

Registration number: 02774189

**GLOUCESTERSHIRE AIRPORT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**GLOUCESTERSHIRE AIRPORT LIMITED**

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## **GLOUCESTERSHIRE AIRPORT LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	D P Melvin
	M I Morton
	A M Cooke
	A W Kafkaris
	A H Pentecost
	A S Bamford
<b>Registered office</b>	Terminal Building
	Gloucestershire Airport
	Staverton
	Cheltenham
	Gloucestershire
<b>Auditors</b>	GL51 6SR
	Hazlewoods LLP
	Staverton Court
	Staverton
	Cheltenham
	GL51 0UX

## **GLOUCESTERSHIRE AIRPORT LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

#### **Directors of the company**

The directors who held office during the year were as follows:

D P Melvin

M I Morton

A M Cooke

A W Kafkaris

A H Pentecost

A S Bamford (appointed 31 March 2023)

K E Taylor (resigned 26 June 2023)

R L Whyborn (resigned 31 March 2023)

#### **Principal activity**

The principal activity of the company is that of the operation of Gloucestershire Airport and the management of its properties.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

#### **Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 10/11/2023 and signed on its behalf by:

*Mr Michael Morton*

M I Morton  
Director

## **GLOUCESTERSHIRE AIRPORT LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **GLOUCESTERSHIRE AIRPORT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOUCESTERSHIRE AIRPORT LIMITED**

#### **Opinion**

We have audited the financial statements of Gloucestershire Airport Limited (the 'company') for the year ended 31 March 2023, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

## **GLOUCESTERSHIRE AIRPORT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOUCESTERSHIRE AIRPORT LIMITED (CONTINUED)**

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and

## **GLOUCESTERSHIRE AIRPORT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOUCESTERSHIRE AIRPORT LIMITED (CONTINUED)**

- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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.



.....  
Julian Gaskell (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court  
Staverton  
Cheltenham  
GL51 0UX

Date: 10 November 2023



**GLOUCESTERSHIRE AIRPORT LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover		5,195,109	4,256,451
Cost of sales		<u>(4,472,011)</u>	<u>(3,594,834)</u>
Gross profit		<u>723,098</u>	<u>661,617</u>
Administrative expenses:			
Administrative expenses		(1,823,734)	(1,487,314)
Exceptional administrative expenses	3	<u>-</u>	<u>(4,293,889)</u>
Administrative expenses		<u>(1,823,734)</u>	<u>(5,781,203)</u>
Other operating income:			
Government grants	4	-	14,082
Fair value movement on investment properties	4	<u>1,327,051</u>	<u>328,499</u>
Other operating income		<u>1,327,051</u>	<u>342,581</u>
Operating profit/(loss)		226,415	(4,777,005)
Other interest receivable and similar income		987	192
Interest payable and similar charges		<u>(350,695)</u>	<u>(53,371)</u>
Loss before tax		(123,293)	(4,830,184)
Taxation	6	<u>(142,155)</u>	<u>57,822</u>
Loss for the financial year		<u><u>(265,448)</u></u>	<u><u>(4,772,362)</u></u>

The above results were derived from continuing operations.

**GLOUCESTERSHIRE AIRPORT LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Loss for the year	(265,448)	(4,772,362)
Deferred tax arising on changes in laws and rates	<u>-</u>	<u>(491,347)</u>
Total comprehensive income for the year	<u><u>(265,448)</u></u>	<u><u>(5,263,709)</u></u>

The notes on pages 11 to 19 form an integral part of these financial statements.

