</u>	<u>90,337</u>	<u>86,694</u>

The loan is secured over the group's assets.

The preference shares have the right to receive a fixed cumulative preferential dividend at a rate of 8% per annum. Any unpaid preference dividends shall be carried forward each year and become a debt due from and immediately payable by the company in respect of each preference share held, to the extent that the company has profits available for distribution.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £'000	Liabilities 2016 £'000	Assets 2017 £'000	Assets 2016 £'000
Group				
Accelerated capital allowances	-	733	(716)	-
Tax losses	-	(733)	1,571	-
Revaluations	182	698	-	-
	<u>182</u>	<u>698</u>	<u>855</u>	<u>-</u>

The company has no deferred tax assets or liabilities.

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

19 Deferred taxation

(Continued)

	Group 2017 £'000
Movements in the year:	
Liability at 1 April 2016	698
Credit to other comprehensive income	(516)
Liability at 31 March 2017	<u>182</u>

The deferred tax liability arising on timing differences on capital allowances has been offset by deferred tax asset for taxable losses in the accounts.

20 Retirement benefit schemes

	2017 £'000	2016 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>99</u>	<u>117</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

* 21 Share capital

	Group and company	
	2017 £'000	2016 £'000
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary A share of £1 each	100	100
100,000 Ordinary B share of £1 each	100	100
	<u>200</u>	<u>200</u>

The "A" shares and "B" shares are ranked pari passu in relation to each other in all respects.

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

22 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Within one year	37	23	-	-
Between two and five years	28	29	-	-
	<u>65</u>	<u>52</u>	<u>-</u>	<u>-</u>

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Within one year	2,631	2,598	-	-
Between two and five years	4,251	6,554	-	-
In over five years	831	1,159	-	-
	<u>7,713</u>	<u>10,311</u>	<u>-</u>	<u>-</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2017	2016
	£'000	£'000
Aggregate compensation	<u>25</u>	<u>20</u>

OA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

23 Related party transactions

(Continued)

The group and company have taken advantage of the exemption available in FRS102 not to disclose transactions with wholly owned subsidiaries within the group.

Included within other creditors is a balance of £262,322 (2016: £62,210) due to Aldersgate Investments Limited, an entity under common control.

Included in administration expenses is £25,000 (2016: £20,000) paid by the company to Siren Capital London Limited for director services provided by J A Reuben.

During the year the group was recharged costs of £1,484 (2016: £1,354) and management fees of £100,000 (2016: £375,000) by Motcomb Estates Limited, a company with a common director.

Included within creditors falling due after more than one year is a loan amount of £75,536,701 (2016: £71,894,575) due to TFB (Mortgages) Designated Activity Company, a company registered in Ireland which is under common control. Interest of £4,992,126 (2016: £4,589,387) was charged during the period.

24 Controlling party

The immediate parent company is Alnwick Estates Limited, a company registered in the British Virgin Islands. The ultimate parent company is Omaha Business Holdings Corp., a company registered in the British Virgin Islands whose registered office address is 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, BVI.

25 Cash generated from group operations

	2017 £'000	2016 £'000
Loss for the year after tax	(4,799)	(6,160)
Adjustments for:		
Taxation credited	(855)	-
Finance costs	6,177	5,773
(Gain)/loss on disposal of tangible fixed assets	(12)	75
Amortisation and impairment of intangible assets	-	196
Depreciation and impairment of tangible fixed assets	1,520	1,635
Movements in working capital:		
(Increase)/decrease in stocks	(30)	37
(Increase)/decrease in debtors	(512)	260
Increase in creditors	356	728
Cash generated from operations	1,845	2,544