Jet2.com Limited

Report and Accounts

For the year ended 31 March 2020

Registered No: 02739537

CONTENTS

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Philip Meeson	Executive Chairman	
Stephen Heapy	Chief Executive Officer	
Gary Brown	Chief Financial Officer	
Philip Ward	Managing Director	
Richard Chambers	Human Resources Director	
Sean Ablett	Contact Centre Director	
Ian Brooks	Procurement Director	Appointed 7 May 2019
Ian Day	Legal Director	
Paul Dobson	Director - Flight Operations	
Ian Doubtfire	Business Development Director	
Gavin Forth	Marketing Director	
Stephen Guy	Procurement Director	Resigned 2 August 2019
Christopher Hubbard	Director of Engineering & Maintenance	
Gary Isaacs	Chief Information Officer	
Stephen Lee	Commercial Director	Resigned 9 March 2020
Adam Mulroy	Revenue Director	

SECRETARY AND REGISTERED OFFICE

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AUDITOR

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BANKERS

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Newcastle upon Tyne

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HSBC Bank plc
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Leeds
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SOLICITORS

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STRATEGIC REPORT

THE BUSINESS

Jet2.com Limited (the "Company") is the parent of ***Jet2holidays*** Limited and together form one single "Leisure Travel" business. The Company is a subsidiary of Dart Group plc, which is fully committed to the continued growth and development of its Leisure Travel business.

Despite the fact that ***Jet2.com*** had to suspend its flying programme in mid-March 2020 due to the travel restrictions imposed by governments across Europe as a result of the spread of Covid-19, the Leisure Travel business still achieved overall single sector flown passenger growth of 14% to 14.62m (2019: 12.82m). Customers choosing our end-to-end package holiday product increased by 19% to 3.77m (2019: 3.17m), while single sector passengers choosing our important flight-only product increased by 9% to 7.06m (2019: 6.49m), which contributed to a **Profit before hedge ineffectiveness, FX revaluation and taxation** of £252.4m (2019: £154.8m), an increase of 63%.

Exceptional item – The impact of Covid-19 means that both the flying and holiday programmes expected to be operated in the first half of the financial year ending 31 March 2021, are significantly lower than that on which the hedging programme for jet fuel and foreign currency was originally based. As a consequence, the Group has recorded a net exceptional charge of £108.4m relating to ineffectiveness on a proportion of its hedging instruments in the financial year ended 31 March 2020 results.

After accounting for this net exceptional charge, statutory **Profit before taxation** declined by 2% to £132.3m (2019: £134.9m).

We take people on holiday! Jet2holidays is now the UK's largest tour operator to many Mediterranean and Canary Islands leisure destinations and ***Jet2.com*** is the UK's 3rd largest airline by number of passengers flown.

Our "Customer First" strategy has remained consistent and is what has driven ***Jet2***'s continuing success. The delivery of great service is at the core of ***Jet2holidays*** and ***Jet2.com*** brand values as we recognise that, whether taking end-to-end ***Real Package Holidays™*** with ***Jet2holidays***, or a seat-only holiday flight with ***Jet2.com***, the delivery of an attractive and memorable holiday experience engenders loyalty and repeat bookings.

We have learnt that, even when times are tough and disposable incomes tight, one of the very last discretionary items to be sacrificed is the family holiday. Therefore, we have an operating model, product portfolio and hotel supply chain that are able to provide a variety of holiday experiences, plus a wide choice of holiday durations, accommodation and board basis, all vital ingredients to cater for our customers' differing budget requirements.

As a vertically integrated leisure travel provider, we are fully in control of our airline seat supply. Together with our overall customer volumes, this allows us to optimise load factors which are consistently above 90% whilst serving many destinations daily, and others several times a week, offering a great choice of truly variable duration holidays at affordable prices, delivering the flexibility that today's holidaymakers require.

A differentiated product offering, and continued innovation helps to make sure we are truly reflecting diversity in our product range, allowing us to meet our customers' evolving expectations:

- Our core **Beach product** offering is continually reviewed and refreshed, always ensuring that we satisfy our customers' desire for choice and quality, whilst carefully expanding our resorts presence. Encompassing a wide range of great value 2 to 5-star accommodation, catering for the young, not so young and families alike, many have adjacent waterparks and other great attractions included in the package, adding enjoyment and interest to the overall holiday experience.

STRATEGIC REPORT (continued)

- ***Jet2Villas™*** our ATOL protected ***Jet2.com*** **flight + 22kg baggage + car + villa package** launched in June 2017, enjoys all the package perks of ***Jet2holidays***, but with the freedom of a villa holiday. With a choice of over 2,400 properties ranging from individual self-catering villas with private pool, to hotel resort villas that make the best of both worlds, this product has proven more popular as each season passes.
- Our **Indulgent Escapes™** brand encompasses an exclusive collection of five-star hotels for those who want additional luxury and refinement, each property having been hand-picked for its unique appeal to different tastes and interests. This luxury holiday product, which is richly distinctive, has unsurpassed standards of service, décor and attention to detail, and continues to resonate with customers, both existing and new.
- ***Jet2CityBreaks®***, which offers an ATOL protected ***Jet2.com*** **flight + hotel package** to over 35 stunning European Leisure Cities, continues to grow profitably at an encouraging rate.

In November 2019, we launched a brand-new product, **Vibe by *Jet2holidays®***, specifically crafted for the growing millennial market, an audience which is often more about mindset than age or demographic. Whilst the new proposition focuses on younger customers and millennials, it has been tailored to meet the demands of a broad audience, including first-time holidaymakers, 'bucket listers', and the over-25s experience-driven market. We have great hopes for this new product and believe that many of its customers today will become the ***Jet2holidays*** families of the future!

End-to-end ***Real Package Holidays™*** are not easily replicated by non-specialists and take considerable organisation and attention to detail. In summer 2019, we employed nearly 700 in-resort customer helpers, backed up by 24-hour UK customer helplines, to give practical assistance in all eventualities. Together with convenient airport-to-hotel transfer services, everything is organised to make our customers' holidays easy and carefree. Additionally, behind the scenes, ***Jet2holidays*** employs over 1,200 colleagues developing product, marketing our brand, contracting & administering hotels, managing the finances, IT infrastructure and websites, and providing operational support - each and every one contributing an invaluable part to the process of ensuring that our customers have a fantastic holiday experience.

In July 2019, ***Jet2holidays*** was recognised as a *Which? Recommended Provider* for *"taking the bar for package holidays and raising it through the roof"*. Completed by thousands of *Which?* members, the survey is compiled based on several qualitative factors including, accommodation; customer service; description versus reality; the holiday representative; the organisation of the holiday; and value for money. In addition, ***Jet2.com*** was also recognised as a *Which? Recommended Provider* for the fourth consecutive year. We are very proud that our efforts to provide wonderful holiday experiences have been acknowledged in this way!

Of course, direct feedback from our loyal customers remains the most effective means of ensuring we continue to challenge ourselves to improve our overall holiday offering - there is always more we can do as we learn, evolve and grow. Pleasingly, our Net Promoter Scores for the rolling 12 month period to 31 March 2020 were consistently above +70 for both ***Jet2holidays*** and ***Jet2.com*** and our rebooking rates above 50% for the same period, a clear endorsement of the VIP experience we offer!

In summer 2019, ***Jet2.com*** flew 100 aircraft (summer 2018: 90 aircraft) from our nine UK bases. ***Jet2.com*** continues to lead the way in On-Time Performance ("OTP"), with monthly data published by OAG (the world's leading travel intelligence company) showing that we were the most punctual UK airline in 2019, as well as being placed in the Top 20 airlines in the world for OTP. In addition, we were very proud to be recognised in the Top 10 Airlines of the World and as both Best Airline – UK and Best Airline – Europe, at the TripAdvisor Travellers' Choice Awards 2019.

STRATEGIC REPORT (continued)

Additionally, in October 2019 the business acquired a portfolio of primarily peak summer airport slots at Manchester, Birmingham and London Stansted airports, to further improve our customers' experience through more attractive flight departure timings. Continuing to develop our network, we also acquired additional slots to the Greek Islands, allowing the introduction of new services to Kalamata, Santorini and Mykonos, plus increased flight frequency to some of our most sought-after Greek destinations.

The combined power of our proposition, product and people is what will fuel our ongoing success, as we constantly seek to improve our customers' holiday choice, experience and enjoyment, giving us the greatest opportunity to retain and attract new customers – the key to continuing profitable growth!

Our long-term ambition therefore remains – **To be the Leading UK Leisure Travel Business.**

RESULTS AND DIVIDENDS

Despite Leisure Travel customer booking trends for the summer 2019 season being later than in previous years, the growing awareness and appreciation of our leisure travel products meant that overall demand for both our higher margin package holiday product from ***Jet2holidays*** and our flight-only offering from ***Jet2.com*** remained resilient.

Jet2.com flew a total of 14.62m (2019: 12.82m) single sector passengers to and from sun, city and ski destinations, an increase of 14% and only slightly behind the seat capacity increase of 15%. As a result, average load factors were a healthy 92.2% as compared to the prior year of 92.8%. Encouragingly, package holiday customers represented 52% of overall flown passengers (2019: 49%).

Early summer 2019 experienced increased levels of promotional pricing to drive customer demand, succeeded by progressively stronger bookings in later summer and into the second half of the year, in part aided by a reduction in overall market seat capacity on short and medium haul beach routes.

Seizing this opportunity, ***Jet2.com*** expanded its route network by carefully replacing part of the market capacity reduction with incremental profitable flying, with customer demand remaining buoyant and associated ticket pricing strengthening. Consequently, average flight-only ticket yield per passenger sector at £85.59 (2019: £81.79) was 5% higher than the prior year.

The mix of customers taking shorter duration package holidays increased by 1ppt versus the prior year, with those choosing all-inclusive holidays increasing by 3ppts, as families opted for our great value 'Defined Price' offering. In addition, the mix of higher value 4 & 5-star packages improved by 2ppts. Together with increased airline ticket pricing and inflationary hotel room rate increases, the overall average price of a ***Jet2holidays*** package holiday increased to £687 (2019: £669).

Non-ticket retail revenue per passenger sector increased by 3% to £24.91 (2019: £24.07) primarily due to a strong in-flight retail sales performance for both existing and new products. This revenue stream, which is primarily discretionary in nature, continues to be optimised through our customer contact programme as we focus on continually developing our customer services.

As a result, overall revenue grew by 21% to £3,594.8m (2019: £2,964.2m), ahead of the growth in passenger numbers.

The Travel Industry in general faces many cost pressures in relation to fuel, carbon and other operating charges, together with the necessary continued investment in our own products and operations, including that required to attract and retain colleagues. As a result, total operating expenses (excluding the hedge ineffectiveness exceptional expense) increased by 19% to £3,328.2m (2019: £2,802.7m), ahead of both the passenger and activity increase.

STRATEGIC REPORT (continued)

The principal areas of cost increase ahead of activity were:

- Fuel and Carbon – a result of increased jet fuel and carbon costs per tonne;

  Agent commission – strategic investment with our travel agent partners resulted in the mix of trade bookings as a proportion of total bookings growing by 4ppts to over 28%, with an increase in associated commission levels paid;

- Colleague costs – we are keen to create the right environment for all our colleagues to thrive and are committed to delivering a balanced lifestyle. To achieve this, for our aircraft crews we launched our "Lifestyle 2020" programme, which was implemented in 2019 and continued into 2020. The substantial financial investment that this programme requires underlines our commitment to be a career airline of choice for all; and

- Depreciation – a result of incremental depreciation on right-of-use assets.

After incurring net financing expense of £3.6m (2019: £6.7m), the Group achieved a **Profit before hedge ineffectiveness, FX revaluation and taxation** of £252.4m (2019: £154.8m), an increase of 63%.

- **Exceptional item** – The Group operates under a clear set of treasury policies approved by the Board. The aim of our well-established hedging policy has been to reduce short-term volatility in earnings by hedging up to a maximum of 90 per cent. of projected jet fuel, euro and US dollar requirements for the next twelve months. The impact and timing of Covid-19 means that both the flying and holiday programmes expected to be operated in the first half of the financial year ending 31 March 2021 are significantly lower than that on which the hedging programme for jet fuel and foreign currency was originally based and therefore the Group has recorded a net exceptional charge of £108.4m relating to hedge ineffectiveness.

After accounting for this net exceptional charge, statutory **Profit before taxation** declined by 2% to £132.3m (2019: £134.9m).

PRINCIPAL RISKS AND UNCERTAINTIES

This section considers the principal risks and uncertainties which may affect the business's operations, its reputation, financial results and strategic objectives. This list is not intended to be exhaustive.

The Group considers its key risks to be those listed below. A further detailed description of each risk, along with its potential consequences and mitigating actions are as detailed on pages 16 to 27 of the Dart Group plc Annual Report & Accounts 2020:

- Health, Safety and Security
- Competition
- IT development and strategy (including failure of critical technology)
- Data Breach
- Economic conditions
- Liquidity and capital risk
- Input cost volatility, including carbon costs
- Government policy and regulatory intervention
- Legal / regulatory non-compliance

STRATEGIC REPORT (continued)

- Operational disruption
- Epidemic / Global Pandemic
- Brexit
- Recruitment and retention of talent

KEY PERFORMANCE INDICATORS

	2020	2019	*Change*
Number of routes operated during the year	**355**	329	*8%*
Leisure Travel sector seats available (capacity)	**15.85m**	13.81m	*15%*
Leisure Travel passenger sectors flown	**14.62m**	12.82m	*14%*
Leisure Travel load factor	**92.2%**	92.8%	*(0.6 ppts)*
Flight-only passenger sectors flown	**7.06m**	6.49m	*9%*
Package holiday customers	**3.77m**	3.17m	*19%*
Flight-only ticket yield per passenger sector (excl. taxes)	**£85.59**	£81.79	*5%*
Average package holiday price	**£687**	£669	*3%*
Non-ticket revenue per passenger sector	**£24.91**	£24.07	*3%*
Average hedged price of fuel (per tonne)	**$629**	$604	*4%*
Advance sales made as at 31 March	**£1,679.2m**	£1,734.5m	*(3%)*

OUTLOOK

We still face challenges as a result of the Covid-19 pandemic and therefore maintaining a healthy cash position remains our top priority. The decisions and actions we have taken since the reporting date have been guided by our commitment to maintain our responsible balance sheet management and carefully protect our cash balance, to enable the business to exit the Covid-19 period in a stable commercial position and to be able to capitalise on the upturn opportunity when it arrives.

