

## **dnata Limited**

Private limited company by shares, registered in England and Wales  
Company number 03091040

### **Annual Report and Financial Statements**

**For the year ended 31 March 2022**



## **Company information**

### **Directors**

M P Coates  
H M Alawadhi  
A A C Doisneau  
R S Angus  
D J Barker

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

### **Solicitors**

Gowling WLG (UK) LLP  
4 More London Riverside  
London  
SE1 2AU

### **Registered office**

Dakota House  
Poyle Road  
Colnbrook  
Berkshire  
SL3 0QX

## Strategic report for the year ended 31 March 2022

The directors present their strategic report on the company for the year ended 31 March 2022.

### Review of the business

The loss for the financial year amounted to £215,000 (2021: loss of £533,000). The company received a dividend during the year of £1,521,000 (2021: nil).

### Business description

The company is one of the largest independent aircraft ground handling companies in the United Kingdom specialising in ground and cargo handling and is headquartered at London Heathrow Airport. dnata Limited performs services at London Heathrow and Gatwick, Manchester, and other regional airports throughout the United Kingdom with its main customers being major international airlines.

### Financial performance

The loss for the financial year amounted to £215,000 (2021: loss of £533,000).

The company was charged interest of £4,027,000 (2021: £3,488,000) on bank and intercompany loans and on lease liabilities recognised under IFRS 16.

Overall revenue increased by 15% from the prior year (2021: decrease of 36%), with cargo handling revenue increasing by 13% against prior year (2021: decrease of 23%) and ground handling revenue increasing by 27% against prior year (2021: decrease of 64%).

The increase in cargo revenue was driven by an increase in cargo tonnes of 16% (2021: decrease of 35%) from a general increase in cargo volumes and reverse impact of COVID-19. Ground handling turnarounds in the year increased by 58% (2021: decrease of 67%), due entirely to the travel restrictions being lifted from COVID-19. Administrative expenses increased by 12% (2021: decrease of 33%) in line with the increase in revenue.

Cash and cash equivalents as at 31 March 2022 was £24,774,000 (2021: £16,021,000). Capital expenditure slowed down during the year to £3,603,000 (2021: £8,285,000), as prior year fixed asset additions were high due to the company investing in new facilities and equipment to service new contracts. The net asset position was £3,335,000 (2021: £3,550,000) due to the loss for the year.

The Coronavirus Job Retention Scheme Grant came to an end in September 2021. Up to that point, the UK Government subsidised a percentage of our employees salaries. This income of £3,119,000 (2021: £17,693,000) is offset against salary expenses in the Income Statement.

### Key business risks

Impacts on the worldwide aviation business from fluctuating fuel prices, high inflation rates, turbulent global economic conditions, and the position of Heathrow in that market could influence both dnata Limited's ground handling and cargo business. The economic impact of the United Kingdom's exit from the European Economic Community remains uncertain and adds an additional element of risk to the company.

Whilst the fluctuating fuel prices, high inflation rates and economic global situation are seen as challenging in the short to medium term for the industry, the continuing desire for all global carriers to fly to Heathrow as their key UK destination means that competition for flight slots at the airport

## Strategic report for the year ended 31 March 2022 (continued)

### Key business risks (continued)

continues. It is felt that this high level of competition for flight slots will mitigate the impact of the challenges above.

#### COVID-19 Risks

The COVID-19 outbreak developed rapidly in 2020, but worldwide restrictions eased in late 2021 and into 2022. However, with the pandemic continuing to impact aviation globally, a full recovery is not expected in the short term, and has negatively impacted the company's revenue.

#### Ukraine and Russian conflict

The ongoing conflict has negatively impacted the company as it has customers who are based in these countries, which have ceased to fly since the start of the conflict. Further, as can be seen in the market, the conflict has impacted energy and fuel prices, which has increased operating costs significantly, and therefore profits. The company has fully provided for any debts outstanding from companies based in these countries, and continue to monitor the situation.