**GLOUCESTERSHIRE AIRPORT LIMITED****(REGISTRATION NUMBER: 02774189)  
BALANCE SHEET AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	7	23,592,409	17,369,742
Investment property	8	<u>18,678,750</u>	<u>17,351,699</u>
		<u>42,271,159</u>	<u>34,721,441</u>
<b>Current assets</b>			
Stocks	9	1,359,275	1,352,351
Debtors	10	774,489	1,020,292
Cash at bank and in hand		<u>244,174</u>	<u>334,320</u>
		2,377,938	2,706,963
Creditors: Amounts falling due within one year	11	<u>(16,467,172)</u>	<u>(7,506,735)</u>
Net current liabilities		<u>(14,089,234)</u>	<u>(4,799,772)</u>
Total assets less current liabilities		28,181,925	29,921,669
Creditors: Amounts falling due after more than one year	11	(1,046,085)	(2,662,536)
Deferred tax liabilities	6	<u>(6,045,576)</u>	<u>(5,903,421)</u>
Net assets		<u>21,090,264</u>	<u>21,355,712</u>
<b>Capital and reserves</b>			
Called up share capital		870,442	870,442
Profit and loss account		<u>20,219,822</u>	<u>20,485,270</u>
Total equity		<u>21,090,264</u>	<u>21,355,712</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

10/11/2023  
Approved and authorised by the Board on ..... and signed on its behalf by:

*Mr Michael Morton*

M I Morton  
Director

**GLOUCESTERSHIRE AIRPORT LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 April 2022	870,442	20,485,270	21,355,712
Loss for the year	-	(265,448)	(265,448)
At 31 March 2023	<u>870,442</u>	<u>20,219,822</u>	<u>21,090,264</u>

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 April 2021	870,442	25,748,979	26,619,421
Loss for the year	-	(4,772,362)	(4,772,362)
Other comprehensive income	-	(491,347)	(491,347)
Total comprehensive income	-	(5,263,709)	(5,263,709)
At 31 March 2022	<u>870,442</u>	<u>20,485,270</u>	<u>21,355,712</u>

Within the total value of profit and loss account reserves is £19,957,988 (2022 - £18,591,389) of undistributable reserves.

## **GLOUCESTERSHIRE AIRPORT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Terminal Building  
Gloucestershire Airport  
Staverton  
Cheltenham  
Gloucestershire  
GL51 6SR

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is UK £, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest £.

##### **Going concern**

The directors have prepared forecast information for a period of at least 12 months from the date of approval of these financial statements.

Those forecasts indicate that the company will remain within its confirmed facilities for investment and working capital provided by its shareholders, Cheltenham Borough Council and Gloucester City Council, who have confirmed financial support for a period of at least 12 months from the date of approval of these financial statements.

On this basis, the directors therefore have reasonable expectation that the company has adequate resources going forward and have continued to adopt a going concern basis in preparing the financial statements.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### **Judgements**

No significant judgements have been made by management in preparing these financial statements.

**GLOUCESTERSHIRE AIRPORT LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
(CONTINUED)****2 Accounting policies (continued)*****Key sources of estimation uncertainty***

Valuation of investment properties:

Determining the valuation of investment properties included in the balance sheet requires estimation derived from the current market prices for comparable real estate determined by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

No other key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

**Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits can be reliably measured, and it is probable that future economic benefits will flow to the entity.

Rental income from investment properties, including those on operating leases (net of any incentives given to the lessees), is recognised on a straight-line basis over the lease term.

**Government grants**

Government grants are recognised based on the accruals model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

**Tax**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

**Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, except for freehold land and assets under construction, less any estimated residual value, over their expected useful economic life as follows

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long leasehold land	Over the term of the lease
Long leasehold property	2% per annum of cost
Plant and machinery	4% - 20% per annum of cost

## **GLOUCESTERSHIRE AIRPORT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

#### **2 Accounting policies (continued)**

##### **Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

##### **Trade debtors**

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

##### **Leases**

Rental payments under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

**GLOUCESTERSHIRE AIRPORT LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
(CONTINUED)****2 Accounting policies (continued)****Financial instruments****Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

**Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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

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

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**3 Exceptional administrative expenses**

	2023	2022
	£	£
Loss on deemed disposal	-	4,293,889

The exceptional costs in 2022 related to a loss on deemed disposal of old runway surfaces and associated plant and machinery.