Our business model remains unchanged - we will continue to dedicate significant resources to provide ***Real Package Holidays™*** and deliver wonderful holiday experiences with priceless memories, ensuring that the customer remains at the centre of everything we do. We believe that we have the right customer-focused strategy to grow both our package holiday and flight-only products. Whilst flight-only remains very important, our higher margin package holiday business has tremendous further potential as our reputation for providing ***'package holidays you can trust'™*** strengthens. This gives us every confidence that with our focused approach, our Customers will continue to be keen to travel with us from our Rainy Island to the sun spots of the Mediterranean, the Canary Islands and to European Leisure Cities and ***Jet2*** will emerge from this crisis an even stronger company.

Philip Meeson
Executive Chairman
14 August 2020

SECTION 172 STATEMENT

Section 172(1)(a) to (f) of the Companies Act 2006 ("s.172") requires a director of a company to act in the way which he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in so doing, to have regard (amongst other matters) to the following factors:

(a) the likely consequences of any decision in the long term;
(b) the interests of the Company's employees;
(c) the need to foster the Company's business relationships with customers, suppliers and others;
(d) the impact of the Company's operations on the community and the environment;
(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly as between members of the Company.

The Directors consider, both individually and collectively, that they have taken these factors into account when exercising their duty to promote the success of the ***Jet2.com*** Group during the year.

The Board ensures that its processes consider key stakeholders and that there is sufficient time, information and understanding to properly consider their interests when making decisions and considering their long term implications. Appropriate stakeholder engagement is achieved through various means: direct interaction by Board members; receiving reports from management who engage with stakeholders; and addressing specific stakeholder interests in papers which are presented to the Board.

Supported by the Company Secretary, the Board monitors the adequacy of the training received by all new and existing Directors on their duties, including those under s.172. The Board recognises that stakeholder groups will not remain static and can be affected by changes in strategy, legislation or business requirements and therefore these are regularly reviewed, along with the engagement mechanisms, to ensure they remain appropriate.

Detail on how the Board has had regard to the matters set out in s.172 and has engaged with key stakeholders during the year is set out below.

THE CONSEQUENCES OF DECISIONS IN THE LONG TERM

The leisure travel industry is dynamic and fast-moving and the Board needs to remain agile in order to respond to opportunities or emerging issues as they present themselves. The Directors fulfil their duties through a governance framework that delegates day-to-day decision-making to management of the ***Jet2.com*** Group, which reflects the highly regulated environment in which the Group operates. Nevertheless, the Board is mindful that many decisions will have a long-term impact, and that a number of its contractual commitments will remain with the Group for many years to come.

With Dart Group plc, the ultimate parent Company, having been founded by its Executive Chairman in 1983, the ***Jet2.com*** Board is also able to draw on his wealth of experience and awareness of the impact of decisions in the longer term, to assist in high quality and consistent outcomes.

SECTION 172 STATEMENT (continued)

THE INTERESTS OF THE GROUP'S COLLEAGUES

Further detail on how the Board engages with colleagues to create an environment where they are happy to work and which best supports their wellbeing, is set out in the Our People section of this Report and Accounts.

THE INTERESTS OF CUSTOMERS

We know that taking a holiday is one of the most important family experiences of the year. We therefore do our very best to ensure that each of our customers ***"has a lovely holiday"*** that can be both eagerly anticipated and fondly remembered, supported by our core principles of being family friendly, offering value for money and giving great customer service. Further information on our customer service proposition can be found on in the Corporate Responsibility section of this Report and Accounts.

THE INTERESTS OF SHAREHOLDERS

Jet2.com Limited is a wholly owned subsidiary of Dart Group plc. The Board of ***Jet2.com*** ensures active engagement with members of the Board of its parent Company throughout the year in order to ensure its actions are in the best interests of the wider Group.

THE INTERESTS OF SUPPLIERS

Further detail on how the Board engages with suppliers can be found in the Corporate Responsibility section of this Report and Accounts.

THE IMPACT ON THE COMMUNITY AND THE ENVIRONMENT

Further detail on how the Board engages with the community and considers the impact of the ***Jet2.com*** Group's operations on the environment can be found in the Corporate Responsibility section of this Report and Accounts.

HIGH STANDARDS OF BUSINESS CONDUCT

The Board recognises the importance of corporate governance, and a description of how the ultimate parent Company, Dart Group plc, has complied with the UK Corporate Governance Code 2018 can be found on pages 41 to 49 of the Dart Group plc Report and Accounts 2020. This level of compliance is mirrored in the behaviours of the ***Jet2.com*** Board, ensuring high standards of conduct at all levels.

The Board believes that modern slavery and human trafficking are significant global issues presenting a challenge for businesses worldwide and has committed to continually reviewing its practices to combat slavery and human trafficking. The Board has a zero-tolerance approach to modern slavery and is committed to ensuring that its Group companies act ethically and with integrity in their business dealings. Further details on the ***Jet2.com*** Group's Modern Slavery Statement can be found in the Corporate Responsibility section on page 12 of this Report and Accounts.

SECTION 172 STATEMENT (continued)

The ***Jet2.com*** Group manages its tax affairs responsibly and seeks to build constructive relationships with all tax authorities. During the year, the Board re-reviewed and approved the ***Jet2.com*** Group's Tax Policy and the Group Chief Financial Officer provides regular updates to the Board on tax matters generally. The Group continues to have a low risk tax status with HMRC.

The Board expects all of its colleagues to observe the high standards contained within the ***Jet2.com*** Group's policies in relation to bribery and corruption, data protection, equality, diversity and inclusion, IT security, fraud and whistleblowing, each of which is reinforced through appropriate training.

ACTING FAIRLY BETWEEN MEMBERS OF THE GROUP

The Board recognises its legal and regulatory duties and does not take decisions or actions, such as selectively disclosing confidential or inside information, that would provide any shareholder with an unfair advantage.

Philip Meeson
Executive Chairman
14 August 2020

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 March 2020.

DIRECTORS AND THEIR INTERESTS

The details of Directors who held office during the year and after the year end are those listed on page 2.

None of the Directors who held office at the year end had any interest in the ordinary share capital of the Company. Philip Meeson, Stephen Heapy and Gary Brown were also Directors of Dart Group plc, during the year. Their interests in the share capital of Dart Group plc are disclosed in the accounts of that company.

GOING CONCERN

The Group provides scheduled holiday flights and ATOL licensed package holidays utilising aircraft leased either from third party lease providers or from Dart Group companies and, accordingly, its financial performance is inextricably linked with the performance of the rest of the Group.

The Directors have prepared financial forecasts for the Dart Group, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2023.

For the purpose of assessing the appropriateness of the preparation of the consolidated ***Jet2.com*** accounts on a going concern basis, multiple financial forecast scenarios of increasing severity have been prepared for the Group. Three "no fly" scenarios were produced being: a base case, restarting flying on 1 September 2020; restarting flying on 1 January 2021; and restarting flying on 1 April 2021. All three scenarios assume a gradual ramp up of flying operations, initially running at reduced average load factors and net ticket yields, significantly below historic levels.

The forecasts consider the current cash position, the availability of banking facilities and an assessment of the principal areas of risk and uncertainty as detailed on pages 6 and 7, paying particular attention to the impact of Covid-19.

The forecasts also incorporate the following actions taken since 31 March 2020 which have improved the Dart Group's overall liquidity:

- Full use of the grants available under the UK Government's Coronavirus Job Retention Scheme;
- On 14 May 2020, the Group was confirmed as an eligible issuer for the Bank of England Covid Corporate Financing Facility ("CCFF") and put in place a £300.0m commercial paper programme to facilitate issuance under it. The CCFF is designed to support liquidity among larger businesses who are capable of demonstrating that they make a material contribution to the UK economy and are able to display sound financial health, equivalent to an investment grade rating, prior to the economic shock caused by the Covid-19 pandemic. The forecast scenarios assume that the CCFF will be drawn down in the final quarter of 2020;
- On 21 May 2020, the Group completed a Placing of 29.78 million new ordinary shares at a price of 576.5 pence per share, raising gross proceeds of £171.7m; and
- On 31 May 2020, the Group completed the sale of its Distribution & Logistics business, **Fowler Welch** for a gross cash consideration of £98.0m.

DIRECTORS' REPORT (continued)

Due to the level of uncertainty of how the operations of the business may emerge from the Covid-19 pandemic, the Directors also modelled a further "no fly" scenario through to 1 August 2021 to assess the liquidity position over the entire going concern period of at least 12 months from the date of signing of this report. The Directors concluded that given the combination of a closing Dart Group cash balance of £1,387.5m at 31 March 2020, together with the additional actions taken to increase liquidity since the year end and the forecast monthly cash utilisation, Dart Group would have sufficient liquidity throughout this period.

As a result, the Directors have a reasonable expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for a period of 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020.

The Directors' responsibility for preparing the financial statements is explained on page 13 to 14 and the reporting responsibilities of the Auditor are set out in their report on page 16.

CORPORATE RESPONSIBILITY

The Group places significant importance on developing long-lasting relationships with its customers, and enduring, effective partnerships with its suppliers, whilst acknowledging and acting upon its responsibility to the communities within which it operates and to the wider environment.

Further information on the Group's areas of focus can be found on pages 30 to 33 of the Dart Group plc Annual Report & Accounts 2020, including:

- Relationship with Customers;
- Relationship with Suppliers;
- The Environment; and
- Our Communities.

MODERN SLAVERY ACT

The Modern Slavery Act requires the Company to publish an annual slavery and human trafficking statement. The latest statement can be found on the Dart Group plc website at **https://www.dartgroup.co.uk/modern-slavery-act/**. Neither the Company nor any of its subsidiaries permit, condone or otherwise accept any form of human trafficking or slavery in its business or supply chains.

OUR PEOPLE

The Group is reliant on the successful recruitment, development and retention of the right colleagues with suitable capabilities, as it is their consistent enthusiasm to delight the customer which has driven, and will continue to drive, our success in the future.

Further information can be found on pages 34 to 37 of the Dart Group plc Annual Report & Accounts 2020, including:

- Learning & Development;
- Recognition; and
- Communication.

DIRECTORS' REPORT (continued)

EQUALITY AND DIVERSITY

The Group is committed to promoting diversity and ensuring equality of opportunity for all within the workplace, regardless of age, disability, gender reassignment, marriage or civil partnership status, pregnancy and maternity, race, religion or belief, gender or sexual orientation.

The Group is also committed to ensuring that its procedures and selection processes in respect of recruitment, terms and conditions of employment, access to training and promotion and the terms upon which it offers access to facilities and services are free from discrimination.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the date of approval of this Directors' Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

AUDITOR

In accordance with section 487 of the Companies Act 2006, the Auditor is deemed to be re-appointed and KPMG LLP will therefore continue in office.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report and Accounts, Strategic Report, the Directors' Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

DIRECTORS' REPORT (continued)

- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

By order of the Board

Gary Brown
Chief Financial Officer
Jet2.com Limited
Registered No. 02739537

14 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JET2.COM LIMITED

Opinion

We have audited the financial statements of Jet2.com Limited ("the Company") for the year ended 31 March 2020 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Parent Company Balance Sheet, Parent Company Statement of Equity and related notes, including the accounting policies in Note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the Group or the Company will continue in operation.