### Key performance indicators

	2022	2021	% movement
Revenue - £000	106,865	92,838	15%
Cargo tonnes <sup>*1</sup>	534,700	459,843	16%
Turnarounds <sup>*2</sup>	10,788	6,325	71%

\*1 Cargo tonnes is the weight of cargo that is handled including building and breaking of pallets.

\*2 Aircraft turnarounds is the total number of aircraft serviced with ground handling by dnata Limited covering both arrival and departure.

### Section 172(1) statement

Corporate responsibility and good governance are at the heart of the company's values. Our "Vision Mission and Values" statement underlines this: *"Its Vision is to be the world's most admired air services provider; its Mission is to deliver the promises its customers make; and its 'Values' are sharply focused on safety, being performance driven, service excellence, delighting customers, and crucially, imagination and respect."* The directors of the company treat these responsibilities with the utmost importance and consider the Vision Mission and Values when making decisions in the day-to-day running of the business.

The directors consider that they have acted in line with their duties to promote the success of the company, specifically with regard to Section 172(1)(a) – (f) of the Companies Act 2006, and this is discussed further below.

- **Long-term consequences**

Long-term thinking is key to the strategy of the company. It frequently enters into long-term commitments with suppliers and landlords. Significant investment is made to ensure that the company remains at the forefront of technology and facilities match this desire. Profitability on such investments is measured over the short and long-term to ensure that growth is sustainable and can be maintained.

## Strategic report for the year ended 31 March 2022 (continued)

### Section 172(1) statement (continued)

- **Interests of the employees**

The company's employees are the 'backbone' of our business, as we rely heavily on labour and invest significantly in our work force. Our staff deliver a very positive 'can do' attitude, which cascades throughout the company. Employees are encouraged to discuss, with management, matters of interest to the employees and subjects affecting day-to-day operations of the company. Regular consultation with employees or their representatives is achieved so that the employees' views may be considered in making decisions that are likely to affect their interests. The directors remain committed to developing further a culture that encourages the inclusion and diversity of all employees. Employee management and engagement is discussed in more detail in the directors' report.

- **Business relationships**

The company fosters relationships with suppliers, customers and various government facilities and agencies. The company is proactive in managing these relationships, and the success of these is demonstrated by the number of relationships which have endured over the years as the company has grown, but helped our suppliers and customers grow with us.

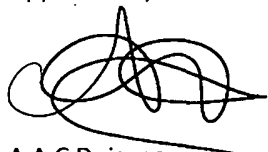
- **Community and environment**

Wherever possible, the company aims to embed itself in the community. We support the local community through sponsorships, charity events and as one of the largest employers in the Heathrow area. Environmental improvements continue to be in the forefront of our thinking. Choosing in electric cars where possible, investing in developing electric trucks to challenge our traditional fleet and choosing green energy suppliers wherever possible are just some of the ways in which this is done.

- **High standards and business conduct**

One thing that the company will not compromise on is our standards. Safety of our staff, customers, suppliers, and the general public is always key. Staff are always trained and equipped to ensure they can deliver on this. The same due care is expected and displayed by the company's management through our business conduct with all of our stakeholders.

Approved by the board and signed on its behalf.



A A C Doisneau

Director

22 August 2022

Company number: 03091040

## Directors' report for the year ended 31 March 2022

The Directors present their report and the audited financial statements for the year ended 31 March 2022.

### Directors

The directors who served the company during the year and up to the date of signing these financial statements were as follows:

M P Coates

H M Alawadhi

A A C Doisneau (appointed 1 April 2021)

R S Angus (appointed 12 January 2022)

D J Barker (appointed 12 January 2022)

R S Marino (resigned 12 January 2022)

### Financial risk management objectives and policies

The main risks associated with the company's financial assets and liabilities are set out below.

#### *Interest rate risk*

The company financial liabilities are subject to interest rate movements and are a mix of fixed and floating interest rates which has minimised the company's exposure in the current year.