**GLOUCESTERSHIRE AIRPORT LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
(CONTINUED)****4 Other operating income**

The analysis of the company's other operating income for the year is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Government grants	-	14,082
Fair value movement on investment properties	1,327,051	328,499
	<u>1,327,051</u>	<u>342,581</u>

**Coronavirus Job Retention Scheme**

In 2022, the company received grants in relation to the Coronavirus Job Retention Scheme (CJRS) which were accounted as revenue grants and £14,082 was credited to the profit and loss account in relation to the grants.

**5 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 45 (2022 - 45).

**6 Taxation**

Tax charged/(credited) in the profit and loss account

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	142,155	(1,056,703)
Arising from changes in tax rates and laws	-	998,881
Total deferred taxation	<u>142,155</u>	<u>(57,822)</u>

**Deferred tax**

Deferred tax assets and liabilities

	<b>Liability</b>
	<b>£</b>
<b>2023</b>	
Fair value of investment property	4,496,091
Revaluation of leasehold property to deemed cost	2,058,766
Difference between accumulated depreciation and amortisation and capital allowances	21,453
Tax losses	(442,722)
Other timing differences	(88,012)
	<u>6,045,576</u>
<b>2022</b>	
Fair value of investment property	4,162,005
Revaluation of leasehold property to deemed cost	2,047,279
Difference between accumulated depreciation and amortisation and capital allowances	160,021
Tax losses	(377,795)
Other timing differences	(88,089)
	<u>5,903,421</u>

**GLOUCESTERSHIRE AIRPORT LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****7 Tangible assets**

	Long leasehold property £	Freehold property £	Plant and machinery £	Assets in the course of construction £	Total £
<b>Cost</b>					
At 1 April 2022	13,749,244	42,500	2,678,057	4,626,853	21,096,654
Additions	-	-	16,141	6,835,072	6,851,213
Transfers between classes	1,978,632	-	9,483,293	(11,461,925)	-
At 31 March 2023	15,727,876	42,500	12,177,491	-	27,947,867
<b>Depreciation</b>					
At 1 April 2022	1,430,415	-	2,296,497	-	3,726,912
Charge for the year	206,189	-	422,357	-	628,546
At 31 March 2023	1,636,604	-	2,718,854	-	4,355,458
<b>Carrying amount</b>					
At 31 March 2023	14,091,272	42,500	9,458,637	-	23,592,409
At 31 March 2022	12,318,829	42,500	381,560	4,626,853	17,369,742

**GLOUCESTERSHIRE AIRPORT LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
(CONTINUED)****8 Investment properties**

	<b>2023</b>
	<b>£</b>
At 1 April	17,351,699
Fair value adjustments	<u>1,327,051</u>
At 31 March	<u><u>18,678,750</u></u>

These properties were valued by Ben Lovell MRICS on behalf of Avison Young Limited at 31 March 2023. The carrying value at historical cost of these properties amounts to £401,000 net of accumulated depreciation & impairment charges of £nil.

**9 Stocks**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Development land plots held for sale	1,257,702	1,257,702
Fuel for resale	<u>101,573</u>	<u>94,649</u>
	<u><u>1,359,275</u></u>	<u><u>1,352,351</u></u>

**10 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	504,060	335,969
Prepayments	250,072	10,694
Other debtors	<u>20,357</u>	<u>673,629</u>
	<u><u>774,489</u></u>	<u><u>1,020,292</u></u>

**11 Creditors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Loans and borrowings	12 13,121,367	6,739,938
Trade creditors	626,478	230,491
Social security and other taxes	51,957	39,806
Outstanding defined contribution pension costs	21,370	11,053
Accrued expenses	421,974	153,009
Deferred income	2,157,437	264,704
Other payables	<u>66,589</u>	<u>67,734</u>
	<u><u>16,467,172</u></u>	<u><u>7,506,735</u></u>
<b>Due after one year</b>		
Loans and borrowings	12 251,659	268,400
Deferred income	<u>794,426</u>	<u>2,394,136</u>
	<u><u>1,046,085</u></u>	<u><u>2,662,536</u></u>