Strategic Report and Directors' Report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 13 to 14, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an Auditor's Report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

14 August 2020

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2020

	Note	Results for the year ended 31 March 2020 Pre - exceptional £m	Exceptional item - Hedge ineffectiveness £m	**Results for the year ended 31 March 2020 £m**	Results for the year ended 31 March 2019 £m Restated
Revenue	4	3,594.8	-	**3,594.8**	2,964.2
Net operating expenses	5	(3,338.8)	(108.4)	**(3,447.2)**	(2,802.7)
Operating profit	6	256.0	(108.4)	**147.6**	161.5
Finance income		12.0	-	**12.0**	8.1
Finance expense		(15.6)	-	**(15.6)**	(14.8)
Net FX revaluation losses		(11.7)	-	**(11.7)**	(20.0)
Net financing expense	7	(15.3)	-	**(15.3)**	(26.7)
Profit on disposal of property, plant and equipment		-	-	-	0.1
Profit before taxation		240.7	(108.4)	**132.3**	134.9
Taxation	9	(45.3)	20.6	**(24.7)**	(26.4)
Profit for the year *all attributable to equity shareholders of the Parent*		195.4	(87.8)	**107.6**	108.5

Figures shown for the year ended 31 March 2019 have been restated as detailed in Note 26.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2020

	Note	**Year ended 31 March 2020 £m**	Year ended 31 March 2019 £m Restated
Profit for the year		**107.6**	108.5
Other comprehensive (expense) / income			
Items that are or may be reclassified subsequently to profit or loss:			
Cash flow hedges:			
Fair value losses	19	**(50.1)**	(30.5)
Add back losses / (gains) transferred to income statement	19	**4.3**	(23.6)
Cost of hedging reserve – changes in fair value	19	**2.9**	-
Related taxation credit	9	**8.4**	10.0
		(34.5)	(44.1)
Total comprehensive income for the year		**73.1**	64.4
all attributable to equity shareholders of the Parent			

Figures shown for the year ended 31 March 2019 have been restated as detailed in Note 26.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2020

	Note	2020 £m	2019 £m Restated	2018 £m Restated
Non-current assets				
Intangible assets	*10*	**26.8**	-	-
Property, plant and equipment	*11*	**513.3**	547.1	447.4
Derivative financial instruments	*19*	**25.1**	4.0	21.6
Deferred tax asset	*9*	**37.2**	8.7	-
		602.4	559.8	469.0
Current assets				
Inventories	*12*	**1.3**	1.0	1.2
Trade and other receivables	*13*	**781.7**	922.9	464.0
Derivative financial instruments	*19*	**53.9**	49.6	64.3
Money market deposits	*14*	**-**	50.0	170.2
Cash and cash equivalents	*14*	**855.0**	540.1	579.1
		1,691.9	1,563.6	1,278.8
Total assets		**2,294.3**	2,123.4	1,747.8
Current liabilities				
Trade and other payables	*15*	**383.5**	205.5	146.0
Deferred revenue	*16*	**736.0**	937.1	806.0
Borrowings	*17*	**3.5**	1.4	1.0
Lease liabilities	*17*	**134.5**	159.1	70.2
Provisions and liabilities	*18*	**74.3**	59.7	49.5
Derivative financial instruments	*19*	**216.5**	53.9	40.7
		1,548.3	1,416.7	1,113.4
Non-current liabilities				
Deferred revenue	*16*	**9.2**	2.8	1.3
Lease liabilities	*17*	**261.8**	286.1	286.4
Derivative financial instruments	*19*	**30.3**	16.3	7.7
Deferred tax liability	*9*	**-**	-	2.0
		301.3	305.2	297.4
Total liabilities		**1,849.6**	1,721.9	1,410.8
Net assets		**444.7**	401.5	337.0
Shareholders' equity				
Share capital	*20*	**0.3**	0.3	0.3
Cash flow hedging reserve	*20*	**(50.5)**	(13.7)	30.4
Cost of hedging reserve	*20*	**2.3**	-	-
Retained earnings		**492.6**	414.9	306.3
Total shareholders' equity		**444.7**	401.5	337.0

The accounts were approved by the Board of Directors at a meeting held on 14 August 2020 and were signed on its behalf by:

Gary Brown
Chief Financial Officer
Jet2.com Limited
Registered No. 02739537

Figures shown for the years ended 31 March 2019 and 31 March 2018 have been restated as detailed in Note 26.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

	Note	2020 £m	2019 £m Restated
Profit on ordinary activities before taxation		**132.3**	134.9
Finance income	*7*	**(12.0)**	(8.1)
Finance expense	*7*	**15.6**	14.8
Net FX revaluation losses	*7*	**11.7**	20.0
Hedge ineffectiveness		**108.4**	-
Depreciation	*5*	**160.0**	121.3
Equity settled share based payments	*21*	**0.1**	0.1
Operating cash flows before movements in working capital		**416.1**	283.0
(Increase) / decrease in inventories		**(0.3)**	0.2
Decrease / (increase) in trade and other receivables		**141.2**	(461.2)
Increase in trade and other payables		**184.6**	59.9
(Decrease) / increase in deferred revenue		**(194.7)**	132.6
Increase in provisions and liabilities		**9.0**	7.9
Cash generated from operations		**555.9**	22.4
Interest received		**12.0**	8.1
Interest paid – relates to leases		**(15.6)**	(14.8)
Income taxes paid		**(53.0)**	(25.4)
Net cash generated from / (used in) operating activities		**499.3**	(9.7)
Cash flows (used in) / generated from investing activities			
Purchase of intangible assets	*10*	**(26.8)**	-
Purchase of property, plant and equipment	*11*	**(44.7)**	(51.2)
Net decrease in money market deposits	*14*	**50.0**	120.2
Net cash (used in) / generated from investing activities		**(21.5)**	69.0
Cash from financing activities			
New loans advanced / (repaid)	*22*	**2.1**	(0.6)
Payment of lease liabilities	*22*	**(137.0)**	(96.0)
Equity dividends paid	*20*	**(30.0)**	-
Net cash from financing activities	*22*	**(164.9)**	(96.6)
Net increase / (decrease) in cash in the year		**312.9**	(37.3)
Cash and cash equivalents at beginning of year	*22*	**540.1**	579.1
Effect of foreign exchange rate changes	*22*	**2.0**	(1.7)
Cash and cash equivalents at end of year	*22*	**855.0**	540.1

Figures shown for the year ended 31 March 2019 have been restated as detailed in Note 26.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

	Share capital	Cash flow hedging reserve	Cost of hedging reserve	Retained earnings	Total shareholders' equity
	£m	£m	£m	£m	£m
Balance at 31 March 2018 - as originally reported	**0.3**	**30.4**	-	**326.1**	**356.8**
Effect of transition to IFRS 15	-	-	-	(15.1)	**(15.1)**
Effect of transition to IFRS 16	-	-	-	(4.7)	**(4.7)**
Balance at 31 March 2018 – as restated	**0.3**	**30.4**	-	**306.3**	**337.0**
Total comprehensive income	-	(44.1)	-	108.5	**64.4**
Share based payments	-	-	-	0.1	**0.1**
Balance at 31 March 2019 - as restated	**0.3**	**(13.7)**	-	**414.9**	**401.5**
Total comprehensive income	-	(36.8)	2.3	107.6	**73.1**
Dividends paid in the year	-	-	-	(30.0)	**(30.0)**
Share based payments	-	-	-	0.1	**0.1**
Balance at 31 March 2020	**0.3**	**(50.5)**	**2.3**	**492.6**	**444.7**

Figures shown for the year ended 31 March 2019 and 31 March 2018 have been restated as detailed in Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Jet2.com Limited (the "Company") is a company incorporated and domiciled in England and Wales and the financial statements of the Company are presented as required by the Companies Act 2006.

These group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

Basis of preparation

The consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU ("Adopted IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Company has elected to prepare its Parent Company financial statements in accordance with FRS 101 *Reduced Disclosure Framework*; these statements are presented on pages 56 to 64.

The financial statements of both the Group and the Parent Company are presented in pounds sterling and all values are rounded to the nearest £100,000, except where indicated otherwise.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

The financial statements have been prepared under the historical cost convention except for all derivative financial instruments that have been measured at fair value.

Going concern

The Group provides scheduled holiday flights and ATOL licensed package holidays utilising aircraft leased either from third party lease providers or from Dart Group companies and, accordingly, its financial performance is inextricably linked with the performance of the rest of the Group.

The Directors have prepared financial forecasts for the Dart Group, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2023.

For the purpose of assessing the appropriateness of the preparation of the consolidated ***Jet2.com*** accounts on a going concern basis, multiple financial forecast scenarios of increasing severity have been prepared. Three "no fly" scenarios were produced being: a base case, restarting flying on 1 September 2020; restarting flying on 1 January 2021; and restarting flying on 1 April 2021. All three scenarios assume a gradual ramp up of flying operations, initially running at reduced average load factors and net ticket yields, significantly below historic levels.

The forecasts consider the current cash position, the availability of banking facilities and an assessment of the principal areas of risk and uncertainty as detailed on pages 6 and 7, paying particular attention to the impact of Covid-19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

The forecasts also incorporate the following actions taken since 31 March 2020 which have improved Dart Group overall liquidity:

- Full use of the grants available under the UK Government's Coronavirus Job Retention Scheme;
- On 14 May 2020, the Group was confirmed as an eligible issuer for the Bank of England Covid Corporate Financing Facility ("CCFF") and put in place a £300.0m commercial paper programme to facilitate issuance under it. The CCFF is designed to support liquidity among larger businesses who are capable of demonstrating that they make a material contribution to the UK economy and are able to display sound financial health, equivalent to an investment grade rating, prior to the economic shock caused by the Covid-19 pandemic. The forecast scenarios assume that the CCFF will be drawn down in the final quarter of 2020;
- On 21 May 2020, the Group completed a Placing of 29.78 million new ordinary shares at a price of 576.5 pence per share, raising gross proceeds of £171.7m; and
- On 31 May 2020, the Group completed the sale of its Distribution & Logistics business, Fowler Welch for a gross cash consideration of £98.0m.

Due to the level of uncertainty of how the operations of the business may emerge from the Covid-19 pandemic, the Directors also modelled a further "no fly" scenario through to 1 August 2021 to assess the liquidity position over the entire going concern period of at least 12 months from the date of signing of this report. In addition to forecasting the fixed cost base of the Group, the scenario also considered the impact of movements in euro and US dollar exchange rates and the price of jet fuel. The Directors concluded that given the combination of a Dart Group cash balance of £1,387.5m at 31 March 2020, together with the additional actions taken to increase liquidity since the year end and the forecast monthly cash utilisation, the Group would have sufficient liquidity throughout this period.

As a result, the Directors have a reasonable expectation that the Group as a whole, and therefore the Company, has adequate resources to continue in operational existence for a period of 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Revenue

Revenue (which excludes Value Added Tax and Air Passenger Duty) arises from package holidays, passenger aircraft operations, charter aircraft operations and non-ticket retail activities.

Revenue from ticket sales for scheduled passenger flights is recognised at the date of departure. Charter aircraft income is recognised in the period in which the service is provided. A proportion of flight delay compensation payments are offset against revenue up to the full value of the ticket price. Non-ticket revenues such as hold baggage charges, extra legroom charges and in-flight retail sales are also recognised once the associated flight has departed, or holiday started. Revenue from package holidays is apportioned over the duration of the holiday.

Commission earned from car hire bookings is recognised on departure, reflecting the point when services are performed. Commission earned from travel insurance is recognised at the time of booking, as the Group acts solely as an agent of the insurance company.

Cancellation income, in respect of non-refundable amounts paid on bookings cancelled by the customer prior to the date of departure, is recognised at the time of cancellation.

Cash amounts received from customers for whom revenue has not yet been recognised are recorded in the Statement of Financial Position as deferred revenue within current liabilities, or within non-current liabilities if the Group's services are expected to be performed more than 12 months from the reporting date.

Cash amounts received from customers for holidays not yet departed but already cancelled by the Group at the period end (in this case, those departing before 1 May 2020), where either a refund credit note has been issued or funds are yet to be returned to the customer, are recorded in the Statement of Financial Position as other creditors within current liabilities.

Net financing expense

Finance expense

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use. All other finance expenses are recognised in the Consolidated Income Statement in the period in which they are incurred.

Finance income

Interest income is recognised in the Consolidated Income Statement in the period in which it is earned.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. **ACCOUNTING POLICIES** (continued)

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date, and differences arising are recognised in the Consolidated Income Statement in the period in which they arise. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are held at the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising, if any, are recognised in Other comprehensive income and accumulated in other reserves.

Taxation

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in the Consolidated Income Statement or the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case the tax is recognised in equity. Current taxation is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to taxation payable in respect of previous years.

Deferred taxation is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available, against which the asset can be utilised.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the ongoing financial performance of the Group. These items are material non-recurring income or expenses, which are shown separately due to the significance of either their nature or their amount.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

As airport slots are held in perpetuity, they have an indefinite useful life provided minimum utilisation requirements are observed and are therefore not amortised. Their useful life is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment. These intangible assets are also assessed for impairment at each year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment.

Depreciation is calculated to write the cost of property, plant and equipment down to each asset's estimated residual value using the straight-line method over its estimated useful economic life as follows:

Freehold property	25-30 years
Short leasehold property	Over the life of the lease
Aircraft related assets	2-30 years
Plant, vehicles and equipment	3-7 years

Right-of-use assets recognised on transition to IFRS 16 – *Leases* are covered within the lease liabilities accounting policy.

Financial instruments

Financial instruments are recognised initially at fair value, which is normally the transaction price.

The Group classifies its financial assets as measured at amortised cost or fair value through profit and loss. Assets categorised as fair value through profit and loss at 31 March 2020 are, by concession, deferred via the Consolidated Statement of Other Comprehensive Income since the movements relate to the effective portion of the cashflow hedge.

The classification of each financial asset is determined by whether the business model of the Group is to hold the asset to collect contractual cash flows or to benefit from changes in the fair value of the asset.

Financial liabilities are classified as measured at amortised cost or fair value through profit and loss. Liabilities attaching to hedging derivatives may be classified as fair value through Other comprehensive income.

Trade and other receivables and payables

Trade receivables are recognised at fair value and subsequently measured at amortised cost based on the applicable effective interest rate.

Trade payables, and contract payables, are recognised at fair value and subsequently measured at amortised cost based on the applicable interest rate.

Interest bearing loans and borrowings

All loans and borrowings are initially recorded at fair value less any directly-attributable transaction costs. The loans and borrowings are, where applicable, subsequently measured at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

Derivative financial instruments and hedging

The Group uses forward foreign currency contracts and interest rate and aviation fuel swaps to hedge its exposure to foreign exchange rates, interest rates and aviation fuel price volatility. It also uses forward EU Allowance contracts and forward Certified Emissions Reduction contracts to hedge exposure to Carbon Emissions Allowance price volatility. Such derivative financial instruments are stated at fair value and are measured at fair value through Other comprehensive income.

Where a derivative financial instrument is designated as a hedge of a highly probable forecast transaction, the effective portion of the gain or loss on the hedging instrument from the inception of the hedging relationship is recognised directly in the cash flow hedging reserve within equity and in Other comprehensive income. Any ineffective portion is recognised within the Consolidated Income Statement.