#### *Credit risk*

The company manages its debtors on an ongoing basis and significant internal resource is put into mitigating credit risk through close monitoring of its key customers. In the current climate, senior management are more closely involved in monitoring major customers as well to ensure accounts are kept up to date.

#### *Liquidity risk*

The company aims to minimise liquidity risk by managing cash generated by its operations in line with group policies and has in place appropriate treasury management controls. The company also benefits from the support of its penultimate parent company, dnata, including covering any temporary negative net current liability position. As at 31 March 2022 the company was in a net current asset position of £6,198,000 (2021: net current liability position of £22,492,000).

#### *Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company operates in the United Kingdom and receives all its income and most costs in pounds sterling, however there are some costs in foreign currencies. The company does not currently hedge its foreign currency cash flows and is exposed to currency fluctuations. The company made a loss in the year of £315,000 (2021: gain of £936,000) on foreign currency transactions which have been charged to the income statement.

### Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of its directors.

**Directors' report for the year ended 31 March 2022 (continued)****Management and staff**

The company employed on average in the year 1,645 people (2021: 1,820) who are the 'backbone' of our business, as we rely heavily on labour and invest significantly in our work force. Our staff deliver a very positive 'can do' attitude, which cascades throughout the company. Our relationship with our employees' elected Trade Unions is very positive.

Employees are encouraged to discuss, with management, matters of interest to the employees and subjects affecting day-to-day operations of the company. The company is keen to include all employees where practicable in the running of the business and share where possible information in several ways; these being employee information and key performance boards, memorandums, staff notices and management briefings, one dnata website, staff intranet and the one dnata magazine.

In a more formal context regular consultation with employees or their representatives is achieved so that the employees' views may be considered in making decisions that are likely to affect their interests through quarterly and monthly Union meetings, employee led meetings "dnata one voice" meetings, and regular staff surveys, collecting their views, the results of which are shared with senior management and actioned accordingly.

The Board remains committed to developing further a culture that encourages the inclusion and diversity of all employees through respecting and appreciating their differences, and to promoting the continuous development of employees through skills enhancement and training programmes.

It is the company's policy to give full consideration to suitable applications for employment from disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees who become disabled to continue in their employment or to be trained for other positions in the company.

**S172(1)**

The company's statements on engagement with, and having due regard to the interests of its key stakeholders are contained within the section 172(1) statement on pages 3 and 4 of the strategic report.

**Corporate governance statement**

The Corporate Responsibility Policy of the group stands on three pillars which support our business, *our people and the communities we operate in*. It is aligned to our Vision, Mission and Values and represents our commitment to create a business that supports a sustainable corporate responsibility agenda through our people and practices globally.

**Sustaining business**

Our commitment to sustained business excellence and growth is underpinned by being performance driven. As a global organisation, we are unwavering in our focus on ethical corporate governance and prudent financial management. We will continue to distinguish our lines of business and the products and services they deliver, with strong value offerings and hallmark service excellence to maintain the competitive edge whilst delighting our customers. Our corporate responsibility goals for sustaining business are:

## Directors' report for the year ended 31 March 2022 (continued)

### Corporate governance statement (continued)

- Continually improve our performance by providing clear and ethical guidance on managing existing functional excellence and financial contributions within the organisation.
- Innovating around our business models to create sustainable business opportunities aligned to our Mission and Vision.
- Identify and manage our financial and non-financial risk consistently through sustainable monitoring and reporting.

#### Empowering lives

We respect the fact that empowered people are the cornerstone of our business. As an employer of choice, we are committed to employee diversity, and growing and nurturing our talent pool through continuous learning and development, to help our people reach their full potential. We instil a culture of safety and security, so that everyone who comes to work goes home safe. Our corporate responsibility goals for empowering the lives of our colleagues are:

- Provide our people a safe, secure and respectful work environment which values their efforts and contribution.
- Be known in our industry as leaders in providing a safe and secure place to work.
- Provide opportunities for our people to learn, develop their skills and encourage sustainable thinking.

