Company Registration Number: C 61079

FAIRWINDS MANAGEMENT LIMITED

Annual Report and Financial Statements
31 December 2015

Contents

Directors' Report

The directors present their report and the audited financial statements of Fairwinds Management Limited for the year ended 31 December 2015.

Principal Activity

The principal objective of the company is to provide incorporation and related activities.

Performance Review

The company registered a profit before tax of €4,087, which is mainly due to the increase in the company's operations for the year. The directors expect that the present level of activity and profitability will be improved in the foreseeable future.

Post Balance Sheet Events

There were no particular important events affecting the company which occurred since the end of the accounting period.

Directors

The following are the details of individuals who have served as directors of the company during the year under review:

Adrian Sciberras
Charlene Sciberras

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or profit of the company for that period. In preparing these, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

Directors' Report – continued

Directors' Responsibilities – continued

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, 1995 enacted in Malta. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial reporting framework

The directors have resolved to prepare the company's financial statements for the year ended 31 December 2015 in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations.

Auditor

Busuttil & Micallef have intimated their willingness to continue in office. A proposal to reappoint Busuttil & Micallef as auditors of the company will be put to the General Meeting.

Approved and signed by the directors on 20 September 2016.

Adrian Sciberras
Director

Charlene Sciberras
Director

Fairwinds Management Limited
Abacus Business Centre,
Level 1, Dun Karm Street,
B'Kara Bypass,
Birkirkara BKR 9037
Malta

Independent Auditor's Report

To the members of **Fairwinds Management Limited**

We have audited the accompanying financial statements of Fairwinds Management Limited set out on pages 5 to 16, which comprise the balance sheet as of 31 December 2015, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

This report is made solely to the company's members, as a body, in accordance with Article 179 of the Companies Act 1995. 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 opinion we have formed.

Directors' Responsibility for the Financial Statements

As also described in the statement of directors' responsibilities on pages 1 and 2, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report – continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with General Accounting Principles for Smaller Entities.

Other Matter

The financial statements of Fairwinds Management Limited for the year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 26 June 2015.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been properly prepared in accordance with the Companies Act (Chap. 386), enacted in Malta, which permits compliance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations, for qualifying entities as prescribed in those regulations.

Hector Spiteri
Partner

For and on behalf of
Busuttil & Micallef
Certified Public Accountants

Nr. 11, "L-Ufficcji"
Misrah 28 ta' Frar 1883
Birkirkara
BKR1501
Malta

20 September 2016

Income Statement

	Notes	Year ended 31 December 2015 €	2014 €
Revenue	3	**251,817**	97,914
Direct costs		**(138,995)**	(30,718)
Gross profit		**112,822**	67,196
Administrative expenses		**(108,735)**	(67,159)
Profit before tax	4	**4,087**	37
Income taxes	5	**(1,430)**	(13)
Profit for the year		**2,657**	24

Balance Sheet

	Notes	As at 31 December 2015 €	2014 €
ASSETS			
Non-current assets			
Property, plant and equipment	6	**13,874**	4,733
Current assets			
Trade and other receivables	7	**39,753**	9,625
Cash and cash equivalents	11	**2,631**	527
		42,384	10,152
Total assets		**56,258**	14,885

Balance Sheet – continued

	Notes	As at 31 December 2015 €	2014 €
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**5,000**	5,000
Retained earnings	9	**2,681**	24
Total equity		**7,681**	5,024
Non-current liabilities			
Trade and other payables	10	**22,440**	7,474
Current liabilities			
Trade and other payables	10	**24,707**	2,374
Current taxation		**1,430**	13
		26,137	2,387
Total equity and liabilities		**56,258**	14,885

The financial statements set out on pages 5 to 16 were approved, authorised for issue and signed by the directors on 20 September 2016.