For the effective portion of hedging instruments, amounts reported in Other comprehensive income are reclassified to the Consolidated Income Statement in the same period in which the hedged transaction affects profit and loss.

Changes in the value of foreign currency forward contracts arising as a result of foreign currency basis spread are held separately when designating the swap as a hedging instrument. These do not form part of the designated hedging instrument and are instead recognised through Other comprehensive income, held in a separate cost of hedging reserve, and are subsequently amortised over the life of the associated forward contracts.

Credit risk

Expected credit losses are recognised as a loss allowance, effectively an impairment of the value of the asset. The carrying values presented in the financial statements are net of loss allowances.

The Group has two types of financial asset that are subject to the credit loss model: trade receivables and cash and cash equivalents. Derivative assets are not subject to the credit loss model, although credit risk is considered when assessing whether those assets are impaired.

The Group makes an assessment to determine whether financial assets are impaired. Credit-impaired receivables would include overdue receivables six months or more past the due date, or receivables where the counterparty's solvency indicates that the Group has no reasonable expectation of recovery. In the latter case, the receivables are written off; in the former case, the expected cash flows are discounted and the difference between the discounted expected cash flows and the face value of the receivable is recognised as a loss allowance, in the form of a provision against doubtful debts.

The Group calculates expected credit losses for its trade receivables using the simplified approach permitted by IFRS 9, applicable where the transaction contains no significant financing element. Under the simplified approach, expected lifetime credit losses are recognised in the period.

The Group's policy is to place funds with deposit takers with a long-term credit-rating no lower than A-/A3 and a short-term credit rating no lower than A-2, F2, P2. In the event of the credit ratings for the deposit taker being inconsistent between agencies, the lowest credit rating is taken in making this assessment. Where a rating outlook is negative, the rating is deemed to be one notch lower. As a result, expected credit losses on cash and money market deposits are considered low. However, where a deposit taker is considered to be at risk of default, the expected future cash flows are discounted and the difference from the expected cash inflows recognised as a loss allowance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

Inventories

Inventories are accounted for on a FIFO basis and stated at the lower of cost and net realisable value. Net realisable value is the estimated resale value.

Money market deposits

Money market deposits comprise deposits with a maturity of more than three months at the point of placement and are accounted for within the amortised cost category of financial assets.

Cash and cash equivalents

Cash and cash equivalents include short-term deposits maturing within three months of placement and restricted cash, if any, paid over to various counterparties as collateral against relevant exposures.

For the purposes of the Consolidated Statement of Cash Flows, bank overdrafts which are repayable on demand, and form an integral part of the Group's cash management activities, are included as a component of cash and cash equivalents.

Aircraft maintenance provisions

Owned aircraft

The accounting for maintenance expenditure on owned aircraft is as set out under property, plant and equipment above.

Leased aircraft

Provision is made for the estimated future costs of maintenance events over and above those which can be recovered from the lessor as a consequence of the Group's obligation to maintain leased aircraft in accordance with the aircraft manufacturer's published maintenance programmes during the lease term, and to ensure that aircraft are returned to the lessor in accordance with its contractual requirements.

Leased assets

Prior to transition to IFRS 16 – *Leases*, rental charges on operating leases were charged to the Consolidated Income Statement on a straight-line basis over the life of the lease. Finance leases were recognised at the inception of the lease at the fair value of the leased asset, or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between the finance charges and the reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Such finance charges were included in the Consolidated Income Statement within net financing expense.

1. Accounting policies (continued)

Following the transition to IFRS 16, the Group considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to restore the asset to the condition required by its lessor at the end of its lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or alternatively, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. In-substance fixed payments are inclusive of any contractual maintenance obligations which are not dependent on use of the asset. Maintenance payments which vary based on usage of the underlying asset are not included within the measurement of the initial lease liability; these are instead recognised in the Consolidated Income Statement in line with their usage.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

As permitted, the Group has elected not to apply the requirements of IFRS 16 for either short-term leases or leases of low-value assets. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

Right-of-use assets have been included in property, plant and equipment and lease liabilities have been included within their own category in the Statement of Financial Position. Further information on the restatement of the figures shown for the years ended 31 March 2019 and 31 March 2018 can be found in Note 26.

Employee benefits

Defined contribution plans

All Group pensions are provided from the proceeds of money purchase schemes. The charge to the Consolidated Income Statement represents the payments due during the year.

2. Accounting estimates and judgements

In the application of the Group's accounting policies, which are described in Note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

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 changed and in future periods if applicable.

Critical judgements in applying accounting policies

The following is considered by the Directors to be the key source of judgement at the end of the reporting period that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Hedge ineffectiveness

The Group operates under a clear set of treasury policies approved by the Board. The aim of our well-established hedging policy has been to reduce short-term volatility in earnings by managing foreign exchange rate and aviation fuel price risk, using appropriate derivative financial instruments such as forward currency contracts and aviation fuel swaps, with approved counterparties. The impact and timing of Covid-19 meant both the flying and holiday programmes expected to be operated in the first half of the financial year ending 31 March 2021 are significantly lower than that on which the hedging programme for aviation fuel and foreign currency was originally based and therefore, for the year ended 31 March 2020 the Group deemed a significant proportion of its derivative financial instruments to be ineffective for hedge accounting purposes, based on management's expectation at year end of a base case scenario of no flying until 1 September 2020.

This led to a charge of £108.4m for hedge ineffectiveness impacting the Statement of Comprehensive Income in the year. If the Group had forecast to recommence its flying programme on 1 August 2020, this would have resulted in an increase in the profit before taxation for the year ended 31 March 2020 of £18.0m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Accounting estimates and judgements (continued)

Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recoverability of hotel supplier advances

In order to secure a dependable and competitive room offering in the most attractive hotels, the Group often places substantial deposits with its hotel partners. The recoverability of these balances is dependent on the ongoing viability of these hotel partners and is assessed by the Group at each period end. A risk assessment is made based on a review of each significant hotel partner's financial stability with varying % provisions applied to different risk levels. If the Group was to increase its % provision applied by 5ppts across all identified risk categories not already fully provided, this would have resulted in a decrease in the hotel supplier advances shown in Deposits and prepayments in Note 13 of £2.0m.

Provisions and liabilities

A charge is made in the Consolidated Income Statement, based on hours or cycles flown or on a calendar basis, to provide for the cost of the Group's obligation to maintain leased aircraft in accordance with the aircraft manufacturer's published maintenance programmes. Estimates are required in relation to the likely utilisation of the leased aircraft and the expected cost of maintenance events at the time they are expected to occur. The interaction of the Group's estimations of aircraft utilisation together with the cost of maintenance events could lead to a significant fluctuation in the provision. If the Group's estimated cost of a maintenance event on third party leased aircraft were to increase by 5% for each event respectively, this would have resulted in an increase in the provision at 31 March 2020 of £1.6m (2019: £0.9m).

Accounting for provisions and liabilities for customer compensation claims requires estimates to be made in relation to historical flight delays under Regulation (EC) No 261/2004 and possible customer compensation claims that cannot be reclaimed from hotels. The bases of all estimates are reviewed no less frequently than annually, or when information becomes available that is capable of causing a material change to an estimate. If the estimated claim rate on customer compensation claims were to increase by 5%, this would have resulted in an increase in the provision at 31 March 2020 of £2.8m (2019: £2.6m).

Further details of the provisions and liabilities held by the Group at 31 March 2020 can be found in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. New IFRS and amendments to IAS and interpretations

In the current year, the Group has applied one amendment to IFRSs issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 01 January 2019.

International Financial Reporting Standards	Applying to accounting periods beginning after
IFRS 16 – *Leases*	January 2019

The Group has adopted IFRS 16 for the year ended 31 March 2020. IFRS 16 replaces IAS 17 – *Leases* and removes the requirement for lessees to report on finance and operating leases separately. The Group has applied the fully retrospective transition method available under IFRS 16, with the comparative year and opening net assets (as at 1 April 2018) restated.

Under IFRS 16, the Group distinguishes between leases and service contracts based on whether there is an identified asset controlled by the Group. Control exists if the lessee has the right to obtain substantially all of the economic benefit from the use of the asset (the cash flows generated by that asset) and the right to direct the use of that asset as if it were their own. Where control exists, the Group is required to recognise a right-of-use asset and an opposing discounted lease liability, rather than accounting for operating lease payments through the Consolidated Income Statement.

The Group has capitalised all aircraft and properties previously accounted for as operating leases under IAS 17. Operating lease expenses are replaced by depreciation charges on the right-of-use assets recognised, and interest expenses as the discount on the lease liability unwinds. As permitted, the Group has elected not to apply the requirements of IFRS 16 for either short-term leases (contracts with a duration of 12 months or less) or leases of low-value assets (defined by the Group as below £5,000). Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Under IFRS 16, the Group has recognised all contractual maintenance obligations which are not dependent on the use of the asset in the value of the right-of-use asset at inception, and these costs are depreciated over the lease term. Contractual obligations associated with the maintenance condition on redelivery of aircraft are recognised as right-of-use assets with the associated liability held in provisions.

The lease term corresponds to the duration of the contracts signed, except in cases where the Group is reasonably certain that it will exercise contractual extension options.

The Group incurred foreign exchange gains / losses on its US dollar and euro denominated leases as a result of the implementation of IFRS 16 as lease liabilities and provisions have been treated as monetary items and retranslated at the period end exchange rate, whereas right-of-use assets are treated as non-monetary items and therefore remain at their translated values on inception.

The impact on the Group financial statements for the year ended 31 March 2019 and for the year ended 31 March 2018 is shown in detail in Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. New IFRS and amendments to IAS and interpretations (continued)

The IASB has issued the following standards and interpretations, with an effective date after the date of these financial statements.

International Financial Reporting Standards	Applying to accounting periods beginning after
New standards	
IFRS 17 – *Insurance Contracts* *	January 2021
Amendments to existing standards	
Amendments to IFRS 3 – *Business Combinations* – Definition of a Business	January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform	January 2020
Amendments to IAS 1 and IAS 8 – Definition of Material	January 2020
The Conceptual Framework for Financial Reporting	January 2020
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	January 2022

* *The IASB has voted to agree a two-year deferral of the effective date to 1 January 2023.*

The application of these standards and interpretations is not expected to have a material impact on the Group's reported financial performance or position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Segmental reporting

IFRS 8 – *Operating segments* requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM").

The CODM is responsible for the overall resource allocation and performance assessment of the Group. The Board of Directors approves major capital expenditure, assesses the performance of the Group and also determines key financing decisions. Consequently, the Board of Directors is considered to be the CODM.

For management purposes, the Group is organised into one operating segment: the Leisure Travel business. This operating segment is consistent with how information is presented to the CODM for the purpose of resource allocation and assessment of their performance and as such, it is also deemed to be the single reporting segment.

The Leisure Travel business specialises in the provision of scheduled holiday flights by its airline, ***Jet2.com***, and ATOL licensed package holidays by its tour operator, ***Jet2holidays***, to holiday destinations in the Mediterranean, the Canary Islands and to European Leisure Cities. Resource allocation decisions are based on the business's entire route network and the deployment of its entire aircraft fleet. All ***Jet2holidays*** customers fly on ***Jet2.com*** flights, and therefore these segments are inextricably linked.

Revenue is principally generated from within the UK, the Group's country of domicile. No customer represents more than 10% of the Group's revenue.

Revenue can be further disaggregated by its nature for the purposes of IFRS 15 as follows:

	2020	2019
	£m	£m
Flight-only ticket revenue	**604.1**	530.8
Non-ticket revenue	**364.3**	308.6
Package holidays	**2,591.6**	2,118.4
Other Leisure Travel	**34.8**	6.4
Total revenue	**3,594.8**	2,964.2

5. Net operating expenses

	2020	2019
	£m	£m
		Restated
Direct operating costs	**2,514.1**	2,095.1
Staff costs including agency staff	**428.6**	357.2
Depreciation of fixed assets (Note 11)	**160.0**	121.3
Other operating charges	**236.1**	229.1
Total net operating expenses (excluding hedge ineffectiveness)	**3,338.8**	2,802.7
Hedge ineffectiveness	**108.4**	-
Total Net operating expenses	**3,447.2**	2,802.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Operating profit

	2020 £m	2019 £m
Operating profit is stated after charging:		
Operating lease rentals for aircraft on short-term leases	**32.2**	27.6
Variable lease payments charged to Consolidated Income Statement as incurred	**83.7**	71.7

Auditor's remuneration	2020 £m	2019 £m
Audit of these financial statements	**0.2**	0.2
Amounts receivable by the Auditor and its associates in respect of:		
Other services	**0.1**	0.1

7. Net financing expenses

	2020 £m	2019 £m Restated
Finance income - from group undertakings	**4.2**	4.1
Finance income - from third parties	**7.8**	4.0
Interest payable on lease liabilities	**(15.6)**	(14.8)
Net foreign exchange revaluation losses	**(11.7)**	(20.0)
	(15.3)	(26.7)

8. Employees

	2020 No.	2019 No.
Average number of employees during the year including Directors:		
Operations	**8,664**	7,339
Administration	**1,269**	1,044
	9,933	8,383

	2020 £m	2019 £m
Wages and salaries	**360.7**	298.7
Social security costs	**38.9**	32.5
Other pension costs	**19.2**	14.2
Share based payment charge	**0.1**	0.1
	418.9	345.5

The share-based payment charge relates to rights granted by Dart Group plc to its equity instruments to the business's employees, which are accounted for as equity-settled in accordance with IFRS 2 – *Share-based Payments*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Employees (continued)

	2020 £m	2019 £m
Directors' remuneration:		
Emoluments	**3.2**	4.3
Pension contributions	**0.3**	0.3
	3.5	4.6
Highest paid Director:		
Emoluments	**0.4**	0.5
Pension contributions	**-**	-
	0.4	0.5

During the year Philip Meeson, Stephen Heapy and Gary Brown were paid by the Company's ultimate parent company Dart Group plc. Details of their remuneration are disclosed in the accounts of that company. The number of Directors accruing benefits under the Group's pension scheme was 13 (2019: 13). The number of Directors who, at the start of the financial year, held share options under long-term incentive schemes in the ultimate parent company, Dart Group plc, was 8 (2019: 8).