#### Evolving communities

We believe that as communities thrive, we thrive. We give back to communities wherever we operate and beyond, through employing imagination in our multi-faceted approach towards corporate responsibility. Resource efficiency and its impact on the environment is not only our responsibility, but also makes good business sense. Our corporate and personal contribution to charitable causes and local community activities, encourages our employees, and those they help, towards adopting a sustainable lifestyle. Our corporate responsibility goals for evolving the communities we operate in are:

- Reduce our emissions in the communities where we operate through resource efficiency and an aligned supply chain.
- Our products and services are best in the market generating a positive contribution to the business of our customers, the communities we operate in and dnata.

#### Future developments

As the global economy recovers from the Covid-19 pandemic, we look to recover with it as a more robust and streamlined organisation. Our future success is also directly linked with winning new contracts, something which we are actively focussing on to aid our recovery. We have survived through the last couple of years utilising our people effectively and relying on government aid. However, we look to thrive over the coming years by standing on our own and taking on new challenges.



## Directors' report for the year ended 31 March 2022 (continued)

### Streamlined energy and carbon reporting (SECR)

#### *Consumption (kWh) and Greenhouse Gas emissions (tCO<sub>2</sub>e) totals*

The following figures show the consumption and associated emissions for this reporting year for our operations, with figures from the previous reporting period included for comparison.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets. Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

#### *Totals*

The total consumption (kWh) figures for energy supplies reportable by the company are as follows:

Utility and Scope	2022 consumption (kWh)	2021 consumption (kWh)
Grid-supplied electricity	5,963,738	3,427,838
Natural gas	434,941	601,632
Transportation	14,290,190	12,157,952
<b>Total</b>	<b>20,688,869</b>	<b>16,187,422</b>

The total emission (tCO<sub>2</sub>e) figures for energy supplies reportable are as follows:

Utility and Scope	2022 emissions tCO <sub>2</sub> e location basis	2021 emissions tCO <sub>2</sub> e location basis
Grid-supplied electricity (scope 2)	1,266	799
Gaseous and other fuels (Scope 1)	80	110
Transportation (Scope 1)	3,416	2,880
<b>Total</b>	<b>4,762</b>	<b>3,789</b>

#### *Intensity Metric*

Intensity metric	2022 intensity metric location basis	2021 intensity metric location basis
tCO <sub>2</sub> e / £m turnover	44.6	40.8

The increase in consumption in the year is directly linked to the increased level of activity and associated revenue. With the rising energy costs seen leading up to the year-end and beyond, these are expected to increase. Management is evaluating various options by which to mitigate upcoming price rises.

**Directors' report for the year ended 31 March 2022 (continued)****Going concern**

The financial statements have been prepared on a going concern basis, which is dependent on the continuing financial support of the penultimate parent company, dnata. dnata has confirmed that it will provide financing to the company, if required, to allow the company to pay its debts as they fall due, for a period of at least twelve months following the signing of these financial statements. Having made enquires, the Directors are confident that dnata could provide the support offered as needed.

The Directors, having made appropriate enquiries with the Group, believe the Group is in a position to provide the support if required and therefore consider it appropriate to prepare the accounts on a going concern basis.

**Dividends**

The directors have not declared, nor paid, a dividend in the period to which these financial statements relate. Further, the directors have not declared any dividends subsequent to the year-end.

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.*

The directors are also 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.

**Directors' report for the year ended 31 March 2022 (continued)****Statement of directors' responsibilities in respect of the financial statements (continued)****Directors' confirmations**

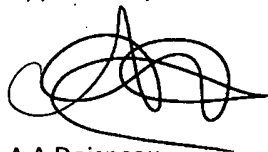
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the board and signed on its behalf



A A Doisneau

Director

22 August 2022

Company number: 03091040

# Independent auditors' report to the members of dnata Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, dnata Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Statement of financial position as at 31 March 2022; Income Statement, Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

### Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining a cash flow forecast from management for the 12 month period after the signing date. The forecast has been reviewed for mathematical accuracy and the inputs to the forecasts have been assessed and challenged.
- Obtained a letter of support from the ultimate parent company and assessed whether they have the intent and ability to provide support to the business.