Adrian Sciberras
Director

Charlene Sciberras
Director

Statement of Changes in Equity

	Share capital €	Retained earnings €	Total €
Issue of share capital	5,000	-	5,000
Profit for the period	-	24	24
Balance at 31 December 2014	**5,000**	**24**	**5,024**
Balance at 1 January 2015	5,000	24	5,024
Profit for the year	-	2,657	2,657
Balance at 31 December 2015	**5,000**	**2,681**	**7,681**

Cash Flow Statement

	Note	Year ended 31 December 2015 €	2014 €
Cash flows from operating activities			
Profit before tax		**4,087**	37
Adjustment for:			
Depreciation		**2,684**	937
Changes in working capital			
Trade and other receivables		**(30,128)**	(9,625)
Trade and other payables		**14,384**	2,374
Net cash used in operations		**(8,973)**	(6,277)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(11,825)**	(5,670)
Cash flows from financing activities			
Issue of share capital		**-**	5,000
Advances from shareholder		**14,953**	3,474
Advances from related parties		**7,949**	4,000
Net cash generated from financing activities		**22,902**	12,474
Net increase in cash and cash equivalents		**2,104**	527
Cash and cash equivalents at beginning of year		**527**	-
Cash and cash equivalents at end of year	11	**2,631**	527

Notes to the Financial Statements

1 Basis of preparation

1.1 Statement of compliance

The financial statements of Fairwinds Management Limited have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSE").

The previous financial statements were prepared for 18 month period from 11 July 2013 to 31 December 2014. As a result of this, the comparative amounts for the income statement, changes in equity, cash flow and related notes are not comparable.

1.2 Basis of measurement

The financial statements are prepared on the historical cost basis.

1.3 Functional and presentation currency

The financial statements are presented in Euro (€), which is the company's functional currency.

2 Significant accounting policies

2.1 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment may be carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses.

After initial recognition land and buildings are carried under the revaluation model. Other property, plant and equipment are carried under the cost model.

2 Significant accounting policies – continued

2.1 Property, plant and equipment - continued

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Section 24 of GAPSE or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or profit.

The rates of depreciation used are the following:

- Computer and electronic equipment - 25% per annum straight line
- Furniture and fixtures - 10% per annum straight line

2.2 Financial assets and financial liabilities

Trade and other receivables

Trade and other receivables are carried at cost less any impairment profites.

Trade and other payables

Trade and other payables are stated at their nominal value.

2.3 Cash and cash equivalents

Cash comprises cash at hand and demand deposits.

2.4 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or profit except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the period, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

2 Significant accounting policies - continued

2.4 Income taxes – continued

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or profit, and it is probable that those temporary differences will not reverse in the foreseeable future. Deferred tax assets for the carry forward of unused tax profites are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax profites can be utilised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

2.5 Income

Revenue is recognised upon performance of service and is reported in the financial statements as revenue, net of VAT and discounts.

2.6 Share capital and dividends

Ordinary shares are classified as equity.

Dividend distribution to the company's shareholder is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholder.

3 Revenue

Revenue is derived from incorporation services and related activities, and is analysed as follows:

	2015	2014
	€	€
Rendering of services	**251,817**	97,914

4 Profit before tax

4.1 Profit before tax is stated after charging the following:

	2015	2014
	€	€
Auditor's remuneration	**1,500**	1,000
Director remuneration	**10,000**	6,000
Depreciation (Note 6)	**2,684**	937

4.2 Staff costs incurred during the year are analysed as follows:

	2015	2014
	€	€
Salaries	**25,345**	-
Wage allowances	**1,113**	-
Social security costs	**2,440**	-
	28,898	-

5 Income taxes

	2015	2014
	€	€
5.1 Current tax:		
At 35%	**1,430**	13

5.2 The tax expense and the result of accounting profit multiplied by the statutory domestic income tax rate is reconciled as follows:

	2015	2014
	€	€
Profit before taxation	**4,087**	37
Tax at the applicable statutory rate of 35%	**1,430**	13