9. Taxation

	2020 £m	2019 £m Restated
Current taxation:		
UK corporation taxation based upon the profits for the year:		
- current year	**44.7**	26.9
- prior year	**0.1**	0.2
Current taxation charge for the year	**44.8**	27.1
Deferred taxation:		
Origination and reversal of timing differences:		
- current year	**(19.3)**	(0.3)
- prior year	**(0.1)**	(0.4)
- rate changes	**(0.7)**	-
Deferred taxation credit for the year	**(20.1)**	(0.7)
Total taxation in income statement in the year	**24.7**	26.4
Items that may be reclassified subsequently to profit or loss:		
Taxation relating to components of Other comprehensive income	**(8.4)**	(10.0)
Total taxation recognised in Consolidated Income Statement and Other Comprehensive Income in the year	**16.3**	16.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Taxation (continued)

The taxation assessed for the current year is lower (2019: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2020 £m	2019 £m Restated
Profit before taxation	**132.3**	134.9
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**25.1**	25.6
Effects of:		
Expenses not deductible	**0.4**	0.4
Effect of rate change on deferred tax liabilities	**(0.7)**	-
Difference between current and deferred tax rates	-	0.7
Adjustments to tax charge in previous periods	-	(0.2)
Other differences	**(0.1)**	(0.1)
Total (see above)	**24.7**	26.4

Under legislation substantively enacted on 17 March 2020, the UK tax rate, previously advised as 17%, will remain at 19% from 1 April 2020 onwards. As a result, Deferred tax in the year has been provided at 19% (2019: 17%).

The movement in the deferred taxation asset is as follows:	2020 £m	2019 £m Restated
Opening at 1 April – as originally reported	**8.7**	(3.2)
Effect of transition to IFRS 16	-	1.2
Opening at 1 April – as restated	**8.7**	(2.0)
Credit to Income Statement	**20.1**	0.7
Credit taken directly to equity	**8.4**	10.0
Closing at 31 March	**37.2**	8.7

Movements in deferred taxation assets and liabilities prior to offset are shown below:

Deferred tax assets / (liabilities)	Accelerated capital allowances £m	Financial instruments £m	Other £m	**Total £m**
At 31 March 2018 – as originally reported	0.6	(7.1)	3.3	**(3.2)**
Effect of transition to IFRS 16	-	-	1.2	**1.2**
At 31 March 2018 – as restated	0.6	(7.1)	4.5	**(2.0)**
Credit to Income Statement	0.3	-	0.4	**0.7**
Credit to equity	-	10.0	-	**10.0**
At 31 March 2019 – as restated	**0.9**	**2.9**	**4.9**	**8.7**
Credit / (charge) to Income Statement	0.5	20.6	(1.0)	**20.1**
Credit to equity	-	8.4	-	**8.4**
At 31 March 2020	**1.4**	**31.9**	**3.9**	**37.2**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. **Taxation** (continued)

Deferred taxation in relation to financial instruments in the tables above includes the impact of the Group's forward foreign currency contracts, aviation fuel swaps, EU Allowance contracts and forward Certified Emissions Reduction contracts.

10. Intangible assets

Airport Slots	**£m**
Cost	
At 1 April 2019	-
Additions	**26.8**
At 31 March 2020	**26.8**
Impairment	
At 1 April 2019	-
Charge for the year	-
At 31 March 2020	-
Net book value	
At 31 March 2020	**26.8**
At 31 March 2019	-

Intangible assets related to airport slots acquired during the year ended 31 March 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Property, plant and equipment

	Buildings £m	Aircraft related assets £m	Plant, vehicles and equipment £m	Right-of-use assets £m Restated	Total £m Restated
Cost					
At 1 April 2018	20.4	77.7	71.6	487.9	**657.6**
Additions	3.5	29.3	18.4	169.8	**221.0**
Disposals	-	-	(0.2)	(11.6)	**(11.8)**
At 31 March 2019	23.9	107.0	89.8	646.1	**866.8**
Additions	0.3	29.1	15.3	132.0	**176.7**
Disposals	-	-	-	(80.7)	**(80.7)**
At 31 March 2020	**24.2**	**136.1**	**105.1**	**697.4**	**962.8**
Depreciation					
At 1 April 2018	(5.0)	(28.9)	(42.5)	(133.8)	**(210.2)**
Charge for the year	(1.5)	(11.3)	(8.8)	(99.7)	**(121.3)**
Disposals	-	-	0.2	11.6	**11.8**
At 31 March 2019	(6.5)	(40.2)	(51.1)	(221.9)	**(319.7)**
Charge for the year	(1.6)	(13.8)	(11.5)	(133.1)	**(160.0)**
Disposals	-	-	-	30.2	**30.2**
At 31 March 2020	**(8.1)**	**(54.0)**	**(62.6)**	**(324.8)**	**(449.5)**
Net book value					
At 31 March 2020	**16.1**	**82.1**	**42.5**	**372.6**	**513.3**
At 31 March 2019	17.4	66.8	38.7	424.2	**547.1**

Net book value of right-of-use assets of £372.6m (2019: £424.2m) includes Buildings £15.4m (2019: £12.6m) and Aircraft, engines and other components £357.2m (2019: £411.6m).

12. Inventories

	2020 £m	2019 £m
Consumables	**1.3**	1.0

13. Trade and other receivables

	2020 £m	2019 £m Restated
Trade receivables	**40.9**	47.8
Amounts due from parent undertaking	**433.5**	610.5
Amounts due from group undertakings	**10.2**	12.0
Deposits and prepayments	**217.1**	207.5
Other receivables	**80.0**	45.1
	781.7	922.9

Further information on the restatement of these balances is detailed in Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Trade and other receivables (continued)

Other debtors and prepayments include balances totalling £33.9m (2019: £25.4m) recoverable after more than one year.

Ageing analysis of trade receivables

	31 March 2020 £m			31 March 2019 £m Restated		
	Gross receivables	**Provision for doubtful debts**	**Net trade receivables**	Gross receivables	Provision for doubtful debts	Net trade receivables
Not past due	**36.5**	**(0.1)**	**36.4**	45.4	-	45.4
Up to one month past due	**2.3**	**-**	**2.3**	0.7	-	0.7
Over one month past due	**2.4**	**(0.2)**	**2.2**	1.8	(0.1)	1.7
	41.2	**(0.3)**	**40.9**	47.9	(0.1)	47.8

Expected credit losses in relation to the Other receivables balance of £80.0m (2019: £45.1m) are immaterial to the Group.

14. Cash and cash equivalents (including money market deposits)

	2020 £m	2019 £m
Free cash	814.9	539.6
Money market deposits	-	50.0
Total free cash	814.9	589.6
Other restricted cash	0.2	0.5
Margin calls paid over	39.9	-
Total restricted cash	40.1	0.5
Total cash and cash equivalents (including money market deposits)	**855.0**	590.1

15. Trade and other payables

	2020 £m	2019 £m Restated
Trade payables	**93.2**	52.7
Other taxation and social security	**17.4**	13.7
Amounts owed to group undertakings	**34.5**	9.8
Other creditors and accruals	**238.4**	129.3
	383.5	205.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Deferred revenue

	Receivables	Deferred revenue	Payables	**2020** Cash from customers	2019 Cash from customers
	£m	£m	£m	**£m**	£m
Balance at 1 April	34.0	(939.9)	-	**(905.9)**	(777.9)
Revenue recognised that was included in deferred revenue at the beginning of the year	-	937.1	-	**937.1**	806.0
Decrease in receivables	(3.2)	3.2	-	-	-
Increase in payables		152.7	(152.7)	-	-
Increase in cash received, excluding amounts recognised as revenue in the year	-	(898.3)	-	**(898.3)**	(934.0)
Balance at 31 March	30.8	(745.2)	(152.7)	**(867.1)**	(905.9)

Receivables relates to invoicing of amounts due from travel agents in respect of package holiday deposits and balance payments and is included within Trade receivables in Note 13.

Payables relates to refund credit notes issued and cash refunds not yet paid out for flights and holidays cancelled prior to year end and is included within Other creditors and accruals in Note 15.

The Group's aggregate sales value allocated to the performance obligations that were unsatisfied (or partially unsatisfied) as at 31 March 2020 was £1,679.2m (2019: £1,734.5m) of which £1,626.5m (2019: £1,721.9m) is expected to be recognised as revenue within one year. The remaining balance will be recognised as revenue between one and two years.

17. Borrowings and Lease liabilities

Borrowings and Lease liabilities are repayable as follows:

	Bank overdraft		**Lease liabilities**		**Total**	
	2020	2019	**2020**	2019	**2020**	2019
	£m	£m	**£m**	£m	**£m**	£m
				Restated		Restated
Within one year	**3.5**	1.4	**134.5**	159.1	**138.0**	160.5
Between one and two years	-	-	**120.5**	110.0	**120.5**	110.0
Between two and five years	-	-	**118.0**	169.9	**118.0**	169.9
Over five years	-	-	**23.3**	6.2	**23.3**	6.2
Total	**3.5**	1.4	**396.3**	445.2	**399.8**	446.6

18. Provisions and liabilities

	Maintenance		**Customer Compensation Claims**		**Total**	
	2020	2019	**2020**	2019	**2020**	2019
	£m	£m	**£m**	£m	**£m**	£m
		Restated				Restated
Opening	**32.8**	25.4	**26.9**	24.1	**59.7**	49.5
Provision in the year	**41.4**	40.6	**11.0**	16.0	**52.4**	56.6
Utilised	**(23.0)**	(33.2)	**(8.0)**	(12.3)	**(31.0)**	(45.5)
Released unused	**(0.8)**	-	**(6.0)**	(0.9)	**(6.8)**	(0.9)
Closing at 31 March	**50.4**	32.8	**23.9**	26.9	**74.3**	59.7

Further information on the restatement of these balances is detailed in Note 26.

18. Provisions and liabilities (continued)

Maintenance provisions relate entirely to the Group's obligation to maintain leased aircraft in accordance with the aircraft manufacturer's published maintenance programmes during the lease term, and to ensure that aircraft are returned to the lessor in accordance with its contractual requirements.

Customer compensation claims provisions and liabilities relate to the Group's obligation to possible passenger claims for historical flight delays under Regulation (EC) No 261/2004 and possible customer compensation claims that cannot be reclaimed from hotels. The main assumptions underlying the possible passenger claims for flight delays and possible customer compensation claims are the number of valid claims received and which may be received, the amount at which those claims may be settled, and additionally for customer compensation claims the proportion which may be reclaimed from hotels. The majority of cash outflows connected with these provisions are expected to occur within three years of the balance sheet date.

19. Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

Credit risk

The Group is exposed to credit risk to the extent of non-performance by its counterparties in respect of financial assets receivable. However, the Group has policies and procedures in place to ensure such risk is limited and sets credit limits for each counterparty accordingly. The Group regularly monitors such limits, incorporating this information into credit risk controls, and does not currently hold any collateral.

Since the Group does not place funds with any deposit taker with a long-term credit rating lower than A-/A3, and a short-term credit rating lower than A-2, F2, P2, expected credit losses for cash and cash equivalents are considered immaterial and hence no impairments were identified. The Group considers that expected credit losses on derivative assets arising from the default of counterparties are not material.

As any expected credit loss are reflected in the value of financial assets, the maximum exposure to credit risk is limited to the net carrying value of each asset as summarised in section (a) below.

Liquidity risk

The Group's strategy for managing liquidity risk is to maintain cash balances in an appropriately liquid form and in accordance with approved counterparty limits, while securing the continuity and flexibility of funding through the use of committed banking facilities.

Short-term cash flow risk, in relation to margin calls in respect of fuel and foreign currency hedge positions, is minimised through diversification of counterparties together with appropriate credit thresholds. In addition, a regular assessment is made of Dart Group plc's banking facility covenant compliance and the UK Civil Aviation Authority's 'liquidity threshold test'.

Foreign currency risk

The Group incurs considerable operational costs which are euro and US dollar denominated and can be exposed to sudden movements in exchange rates.

Transactional currency exposures arise as a result of expenditure on hotel accommodation, aviation fuel, aircraft maintenance, air traffic control, and airport charges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Financial instruments (continued)

The Group's policy is to forward cover up to 90% of its foreign currency requirements by the start of the financial year. The remainder of the requirement is hedged within the financial year. The Groups enters into forward foreign currency exchange contracts up to 30 months in advance of the hedged transaction.

Aviation fuel price risk

The cost of fuel is a material element of the cost base and the effective management of aviation fuel price volatility remains important.

The Group's policy is to forward cover up to 90% of fuel requirements with aviation fuel swaps by the start of the financial year. The remainder of the Group's requirement is hedged within the financial year. The Group enters into aviation fuel swaps up to 30 months in advance of the hedged transaction.

Carbon price risk

The Group is exposed to carbon price risk through its obligation to purchase carbon emissions allowances to offset emissions in each calendar year. The Group hedges carbon emissions allowances in line with its approved policy.

The Group purchases carbon emissions allowances under fixed price forward contracts with different maturity dates from a range of domestic and international sources.