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 financial statements are authorised for issue.

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.

## **Independent auditors' report to the members of dnata Limited (continued)**

### **Conclusions relating to going concern (continued)**

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

## Independent auditors' report to the members of dnata Limited (continued)

### Responsibilities for the financial statements and the audit (continued)

#### Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation (including VAT, payroll taxes, income tax and Coronavirus Job Retention Scheme) and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Compliance with the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, income or reduce expenditure or cash, and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud and actual and potential litigation and claims;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulation;
- Review of key correspondence with tax regulatory authorities in relation to compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, or posted by members of senior management with a financial reporting oversight role.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Independent auditors' report to the members of dnata Limited (continued)**

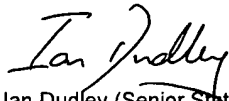
### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Ian Dudley (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

22 August 2022

**Income statement***for the year ended 31 March 2022*

	Note	Year ended 31 March 2022 £ '000	Year ended 31 March 2021 £ '000
Revenue	4	106,865	92,838
Administrative expenses	5	(107,298)	(95,911)
Other operating income	6	3,177	6,239
Operating profit	7	<u>2,744</u>	<u>3,166</u>
Non-operating Income	8	1,521	-
Finance income		107	24
Finance costs and similar expenses	11	<u>(4,027)</u>	<u>(3,488)</u>
Finance costs – net		(3,920)	(3,464)
Profit/(loss) before income tax		345	(298)
Income tax expense	12	<u>(560)</u>	<u>(235)</u>
Loss for the financial year		<u>(215)</u>	<u>(533)</u>

**Statement of comprehensive income***for the year ended 31 March 2022*

	Year ended 31 March 2022 £ '000	Year ended 31 March 2021 £ '000
Loss for the financial year	(215)	(533)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	<u>(215)</u>	<u>(533)</u>



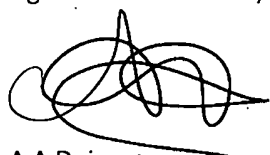
## Statement of financial position

as at 31 March 2022

	Note	As at 31 March 2022 £ '000	As at 31 March 2021 £ '000
<b>Non-current assets</b>			
Tangible assets	13	35,989	38,350
Right-of-use assets	14	89,288	101,664
Debtors	15	2,008	2,012
		<u>127,285</u>	<u>142,026</u>
<b>Current assets</b>			
Debtors	16	17,955	17,283
Cash and cash equivalents	17	24,774	16,021
		<u>42,729</u>	<u>33,304</u>
Creditors	18	(23,341)	(32,846)
Borrowings and lease liabilities	20	(13,190)	(22,950)
<b>Net current assets/(liabilities)</b>		<u>6,198</u>	<u>(22,492)</u>
<b>Total assets less current liabilities</b>		<u>133,483</u>	<u>119,534</u>
Creditors	19	(17,895)	(11,893)
Borrowings and lease liabilities	20	(111,573)	(103,940)
Deferred tax liabilities	21	(680)	(151)
<b>Net assets</b>		<u>3,335</u>	<u>3,550</u>
<b>Capital and reserves</b>			
Called up share capital	23	2,000	2,000
Profit and loss account		<u>1,335</u>	<u>1,550</u>
<b>Total shareholders' funds</b>		<u>3,335</u>	<u>3,550</u>

The notes on pages 18 to 35 form part of the financial statements.

The financial statements on pages 15 to 35 were approved by the board on 22 August 2022 and were signed on its behalf by



A A Doisneau

Director

Company number: 03091040

**Statement of changes in equity**  
*for the year ended 31 March 2022*

	<i>Called up share capital £ '000</i>	<i>Profit and loss account £ '000</i>	<i>Total shareholders' funds £ '000</i>
<b>1 April 2020</b>	<b>2,000</b>	<b>2,083</b>	<b>4,083</b>
Loss for the financial year	-	(533)	(533)
<b>31 March 2021</b>	<b>2,000</b>	<b>1,550</b>	<b>3,550</b>
Loss for the financial year	-	(215)	(215)
<b>31 March 2022</b>	<b>2,000</b>	<b>1,335</b>	<b>3,335</b>

## Notes to the financial statements

*for the year ended 31 March 2022*

### 1. General information

dnata Limited provides ground and cargo handling services at United Kingdom airports to major international airlines.

