

FAIRFORD CAPITAL LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

FAIRFORD CAPITAL LIMITED

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FAIRFORD CAPITAL LIMITED

COMPANY INFORMATION

Director	M S Bradfield
Registered number	07726595
Registered office	20 Old Bailey London EC4M 7EG
Accountants	Blick Rothenberg Limited Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH

FAIRFORD CAPITAL LIMITED**BALANCE SHEET****AS AT 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Investments	4	2,409,763	4,769,658
Current assets			
Debtors: amounts falling due after more than one year	6	535,000	660,000
Debtors: amounts falling due within one year	6	63,120	69,149
Current asset investments	5	1,567,454	1,806,914
Cash at bank and in hand		188,612	368,012
		<u>2,354,186</u>	<u>2,904,075</u>
Creditors: amounts falling due within one year	7	(120,203)	(16,201)
Net current assets		<u>2,233,983</u>	<u>2,887,874</u>
Total assets less current liabilities		<u>4,643,746</u>	<u>7,657,532</u>
Creditors: amounts falling due after more than one year	8	(11,146,414)	(11,515,033)
Net liabilities		<u><u>(6,502,668)</u></u>	<u><u>(3,857,501)</u></u>

FAIRFORD CAPITAL LIMITED**BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		(6,502,669)	(3,857,502)
Total equity		<u>(6,502,668)</u>	<u>(3,857,501)</u>

The director considers that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The 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 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the sole director.

M S Bradfield

Director

Date: 29 September 2020

The notes on pages 4 to 11 form part of these financial statements.

FAIRFORD CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

Fairford Capital Limited is a private company limited by shares incorporated in England and Wales. Its registered office is 20 Old Bailey, London, EC4M 7EG.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The company is the parent undertaking of a small group and as such is not required by Section 399 of the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Going concern

At 30 September 2019 the company incurred a loss for the year of £2,645,167 (2018: £587,525) and had net liabilities of £6,502,668 (2018: £3,857,501). The company is dependent upon the continued financial support of its shareholder. The shareholder has provided a letter of support for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the director has a reasonable expectation that the company has adequate resources to continue in operational existence and meets its liabilities as they fall due for the foreseeable future, and he therefore continues to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue comprises dividend income and the net trading result of dealing in bonds and securities which are classified as current asset investments.

2.4 Valuation of investments

Investment in the subsidiary is measured at cost less accumulated impairment. Other fixed asset investments comprise equities, bonds and other securities. These are measured at fair value where such a value is available and reliable. If no such value is available investments are measured at cost less impairment.

2.5 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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 company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

FAIRFORD CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and intercompany financing are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the 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.

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 the profit or loss account.

Financial liabilities

Basic financial liabilities, including trade and other creditors and other loans, 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 payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

FAIRFORD CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets 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 profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the 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.

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 and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

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.

2.6 Current asset investments

Current asset investments represent equities, bonds and other securities held for resale and are stated at fair value.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

FAIRFORD CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income or interest payable and similar expenses'. All other foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

2.9 Finance costs

Finance costs are charged to the profit and loss account 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.

2.10 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

FAIRFORD CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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. 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 5 (2018 - 5).

FAIRFORD CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

4. Fixed asset investments

	Investments in subsidiary company £	Unlisted investments £	Total £
Cost or valuation			
At 1 October 2018	3,479,179	2,005,410	5,484,589
Additions	-	15,086	15,086
Disposals	-	(77,533)	(77,533)
Revaluations	-	(14,810)	(14,810)
At 30 September 2019	3,479,179	1,928,153	5,407,332
Impairment			
At 1 October 2018	714,931	-	714,931
Charge for the period	2,282,638	-	2,282,638
At 30 September 2019	2,997,569	-	2,997,569
Net book value			
At 30 September 2019	481,610	1,928,153	2,409,763
At 30 September 2018	2,764,248	2,005,410	4,769,658

The investment in the subsidiary company comprises equity of \$880,000 and loans of \$4,555,000.

The company has taken an impairment charge for the year of £2,282,638 in relation to the investments in the subsidiary company, following underlying losses and in order that the investment is stated at its estimated recoverable amount.

5. Current asset investments

	2019 £	2018 £
Listed investments	1,567,454	1,806,914

FAIRFORD CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

6. Debtors: amounts falling due within one year

	2019 £	2018 £
Due after more than one year		
Other debtors	<u>535,000</u>	<u>660,000</u>
Due within one year		
Other debtors	56,164	61,501
Prepayments and accrued income	6,956	7,648
	<u>63,120</u>	<u>69,149</u>

Included within other debtors is an amount of £535,000 that is due in more than one year. Interest is charged at a rate of 3% per annum.

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	3,918	-
Accruals and deferred income	116,285	16,201
	<u>120,203</u>	<u>16,201</u>

8. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other loans	<u>11,146,414</u>	<u>11,515,033</u>

FAIRFORD CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. Share capital

	2019 £	2018 £
Shares classified as equity		
Allotted, called up and fully paid		
1 (2018 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

10. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>3,495,606</u>	<u>3,812,324</u>

Financial assets measured at fair value through profit or loss comprise listed investments, this being the closing price of each individual holding. In the year ended 30 September 2019 the increase in fair value of these investments included in the profit and loss account was £167,841 (2018 - £578,978).

11. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.