(a) Carrying amount and fair values of financial instruments

The carrying amounts and fair value of all of the Group's financial assets and liabilities at the year end was as follows:

	31 March 2020			31 March 2019
	Measured at amortised cost	**Derivatives hedging instruments measured at fair value through profit and loss**	**Total carrying amount**	Total carrying amount
	£m	**£m**	**£m**	£m Restated
Financial assets				
Cash and cash equivalents	855.0	-	**855.0**	540.1
Money market deposits	-	-	**-**	50.0
Trade receivables	40.9	-	**40.9**	47.8
Derivative financial instruments	-	79.0	**79.0**	53.6
Loan to parent	433.5	-	**433.5**	623.9
Loan to group undertakings	4.5	-	**4.5**	-
Amounts due from parent	-	-	**-**	0.8
Amounts due from group undertakings	5.7	-	**5.7**	7.1
Total financial assets	1,339.6	79.0	**1,418.6**	1,323.3
Financial liabilities				
Trade payables	93.2	-	**93.2**	52.7
Amounts owed to parent company	-	-	**-**	16.8
Amounts owed to group undertakings	34.5	-	**34.5**	4.9
Bank overdraft	3.5	-	**3.5**	1.4
Lease liabilities	396.3	-	**396.3**	445.2
Derivative financial instruments	-	246.8	**246.8**	70.2
Total financial liabilities	527.5	246.8	**774.3**	591.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Financial instruments (continued)

The following notes relate to the table above:

- assets categorised as fair value through profit and loss at 31 March 2020 are, by concession, deferred through Other comprehensive income as the movements relate to the effective portion of the cashflow hedge;
- due to the short maturity of money market deposits and cash and cash equivalents, amortised cost is considered to be a close approximation to fair value;
- for trade receivables, trade payables and lease liabilities, carrying value at amortised cost approximates to fair value; and
- the fair value of derivative financial instruments has been measured by reference to the fair value of the instruments, as provided by external counterparties.

IFRS 13 – *Fair Value Measurement* requires the classification of fair value measurements using a hierarchy that reflects the nature of the inputs used in making the assessments. The fair values of the Group's derivative financial instruments are derived using available market information, other than quoted prices in active markets for identical assets and liabilities. The inputs into the fair value calculations include quotations by brokers and price index data and are classified as level 2 within the fair value hierarchy.

The valuation methodologies used are as follows:

- the fair values of forward foreign exchange contracts are calculated by discounting the contracted forward values and translating at the appropriate balance sheet rates;
- the fair values of aviation fuel swaps are calculated by discounting expected future cash flows and translating at the appropriate balance sheet rates; and
- the fair values of carbon forward contracts are calculated by discounting the contracted forward values and translating at the appropriate balance sheet rates.

The Group uses derivative financial instruments to manage its exposure to currency exchange rates, aviation fuel prices and carbon prices, consistent with its risk management policies and objectives. These derivatives are analysed as follows:

			31 March 2020		
	Asset fair value	**Liability fair value**	**Hedge ineffectiveness**	**Cost of hedging reserve**	**Cash flow hedging reserve**
	£m	**£m**	**£m**	**£m**	**£m**
US dollar forward contracts	**42.7**	**(0.5)**	**(19.5)**	**0.9**	**(23.6)**
Euro forward contracts	**36.3**	**(17.2)**	**(2.4)**	**(3.8)**	**(12.9)**
Aviation fuel swaps	**-**	**(227.8)**	**129.3**	**-**	**98.5**
Carbon forward contracts	**-**	**(1.3)**	**1.0**	**-**	**0.3**
Total	**79.0**	**(246.8)**	**108.4**	**(2.9)**	**62.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Financial instruments (continued)

	31 March 2019				
	Asset fair value	Liability fair value	Hedge ineffectiveness	Cost of hedging reserve	Cash flow hedging reserve
	£m	£m	£m	£m	£m
US dollar forward contracts	18.0	(3.7)	-	-	(14.3)
Euro forward contracts	0.5	(56.7)	-	-	56.2
Aviation fuel swaps	29.7	(9.8)	-	-	(19.9)
Carbon forward contracts	5.4	-	-	-	(5.4)
Total	**53.6**	**(70.2)**	-	-	**16.6**

The impact of cash flow hedging instruments, by category of risk hedged, on the Statement of Financial Position is as follows:

Hedging instruments and location in Statement of Financial Position	**31 March 2020**		**31 March 2019**	
	Notional amount	**Carrying amount**	**Notional amount**	**Carrying amount**
	£m	**£m**	**£m**	**£m**
Currency forward contracts				
Non-current assets	**677.4**	**25.1**	151.2	1.6
Current assets	**1,407.9**	**53.9**	421.9	16.9
Current liabilities	**771.0**	**(17.2)**	1,466.2	(47.0)
Non-current liabilities	**47.2**	**(0.5)**	482.1	(13.4)
	2,903.5	**61.3**	2,521.4	(41.9)
Aviation fuel swaps				
Non-current assets	-	-	43.9	1.7
Current assets	-	-	194.3	28.0
Current liabilities	**376.1**	**(198.0)**	89.0	(6.9)
Non-current liabilities	**94.5**	**(29.8)**	51.0	(2.9)
	470.6	**(227.8)**	378.2	19.9
Carbon forward contracts				
Non-current assets	-	-	5.8	0.7
Current assets	-	-	11.3	4.7
Current liabilities	**9.3**	**(1.3)**	-	-
Non-current liabilities	-	-	-	-
	9.3	**(1.3)**	17.1	5.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Financial instruments (continued)

(b) Movements in fair value of financial instruments

	Fair value of hedging instrument Assets £m	Liabilities £m
At 31 March 2018	85.9	(48.4)
Other comprehensive income	(32.2)	(21.8)
At 31 March 2019	53.7	(70.2)
Other comprehensive income	(6.9)	(36.0)
Credited / (charged) to income statement	32.2	(140.6)
At 31 March 2020	**79.0**	**(246.8)**

The impact of hedge instrument on cash flow hedging reserve	**Foreign currency risk £m**	**Aviation fuel price risk £m**	**Carbon price risk £m**	**Total cash flow hedging reserve £m**
Balance at 31 March 2018	**32.7**	**(57.8)**	**(5.3)**	**(30.4)**
Losses / (gains) transferred to reserves	34.5	0.7	(4.7)	**30.5**
Transfer to profit and loss for the year	(33.1)	50.9	5.8	**23.6**
Deferred tax movement	-	(9.8)	(0.2)	**(10.0)**
Balance at 31 March 2019	**34.1**	**(16.0)**	**(4.4)**	**13.7**
(Gains) / losses transferred to reserves	(48.0)	97.0	1.1	50.1
Transfer to profit and loss for the year	(30.3)	21.3	4.7	(4.3)
Deferred tax movement	14.6	(22.5)	(1.1)	(9.0)
Balance at 31 March 2020	**(29.6)**	**79.8**	**0.3**	**50.5**

Gains and losses on revaluation of derivatives designated as cash flow hedges, shown in the table above, have an equal and opposite impact on Other comprehensive income. There were no reclassification adjustments other than the transfer of gains and losses from the cashflow hedging reserve into the profit and loss account.

The impact of hedge instrument on cost of hedging reserve	**Foreign currency risk £m**	**Aviation fuel price risk £m**	**Carbon price risk £m**	**Total cost of hedging reserve £m**
Balance at 31 March 2018 and 31 March 2019	-	-	-	-
Gains taken into reserves	(2.9)	-	-	**(2.9)**
Deferred tax movement	0.6	-	-	**0.6**
Balance at 31 March 2020	**(2.3)**	-	-	**(2.3)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Financial instruments (continued)

(c) Maturity profile of financial assets and liabilities

The maturity profile of the Group's financial assets and liabilities at the end of the year was as follows:

Period of maturity	Less than one year	Between one and two years	More than two years	**31 March 2020 Total**	31 March 2019 Total Restated
	£m	£m	£m	**£m**	£m
Financial assets					
Derivative financial instruments	53.9	25.1	-	**79.0**	53.7
Liquid assets and receivables	1,339.6	-	-	**1,339.6**	1,269.0
Total financial assets	1,393.5	25.1	-	**1,418.6**	1,322.7
Financial liabilities					
Derivative financial instruments	216.5	30.3	-	**246.8**	70.2
Trade payables	93.2	-	-	**93.2**	52.7
Amounts due to parent company	-	-	-	**-**	16.8
Amounts due to group undertakings	34.5	-	-	**34.5**	4.9
Borrowings	3.5	-	-	**3.5**	1.4
Lease liabilities	134.5	120.5	141.3	**396.3**	445.2
Total financial liabilities	482.2	150.8	141.3	**774.3**	591.2

The expected contractual maturity of derivative financial instruments that are marked to market based on the undiscounted cash flows is set out below. Where the amount payable or receivable is not fixed, the amount has been determined by reference to market data, including forward commodity prices and foreign exchange rates, illustrated by forward yield curves at the reporting date.

Period of maturity	Less than one year	Between one and two years	**31 March 2020**	31 March 2019
	£m	£m	**£m**	£m
Notional value of derivatives				
US dollar forward contracts	670.7	220.1	**890.8**	750.8
Euro forward contracts	1,508.2	504.5	**2,012.7**	1,770.6
Aviation fuel swaps	376.1	94.5	**470.6**	378.2
Carbon forward contracts	9.3	-	**9.3**	17.1
	2,564.3	819.1	**3,383.4**	2,916.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Financial instruments (continued)

(d) Interest rate risk

Financial assets - cash and cash equivalents (including money market deposits):

	31 March 2020			31 March 2019		
	Interest bearing financial assets £m	**Financial assets on which no interest is receivable £m**	**Total £m**	Interest bearing financial assets £m	Financial assets on which no interest is receivable £m	Total £m
Sterling	**808.1**	**1.3**	**809.4**	522.0	27.3	549.3
US dollar	**0.2**	**-**	**0.2**	51.6	(2.2)	49.4
Euro	**43.4**	**-**	**43.4**	-	(9.7)	(9.7)
Other	**2.0**	**-**	**2.0**	-	1.1	1.1
Loans:						
To parent *(Sterling)*	**433.5**	**-**	**433.5**	623.9	-	623.9
To Jet2 Support Services (Spain) Limited *(Sterling)*	**4.5**	**-**	**4.5**	-	-	-
	1,291.7	**1.3**	**1,293.0**	1,197.5	16.5	1,214.0

The interest bearing financial assets comprise cash on deposit at various market rates according to currency and term. The Group operates a multi-currency cash-pooling arrangement. For the financial assets and liabilities subject to this arrangement, the legal agreement between the Group and the counterparty allows for their net settlement. These balances are therefore presented on a net basis above and within the Balance Sheet.

Financial liabilities – borrowings & lease liabilities:

	31 March 2020			31 March 2019		
	Floating rate financial liabilities £m	**Fixed rate financial liabilities £m**	**Total £m**	Floating rate financial liabilities £m	Fixed rate financial liabilities £m	Total £m
Sterling	3.5	396.3	399.8	1.4	445.2	446.6
	3.5	396.3	399.8	1.4	445.2	446.6

(e) Currency exposure

Financial instruments that are not denominated in the functional currency of the operating unit involved expose the Group to a currency risk. The carrying value of the Group's financial instruments at 31 March, including derivative financial instruments, on which exchange differences would be recognised in the Consolidated Income Statement in the following year, were as follows:

	US dollar £m	**Euro £m**	**Other £m**	**Total £m**
31 March 2019	(16.5)	(72.4)	0.8	(88.1)
31 March 2020	**(20.8)**	**(38.2)**	**2.0**	**(57.0)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Financial instruments (continued)

(f) Sensitivity analysis

The following table shows the impact of currency translation exposures arising from monetary assets and liabilities of the Group that are not denominated in sterling, along with the impact of a reasonably possible change in fuel prices and interest rates, with all other variables held constant.

	31 March 2020		31 March 2019	
	Income statement	**Other comprehensive income**	Income statement	Other comprehensive income
10% increase in aviation fuel prices	**9.7**	**14.3**	-	39.9
10% weakening in GBP vs USD	**(2.3)**	**103.7**	(1.8)	85.1
10% weakening in GBP vs EUR	**(4.2)**	**225.6**	(8.0)	190.7
10% decrease in aviation fuel prices	**(9.7)**	**(14.3)**	-	(39.9)
10% strengthening in GBP vs USD	**1.9**	**(84.8)**	1.5	(69.6)
10% strengthening in GBP vs EUR	**3.5**	**(184.6)**	6.6	(156.1)

20. Capital and reserves

Share capital

Allotted, called up and fully paid	**2020 £m**	2019 £m
250,000 Ordinary shares of £1 each	**0.3**	0.3

Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet matured.

Cost of hedging reserve

The cost of hedging reserve represents changes in the value of foreign currency forward contracts arising as a result of foreign currency basis spread, which are held separately when designating the swap as a hedging instrument. These do not form part of the designated hedging instrument, and are instead recognised through Other comprehensive income, held in a separate cost of hedging reserve, and are subsequently amortised over the life of the associated forward contracts.

Dividends

A dividend of £120 per ordinary share was declared and paid on 31st March 2020 to the Company's sole shareholder, Dart Group plc (2019: £nil per ordinary share).