6 Property, plant and equipment

	Computer and electronic equipment €	Furniture and fixtures €	Total €
Movements for the period ended 31 December 2014			
Additions	2,467	3,203	5,670
Depreciation charge	(617)	(320)	(937)
Closing net book amount	1,850	2,883	4,733
At 31 December 2014			
Cost	2,467	3,203	5,670
Accumulated depreciation	(617)	(320)	(937)
Net book amount	**1,850**	**2,883**	**4,733**
Movements for the year ended 31 December 2015			
Opening net book amount	1,850	2,883	4,733
Additions	3,761	8,064	11,825
Depreciation charge	(1,557)	(1,127)	(2,684)
Closing net book amount	4,054	9,820	13,874
At 31 December 2015			
Cost	6,228	11,267	17,495
Accumulated depreciation	(2,174)	(1,447)	(3,621)
Net book amount	**4,054**	**9,820**	**13,874**

7 Trade and other receivables

Current assets	2015 €	2014 €
Trade receivables	**38,044**	8,783
Other receivables	**1,709**	842
	39,753	9,625

8 Share capital

	2015 €	2014 €
Authorised		
5,000 Ordinary shares of € 1 each	**5,000**	5,000
Issued and fully paid up		
5,000 Ordinary shares of € 1 each	**5,000**	5,000

9 Retained earnings

Retained earnings represent profits incurred during the first two years.

10 Trade and other payables

10.1 Non-current liabilities

	Note	2015 €	2014 €
Amounts due to shareholder	12.1	**22,440**	7,474

10.2 Current liabilities

	2015 €	2014 €
Trade payables	**10,101**	531
Amount due to related parties	**7,949**	-
Other payables	**5,157**	843
Accrued expenses and deferred income	**1,500**	1,000
	24,707	2,374

11 Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2015	2014
	€	€
Cash at bank and in hand	**2,631**	527

12 Related party transactions

12.1 Transactions with related parties	Notes	Transaction value year ended 31 December		Balance outstanding As at 31 December	
		2015	2014	**2015**	2014
		€	€	**€**	€
Sale of services					
Other related parties		**1,000**	2,757	-	-
Financing transactions					
Advances from shareholder	12.2	**(105,013)**	(19,390)	**(22,440)**	(7,474)
Expenses					
Other related parties	12.3	**(43,946)**	(41,885)	**(7,949)**	-

12.2 The amounts owed to shareholder are unsecured, interest free and repayable on demand, however it is not expected to be settled within the next twelve months.

12.3 The amounts due to related company are unsecured, interest free and repayable on demand.

13 Statutory information

Fairwinds Management Limited is a private limited company and is registered in Malta.

The ultimate parent company of Fairwinds Management Limited is Business Concept International PLC, a company registered in Malta.

14 Comparative information

Certain comparative information has been reclassified to conform with the current year disclosure for the purpose of fairer presentation.

Income Statement

	Year ended 31 December	
	2015	2014
	€	€
Revenue	**251,817**	97,914
Direct costs	**(138,995)**	(30,718)
Gross profit	**112,822**	67,196
Administrative expenses	**(108,735)**	(67,159)
Profit before tax	**4,087**	37

Direct costs

	Year ended 31 December	
	2015	2014
	€	€
Director cost - disbursements	**96,121**	-
Director's remuneration	**10,000**	6,000
Subcontracting	**3,976**	24,718
Salaries	**28,898**	-
	138,995	30,718

Administrative expenses

	Year ended 31 December	
	2015	2014
	€	€
Accounting fees	**6,000**	-
Advertising and promotions	**13,674**	3,491
Audit fee	**1,500**	1,000
Bank charges	**411**	126
Depreciation	**2,684**	937
Insurance	**531**	-
Legal fees	**-**	250
Miscellaneous expenses	**598**	85
Office administration	**28,259**	24,234
Postage	**583**	214
Printing and stationery	**745**	1,186
Professional fees	**39,022**	34,700
Realised exchange differences	**241**	-
Repairs and maintenance	**4,399**	90
Staff welfare	**4,140**	-
Subscriptions	**2,312**	-
Training costs	**1,637**	666
Travelling expenses	**1,999**	180
	108,735	67,159