**GLOUCESTERSHIRE AIRPORT LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
(CONTINUED)****11 Creditors (continued)**

Loans and borrowings of £13,121,367 (2022 - £6,739,938) included within creditors: due within one year include:

i) £2,450,000 (2022 - £1,850,000) payable to related parties under ten year rolling credit facilities expiring in 2027, with interest charged at 2% above the Bank of England base rate. These have been classed as a current liability as technically they are subject to annual review, however, they are not expected to be repayable in the foreseeable future; and

ii) £10,650,000 (2022 - £4,600,000) payable to related parties for which facility agreements of £15,500,000 were put in place on 22 May 2023. These have been classed as a current liability at the balance sheet date in the absence of repayment terms at the balance sheet date. The terms of the £15,500,000 facility agreements require repayments, in equal instalments, to commence 9 months from the practical completion of the building contract with repayments on 31 May and 30 November each year and on 22 May 2048, the termination date. Interest is charged at the Bank of England base rate plus 1% prior to practical completion and thereafter at the Public Works Loan Board interest rate.

**12 Loans and borrowings**

	<b>2023</b> £	<b>2022</b> £
<b>Current loans and borrowings</b>		
Amounts owed to related parties	<u>13,121,367</u>	<u>6,739,938</u>
	<b>2023</b> £	<b>2022</b> £
<b>Non-current loans and borrowings</b>		
Amounts owed to related parties	<u>251,659</u>	<u>268,400</u>

In addition to the funding detailed in note 11 to the financial statements, amounts owed to related parties include:

i) loans of £124,103 (2022 - £135,694), repayable by annual instalments of £17,306 with the final instalment due in September 2030, on which interest is charged at 2% representing the Public Works Loans Board standard new loan rate at the date the loans were formalised; and

ii) loans of £148,923 (2022 - £162,833), repayable by annual instalments of £20,767 with the final instalment due in September 2030, on which interest is charged at 2% representing the Public Works Loans Board standard new loan rate at the date the loans were formalised.

Amounts due after more than five years by instalments at the balance sheet date totalled £114,219 (2022 - £152,292).

The amounts owed to related parties are secured by first legal mortgages over the company's long leasehold, freehold and investment properties and by fixed and floating charges over the remainder of its assets. The borrowings impose a negative pledge which prohibits the company from creating any security interests over the property pledged as security.

**13 Pension and other schemes****Defined contribution pension schemes**

The company contributes to defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £87,695 (2022 - £98,102).

Contributions totalling £21,370 (2022 - £11,053) were payable to the schemes at the end of the year and are included in creditors.

## **GLOUCESTERSHIRE AIRPORT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

#### **14 Financial commitments, guarantees and contingencies**

At 31 March 2023, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £168,481 (2022 - £183,925) and contingent rents payable to Gloucester City Council and Cheltenham Borough Council of £2,133,004 (2022 - £2,026,738).

Also at 31 March 2023, the company had total capital commitments of £nil (2022 - £5,705,900) in respect of refurbishment and replacement of the runways.

#### **15 Related party transactions**

Gloucester City Council and Cheltenham Borough Council ('the Councils') were this company's controlling parties throughout the current year and previous year by the virtue of their equal ownership of the total issued share capital of the company. Both of the Councils are represented on the board of directors. During the year, the company was charged an amount of £50,007 (2022 - £67,728) from the Councils, being an agreed percentage of property sublet rental income; at the balance sheet date £nil (2022 - £24,974) was owed to the Councils in this respect. In addition, at the balance sheet date, the company owed £13,373,026 (2022 - £7,008,338) to the Councils in respect of loans; interest charged on loans for the year amounted to £350,695 (2022 - £53,371).