21. Share based payments

Details of the employee share schemes operated by Dart Group plc are disclosed in Note 26 of that company's financial statements. The amount charged in the consolidated results for the year, which is based on the Group's employees participating in the schemes, was £0.1m (2019: £0.1m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Notes to Consolidated Statement of Cash Flows

Changes in cash and financing liabilities	Net cash / (debt)				Other		Total
	Cash and cash equivalents	Money market deposits	Borrowings	Lease liabilities	Share Capital	Retained earnings	
	£m	£m	£m	£m Restated	£m	£m	**£m** **Restated**
At 1 April 2019 – as originally reported	540.1	50.0	(1.4)	(445.2)	(0.3)	(439.0)	**(295.8)**
Effect of transition to IFRS 16	-	-	-	-	-	24.1	**24.1**
At 1 April 2019 – as restated	**540.1**	**50.0**	**(1.4)**	**(445.2)**	**(0.3)**	**(414.9)**	**(271.7)**
New loans advanced	-	-	(2.1)	-	-	-	**(2.1)**
Payment of lease liabilities	-	-	-	137.0	-	-	**137.0**
Dividends paid	-	-	-	-	-	30.0	**30.0**
Total changes from financing cash flows	**-**	**-**	**(2.1)**	**137.0**	**-**	**30.0**	**164.9**
Other cash flows	312.9	(50.0)	-	-	-	-	**262.9**
Exchange differences	2.0	-	-	(10.8)	-	-	**(8.8)**
Lease movements	-	-	-	(77.3)	-	-	**(77.3)**
Other equity related changes	-	-	-	-	-	(107.7)	**(107.7)**
At 31 March 2020	**855.0**	**-**	**(3.5)**	**(396.3)**	**(0.3)**	**(492.6)**	**(37.7)**

Lease movements include new leases and lease term amendments.

23. Contingent liabilities

Various guarantees have been issued in the ordinary course of business, none of which are expected to lead to a financial gain or loss.

24. Pension scheme

The Group operates a defined contribution pension scheme. The pension charge for the period represents contributions payable by the Group into the scheme and amounted to £19.2m (2019: £14.2m).

25. Related party transactions

During the year, ***Jet2.com*** group companies entered into the following transactions with related parties who are not members of the ***Jet2.com*** group:

	2020 **£m** **Sales**	**2020** **£m** **Purchases**	**2020** **£m** **Interest**	2019 £m Sales	2019 £m Purchases	2019 £m Interest
Dart Group plc	-	(56.9)	4.2	-	(45.0)	4.1
Dart Leasing & Finance Limited	-	(44.0)	-	-	(42.7)	-
Jet2 Support Services (Spain) Limited	10.7	(13.5)	-	-	(9.8)	-
Total	**10.7**	**(114.4)**	**4.2**	-	(97.5)	4.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Related party transactions (continued)

The following amounts were outstanding at the balance sheet date:

	Amounts owed from related parties		Amounts owed to related parties	
	2020	2019	**2020**	2019
	£m	£m	**£m**	£m
		Restated		Restated
Dart Group plc	**433.5**	624.7	**26.6**	16.8
Jet2 Support Services (Spain) Limited	**10.2**	7.1	**7.3**	4.2
Dart Leasing & Finance Limited	-	-	**0.6**	0.7
Total	**443.7**	631.8	**34.5**	21.7

The parent of the smallest and largest group of undertakings for which consolidated accounts are drawn up, and of which ***Jet2.com*** is a member, is Dart Group plc. Dart Group plc is registered in England and Wales and copies of its accounts can be obtained from Low Fare Finder House, Leeds Bradford Airport, Leeds, LS19 7TU.

Dart Group plc is a related party of the group because it is the parent and the ultimate controlling party of ***Jet2.com***. Dart Leasing & Finance Limited and Jet2 Support Services (Spain) Limited are related parties to ***Jet2.com*** because they share the same parent as ***Jet2.com***, Dart Group plc.

Transactions made during the year between ***Jet2.com*** group companies and Dart Group plc were at arm's length and included rental and maintenance payments for aircraft leased from Dart Group plc to ***Jet2.com*** and various recharges for shared costs between Dart Group plc and ***Jet2.com*** and ***Jet2holidays***. ***Jet2.com*** also charged interest on its loan to Dart Group plc during the year at an arm's length rate.

Transactions made during the year between ***Jet2.com*** and Dart Leasing & Finance Limited were at arm's length and included rental and maintenance payments for aircraft leased from Dart Leasing & Finance Limited to ***Jet2.com***.

Transactions made during the year between ***Jet2.com*** and Jet2 Support Services (Spain) Limited were at arm's length and included charges for leisure travel support services.

These amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of amounts owed by related parties.

Richard Green, who is a Non-Executive Director of the Company's ultimate parent, Dart Group plc, is also a Director of Brooklyn Travel Holdings Limited. The following two entities, subsidiaries of Brooklyn Travel Holdings Limited, had related party transactions with the Group during the financial year ended 31 March 2020.

	Relationship	Revenue / (expense) in the year		Amounts outstanding at year end	
		2020	2019	**2020**	2019
		£m	£m	**£m**	£m
Congress Team International (UK) Limited	Common directorship	**1.5**	0.4	-	-
Stewart Travel Limited*	Common directorship	**(2.0)**	(0.6)	-	-

* Expenses in respect of Stewart Travel Limited relate to commissions paid for holidays sold by the agent on the Group's behalf.

26. Restatement of prior year financial statements

The following tables summarise the restatement of previously reported consolidated financial statements.

Consolidated Income Statement
for the year ended 31 March 2019

	Year ended 31 March 2019	Year ended 31 March 2019	Year ended 31 March 2019
	As restated	IFRS 16 Adjustments	As originally reported
	£m	£m	£m
Revenue	**2,964.2**	-	2,964.2
Net operating expenses	**(2,802.7)**	9.9	(2,812.6)
Operating profit	**161.5**	9.9	151.6
Finance income	**8.1**	-	8.1
Finance expense	**(14.8)**	(14.8)	-
Net FX revaluation losses	**(20.0)**	(18.2)	(1.8)
Net financing expense	**(26.7)**	(33.0)	6.3
Profit on disposal of property, plant and equipment	**0.1**	-	0.1
Profit before taxation	**134.9**	(23.1)	158.0
Taxation	**(26.4)**	3.7	(30.1)
Profit for the year	**108.5**	(19.4)	127.9
Total comprehensive income for the year	**64.4**	(19.4)	83.8

The impact of IFRS 16 on the years ended 31 March 2019 and 31 March 2018 is:

- to capitalise right-of-use assets in respect of aircraft and properties previously accounted for as operating leases under IAS 17;
- to replace operating lease expenses, within net operating expenses, with depreciation charges on the right-of-use assets recognised, and interest expenses, within finance expense, as the discount on the lease liability unwinds; and

The impact of IFRS 15 on the year ended 31 March 2018 is:

- to defer the recognition of certain non-ticket revenue streams to the date of departure rather than the date of booking, resulting in a reduction in revenue and an increase in deferred revenue;
- to apportion the revenue associated with package holidays over the duration of the holiday, where it was previously recognised on departure, resulting in a reduction in revenue and an increase in deferred revenue. The costs of a package holiday are also apportioned over the duration of the holiday, resulting in a reduction in net operating expenses and a decrease in accruals; and
- to offset a proportion of flight delay compensation payments made to customers, previously recorded wholly within net operating expenses, against revenue up to the full value of the ticket price, resulting in a reduction in revenue and a reduction in net operating expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Restatement of prior year financial statements (continued)

Consolidated Statement of Financial Position
at 31 March 2019

	Year ended 31 March 2019 As restated	Year ended 31 March 2019 IFRS 16 Adjustments	Year ended 31 March 2019 Reclassifications [1]	Year ended 31 March 2019 As originally reported
	£m	£m	£m	£m
Non-current assets				
Property, plant and equipment	**547.1**	424.2	-	122.9
Derivative financial instruments	**4.0**	-	-	4.0
Deferred tax asset	**8.7**	4.9	-	3.8
	559.8	429.1	-	130.7
Current assets				
Inventories	**1.0**	-	-	1.0
Trade and other receivables	**922.9**	-	(168.3)	1,091.2
Derivative financial instruments	**49.6**	-	-	49.6
Money market deposits	**50.0**	-	-	50.0
Cash and cash equivalents	**540.1**	-	-	540.1
	1,563.6	-	(168.3)	1,731.9
Total assets	**2,123.4**	429.1	(168.3)	1,862.6
Current liabilities				
Trade and other payables	**205.5**	-	-	205.5
Deferred revenue	**937.1**	-	-	937.1
Borrowings	**1.4**	-	-	1.4
Lease liabilities	**159.1**	159.1	-	-
Provisions and liabilities	**59.7**	8.0	(168.3)	220.0
Derivative financial instruments	**53.9**	-	-	53.9
	1,416.7	167.1	(168.3)	1,417.9
Non-current liabilities				
Deferred revenue	**2.8**	-	-	2.8
Lease liabilities	**286.1**	286.1	-	-
Derivative financial instruments	**16.3**	-	-	16.3
	305.2	286.1	-	19.1
Total liabilities	**1,721.9**	453.2	(168.3)	1,437.0
Net assets	**401.5**	(24.1)	-	425.6
Shareholders' equity				
Share capital	**0.3**	-	-	0.3
Cash flow hedging reserve	**(13.7)**	-	-	(13.7)
Retained earnings	**414.9**	(24.1)	-	439.0
Total shareholders' equity	**401.5**	(24.1)	-	425.6

[1] For the year ended 31 March 2019, the ***Jet2.com*** Group included £184.4m (2018: £160.0m) within Amounts due from parent undertaking and £17.2m (2018: £5.8m) within Amounts due from group undertakings which had been paid in respect of future maintenance events, with a matching balance held in provisions. These amounts are contractually recoverable from the respective lessor should ***Jet2.com*** complete a maintenance event on the lessor's behalf. The Group is able to direct whether a maintenance event will be completed within the lease term, and therefore the Group now considers that amounts due in respect of maintenance events and the matching provision should only be recognised in respect of maintenance events expected to take place, or committed to, at the year end. £33.3m (2018: £14.5m) is included in other receivables in this respect.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Restatement of prior year financial statements (continued)

Consolidated Statement of Financial Position

at 31 March 2018

	Year ended 31 March 2018 As restated £m	Year ended 31 March 2018 IFRS 16 Adjustments £m	Year ended 31 March 2018 IFRS 15 Adjustments £m	Year ended 31 March 2018 Reclassifications (1) & (2) £m	Year ended 31 March 2018 As originally reported £m
Non-current assets					
Property, plant and equipment	**447.4**	354.1	-	-	93.3
Derivative financial instruments	**21.6**	-	-	-	21.6
	469.0	354.1	-	-	114.9
Current assets					
Inventories	**1.2**	-	-	-	1.2
Trade and other receivables	**464.0**	-	-	(830.5)	1,294.5
Derivative financial instruments	**64.3**	-	-	-	64.3
Money market deposits	**170.2**	-	-	-	170.2
Cash and cash equivalents	**579.1**	-	-	-	579.1
	1,278.8	-	-	(830.5)	2,109.3
Total assets	**1,747.8**	354.1	-	(830.5)	2,224.2
Current liabilities					
Trade and other payables	**146.0**	-	(12.4)	-	158.4
Deferred revenue	**806.0**	-	30.8	(675.4)	1,450.6
Borrowings	**1.0**	-	-	-	1.0
Lease liabilities	**70.2**	70.2	-	-	-
Provisions and liabilities	**49.5**	3.4	-	(151.3)	197.4
Derivative financial instruments	**40.7**	-	-	-	40.7
	1,113.4	73.6	18.4	(826.7)	1,848.1
Non-current liabilities					
Deferred revenue	**1.3**	-	-	(3.8)	5.1
Lease liabilities	**286.4**	286.4	-	-	-
Derivative financial instruments	**7.7**	-	-	-	7.7
Deferred taxation	**2.0**	(1.2)	(3.3)	-	6.5
	297.4	285.2	(3.3)	(3.8)	19.3
Total liabilities	**1,410.8**	358.8	15.1	(830.5)	1,867.4
Net assets	**337.0**	(4.7)	(15.1)	-	356.8
Shareholders' equity					
Share capital	**0.3**	-	-	-	0.3
Cash flow hedging reserve	**30.4**	-	-	-	30.4
Retained earnings	**306.3**	(4.7)	(15.1)	-	326.1
Total shareholders' equity	**337.0**	(4.7)	(15.1)	-	356.8

(1) The reclassification of balances in respect of future maintenance events is as described on the previous page.

(2) In previous years, balance payments not yet due or invoiced for package holidays were recognised on booking within trade receivables, with a corresponding balance in deferred revenue. As these payments are not yet due, an adjustment has been made to remove the receivable for balance payments not yet due or invoiced and the associated entry in deferred revenue. This amended presentation is in line with standard industry practices.

PARENT COMPANY BALANCE SHEET
at 31 March 2020

	Note	2020 £m	2019 Restated £m
FIXED ASSETS			
Intangible assets	*5*	**26.8**	-
Property, plant and equipment	*6*	**512.9**	545.1
Investments	*4*	**26.5**	26.5
Deferred taxation	*13*	**40.0**	-
		606.2	571.6
CURRENT ASSETS			
Stock	*7*	**1.3**	1.0
Debtors - of which falling due >1 year: £13.0m (2019: £3.8m)	*8*	**721.6**	871.8
Cash and cash equivalents	*9*	**636.7**	335.7
		1,359.6	1,208.5
CREDITORS: amounts falling due within one year	*10*	**(1,240.9)**	(1,055.7)
NET CURRENT ASSETS		**118.7**	152.8
TOTAL ASSETS LESS CURRENT LIABILITIES		**724.9**	724.4
CREDITORS: amounts falling due after more than one year			
Other creditors	*11*	**(46.5)**	(12.7)
Lease liabilities		**(261.8)**	(286.1)
Provisions and liabilities	*12*	**(65.0)**	(46.8)
Deferred taxation	*13*	**-**	(0.4)
NET ASSETS		**351.6**	378.4
SHAREHOLDER'S EQUITY			
Share capital	*14*	**0.3**	0.3
Cash flow hedging reserve	*14*	**(59.3)**	26.1
Cost of hedging reserve	*14*	**(0.3)**	-
Profit and loss account		**410.9**	352.0
TOTAL SHAREHOLDER'S EQUITY		**351.6**	378.4

The accounts on pages 56 to 64 were approved by the Board of Directors at a meeting held on 14 August 2020 and were signed on its behalf by:

Gary Brown
Chief Financial Officer
Jet2.com Limited
Registered No. 02739537

Figures shown for the year ended 31 March 2019 have been restated as detailed in Note 18.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

	Share capital £m	Cash flow hedging reserve £m	Cost of hedging reserve	Profit and loss account £m	Total shareholder's equity £m
Balance at 31 March 2018 – as originally reported	**0.3**	**36.7**	**-**	**277.1**	**314.1**
Effect of transition to IFRS 15	-	-	-	(12.7)	**(12.7)**
Effect of transition to IFRS 16	-	-	-	(4.6)	**(4.6)**
Balance at 31 March 2018 – as restated	**0.3**	**36.7**	**-**	**259.8**	**296.8**
Total comprehensive income	-	(10.6)	-	92.1	**81.5**
Share based payment charge	-	-	-	0.1	**0.1**
Balance at 31 March 2019	**0.3**	**26.1**	**-**	**352.0**	**378.4**
Total comprehensive income	-	(85.4)	(0.3)	88.8	**3.1**
Share based payment charge	-	-	-	0.1	**0.1**
Dividend paid in the year	-	-	-	(30.0)	**(30.0)**
Balance at 31 March 2020	**0.3**	**(59.3)**	**(0.3)**	**410.9**	**351.6**

Figures shown for the year ended 31 March 2019 have been restated as detailed in Note 18.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 *Application of Financial Reporting Requirements* issued by the Financial Reporting Council and has adopted FRS 101 *Reduced Disclosure Framework*, accordingly.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and property, plant and equipment;
- transactions with wholly owned subsidiaries;
- capital management;
- the effects of new but not yet effective IFRS;
- a statement of financial position as at the beginning of the preceding period when applying an accounting policy retrospectively or making a retrospective restatement; and
- compensation of key management personnel.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 –*Share-based Payment* in respect of Group settled share based payments; and
- Certain disclosures required by IFRS 13 – *Fair Value Measurement* and the disclosures required by IFRS 7 – *Financial Instruments: Disclosures.*

The Company proposes to continue to adopt the reduced disclosure framework of FRS101 in relation to future financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2. Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the Company's financial statements. Except as noted below, the Company has applied accounting policies which are consistent with those employed in the consolidated financial statements as detailed in Note 1 to the consolidated financial statements.

Investments

Investments are recorded at cost, less provision for impairment in value where appropriate.

3. Profit of the parent company

The Company has taken advantage of the provisions of section 408 of the Companies Act 2006 and has elected to not publish its own profit and loss account for the year. Of the £107.6m profit after taxation declared in the Consolidated Income Statement on page 18, £88.8m (2019: £92.1m) is provided by the Parent Company, ***Jet2.com*** Limited.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

4. Investments

	Investments in subsidiary companies £m
Cost:	
At 31 March 2019 and 31 March 2020	26.5
Provision for diminution in value:	
At 31 March 2019 and 31 March 2020	-
Net book value as at 31 March 2019 and 31 March 2020	**26.5**

Details of principal subsidiaries:

Company name	Country of Incorporation	Number of shares	Principal Activity
Jet2holidays Limited	United Kingdom	26,500,000	Package holidays
Jet2 Transport Services Limited*	United Kingdom	2,000	Transport services
Jet2 Support Services (Cyprus) Limited	Cyprus	1	Leisure travel support services
Jet2 Support Services (Malta) Limited	Malta	1,165	Leisure travel support services

* Owned via shareholding in ***Jet2holidays*** Limited.

The Company owns 100% of the issued share capital and voting rights of all the companies above.

The issued share capital of each subsidiary undertaking consists entirely of ordinary shares.

With the exception of Jet2 Support Services (Cyprus) Limited and Jet2 Support Services (Malta) Limited, all of the above subsidiaries share the same registered address as ***Jet2.com*** Limited, which is provided on page 2. Their respective registered address are as follows:

Jet2 Support Services (Cyprus) Limited	Jet2 Support Services (Malta) Limited
21 Vasili Michailidi	85 St. John Street
3026 Limassol	Valletta
Cyprus	VLT 1165
	Malta

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

5. *Intangible assets*

Airport Slots	**2020**
	£m
Cost	
At 1 April 2019	-
Additions	26.8
At 31 March 2020	26.8
Impairment	
At 1 April 2019	-
Charge for the year	-
At 31 March 2020	-
Net book value	
At 31 March 2020	**26.8**
At 31 March 2019	-

Intangible assets related to airport slots acquired during the year ended 31 March 2020.

6. Property, plant and equipment

	Land & Buildings	**Aircraft related assets**	**Plant, vehicles and equipment**	**Right-of-use assets**	**Total**
	£m	£m	£m	£m Restated	**£m** **Restated**
Cost:					
At 31 March 2019	23.9	107.1	84.4	646.0	**861.4**
Additions	0.3	31.4	15.1	131.9	**178.7**
Disposals	-	-	-	(80.7)	**(80.7)**
At 31 March 2020	**24.2**	**138.5**	**99.5**	**697.2**	**959.4**
Depreciation:					
At 31 March 2019	(6.3)	(40.3)	(47.9)	(221.8)	**(316.3)**
Charged during the year	(1.6)	(14.7)	(11.0)	(133.1)	**(160.4)**
Disposals	-	-	-	30.2	**30.2**
At 31 March 2020	**(7.9)**	**(55.0)**	**(58.9)**	**(324.7)**	**(446.5)**
Net book value at 31 March 2020	**16.3**	**83.5**	**40.6**	**372.5**	**512.9**
Net book value at 31 March 2019	17.6	66.8	36.5	424.2	**545.1**

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

7. Stock

	2020 £m	2019 £m
Consumables	**1.3**	1.0

Stock is accounted for on a FIFO basis and stated at the lower of cost and net realisable value. Net realisable value is the estimated resale value. Aircraft spares, held for long-term use, are classified within property, plant and equipment.

8. Debtors

	2020 £m	2019 £m Restated
Trade debtors	**6.2**	5.6
Amounts due from Parent Company	**182.3**	364.6
Amounts due from Group undertakings	**403.8**	395.8
Other debtors and prepayments	**81.1**	52.7
Derivative financial instruments – £13.0m due after > 1 year (2019: £3.8m)	**48.2**	53.1
	721.6	871.8

Further information on the restatement of these balances is detailed in Note 18.

9. Cash and cash equivalents

Within the cash balance of £636.7m (2019: £335.7m), there were no amounts restricted in relation to bonds and guarantees (2019: £0.4m).

10. Creditors: amounts falling due within one year

	2020 £m	2019 £m Restated
Trade creditors	**39.6**	19.8
Taxation and social security costs	**19.0**	23.0
Amounts owed to parent company	**7.1**	-
Amounts owed to group undertakings	**49.0**	15.3
Other creditors and accruals	**99.0**	79.8
Derivative financial instruments	**202.4**	15.1
Deferred revenue	**690.3**	743.6
Lease liabilities	**134.5**	159.1
	1,240.9	1,055.7

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

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

	2020 £m	2019 £m Restated
Deferred revenue	**16.6**	6.9
Derivative financial instruments	**29.9**	5.8
	46.5	12.7

12. Provisions and liabilities

	Maintenance		Customer Compensation Claims		Total	
	2020 £m	2019 £m Restated	**2020 £m**	2019 £m	**2020 £m**	2019 £m Restated
Opening at 1 April	**32.8**	25.4	**14.0**	12.7	**46.8**	38.1
Provision in the year	**41.4**	40.6	**8.9**	13.2	**50.3**	53.8
Utilised	**(23.0)**	(33.2)	**(8.3)**	(11.0)	**(31.3)**	(44.2)
Released unused	**(0.8)**	-	**-**	(0.9)	**(0.8)**	(0.9)
Closing at 31 March	**50.4**	32.8	**14.6**	14.0	**65.0**	46.8

Further information on the restatement of these balances is detailed in Note 18.

Maintenance provisions relate entirely to the Company's obligation to maintain leased aircraft in accordance with the aircraft manufacturer's published maintenance programmes during the lease term, and to ensure that aircraft are returned to the lessor in accordance with its contractual requirements.

Customer compensation claims provisions and liabilities relate to possible passenger claims for historical flight delays under Regulation (EC) No 261/2004. The main assumptions underlying the possible passenger claims for flight delays are the number of valid claims received and which may be received and the amount at which those claims may be settled. The majority of cash outflows connected with these provisions are expected to occur within three years of the balance sheet date.

13. Deferred taxation

	2020 £m	2019 £m Restated
Deferred taxation arising from:		
Opening balance at 1 April - as originally reported	**(0.4)**	(5.0)
Effect of transition to IFRS 16	**-**	1.2
Opening balance at 1 April - as restated	**(0.4)**	(3.8)
Charged to income statement	**20.3**	1.0
Credit taken directly to equity	**20.1**	2.4
Closing at 31 March	**40.0**	(0.4)

There are no unrecognised deferred taxation balances at 31 March 2020 (2019: £nil).

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

13. Deferred taxation (continued)

Deferred tax assets / (liabilities)	Accelerated capital allowances £m	Financial instruments £m	Other £m	Total £m
At 31 March 2019 – as originally reported	0.5	(6.2)	0.4	**(5.3)**
Effect of transition to IFRS 16	-	-	4.9	**4.9**
At 31 March 2019 – as restated	**0.5**	**(6.2)**	**5.3**	**(0.4)**
Charge to income statement	0.4	21.0	(1.1)	**20.3**
Credit to equity	-	20.1	-	**20.1**
At 31 March 2020	**0.9**	**34.9**	**4.2**	**40.0**

14. Share capital and reserves

	2020 £m	2019 £m
Allotted, called up and fully paid:		
250,000 ordinary shares of £1 each	**0.3**	0.3

Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet matured.

Cost of hedging reserve

The cost of hedging reserve represents changes in the value of foreign currency forward contracts arising as a result of foreign currency basis spread, which are held separately when designating the swap as a hedging instrument. These do not form part of the designated hedging instrument, and are instead recognised through Other comprehensive income, held in a separate cost of hedging reserve, and are subsequently amortised over the life of the associated forward contracts.

Dividends

A dividend of £120 per ordinary share was declared and paid on 31st March 2020 to the Company's sole shareholder, Dart Group plc (2019: £nil per ordinary share).

15. Contingent liabilities

Various guarantees have been issued in the ordinary course of business, none of which are expected to lead to a financial gain or loss.

16. Related party transactions

The Company has taken advantage of the exemption granted by paragraph 8(k) of FRS 101, not to disclose transactions and balances with other Dart Group plc entities that are wholly owned by a member of the Group.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

17. Ultimate parent undertaking

The parent of the smallest and largest group of undertakings for which consolidated accounts are drawn up, and of which the Company is a member, is Dart Group plc. Dart Group plc is registered in England and Wales and copies of its accounts can be obtained from Low Fare Finder House, Leeds Bradford Airport, Leeds, LS19 7TU.

18. Restatement of prior year financial statements

Statement of Financial Position

at 31 March 2019

	Year ended 31 March 2019 As restated £m	Year ended 31 March 2019 IFRS 16 Adjustments £m	Year ended 31 March 2019 Reclassifications £m	Year ended 31 March 2019 As originally reported £m
Non-current assets				
Property, plant and equipment	**545.1**	424.2	-	120.9
Investments	**26.5**	-	-	26.5
	571.6	424.2	-	147.4
Current assets				
Stock	**1.0**	-	-	1.0
Debtors	**871.8**	-	(168.3)	1,040.1
Cash and cash equivalents	**335.7**	-	-	335.7
	1,208.5	-	(168.3)	1,376.8
Creditors: amounts falling due within one year	**(1,055.7)**	(159.1)	-	(896.6)
Net current assets	**152.8**	(159.1)	(168.3)	480.2
Total assets less current liabilities	**724.4**	265.1	(168.3)	627.6
Creditors: amounts falling due after more than one year				
Other creditors	**(12.7)**	-	-	(12.7)
Lease liabilities	**(286.1)**	(286.1)	-	-
Provisions and liabilities	**(46.8)**	(8.0)	168.3	(207.1)
Deferred taxation	**(0.4)**	4.9	-	(5.3)
Net assets	**378.4**	(24.1)	-	402.5
Shareholders' equity				
Share capital	**0.3**	-	-	0.3
Cash flow hedging reserve	**26.1**	-	-	26.1
Profit and loss account	**352.0**	(24.1)	-	376.1
Total shareholders' equity	**378.4**	(24.1)	-	402.5

The detailed impact of IFRS 16 restatement and reclassifications on the Company is in line with the impact described in Note 26 to the Consolidated Financial Statements.

GLOSSARY OF TERMS

ATOL	Air Travel Organiser's License.
Average Package Holiday Price	Total package holiday price paid by the customer excluding discretionary non-ticket revenue, divided by the number of package holiday customers departing in that period.
Capacity	See Sector Seats Available below.
Load Factor	The percentage relationship of Passenger Sectors Flown to Sector Seats Available.
Flight-only Net Ticket Yield	Flight-only ticket revenue, excluding taxes, divided by the number of Passenger Sectors Flown.
Non-ticket Revenue	All discretionary non-ticket revenue, including hold baggage charges, extra legroom fees, in-flight sales and commissions earned on car hire and insurance bookings.
Passenger Sectors Flown	Number of passengers flown on a sector (or single leg journey), including no shows.
Sector	A single leg flight journey.
Sector Seats Available	Total number of seats available according to the Leisure Travel scheduled flying programme (also known as Capacity).