The company is a wholly owned subsidiary of dnata Aviation Services Limited and is included in the consolidated financial statements of the dnata Group (note 24).

The company was incorporated and is domiciled in the UK and the registered office is Dakota House, Poyle Road, Colnbrook, Berkshire, SL3 0QX.

### 2. Summary of significant accounting policies

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.

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

The financial statements of dnata Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirement and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition measurement and disclosure requirements of IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 24 gives details of the company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (2021) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73 of IAS 16 Property, plant and equipment; and
  - (iii) paragraph 118 of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period).

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### Summary of significant accounting policies (continued)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

### Going concern

The financial statements have been prepared on a going concern basis, which is dependent on the continuing financial support of the penultimate parent company, dnata. Dnata has confirmed in writing that it will provide financing to the company, if required, to allow the company to pay its debts as they fall due, for a period of at least twelve months following the signing of these financial statements.

The Directors, having made appropriate enquiries with the Group, believe the Group is in a position to provide the support if required and therefore consider it appropriate to prepare the accounts on a going concern basis.

### Revenue

Revenue represents the value of services rendered, net of value added tax and trade discounts. Under IFRS 15 Revenue from Contracts with Customers, revenue is recognised by applying the following five steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to each performance obligation based on the relative standalone selling prices of each distinct good or service promised in the contract
- Recognise revenue when a performance obligation is satisfied by transferring a promised good or service to a customer.

Each customer contract contains separate performance obligations, which are to provide services to airline carriers and cargo agents. There is a separate transaction price per the contract for each single performance obligation. Revenue is recognised when the services are provided to the airline carriers and cargo agents.

## Notes to the financial statements (continued)

### for the year ended 31 March 2022

#### Summary of significant accounting policies (continued)

##### **Government Grants**

A government grant is recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received.

The grant is recognised as other operating income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, should be recognised as income in the period in which it is receivable.

A grant relating to income may be reported separately as 'other income' or deducted from the related expense.

For the monthly CJRS grant income, the income will be recognised in the period to which the underlying furloughed staff costs relate to. The payroll liability has been incurred by the entity, and it has therefore met the conditions to claim for that payroll accounting period.

##### **Tangible fixed assets and depreciation**

Tangible fixed assets are recorded at cost or fair values less depreciation and where applicable impairment, cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Short term leasehold property improvements -	Shorter of length of lease and useful economic life
Plant & machinery	- 3 – 15 years

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Assets under construction are depreciated once the asset is brought into operational use and depreciated over the periods noted above.

##### **Leases**

The company leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 15 years but may have extension options. Under IFRS16, leases are recognised as right-of-use assets, and corresponding leases liabilities at the date at which the leased assets are available for use by the company. Right-of-use assets are depreciated over the shorter of their useful economic lives or the lease term. Payments associated with short-term and low value leases are recognised on a straight-line basis as an expense through the income statement.

##### **Trade debtors**

Trade debtors are amounts due from customers for services in the normal course of business. Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**Notes to the financial statements (continued)***for the year ended 31 March 2022****Summary of significant accounting policies (continued)******Creditors***

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

***Current and deferred income tax***

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

***Provisions***

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

**Notes to the financial statements (continued)***for the year ended 31 March 2022****Summary of significant accounting policies (continued)******Cash and cash equivalents***

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

***Financial instruments***

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously

Basic financial liabilities, including trade and other payables, bank loans and loans from related parties are recognised at transaction price.

***Borrowings***

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

***Interest***

Interest income and expense are recognised on a time proportion basis using the effective interest method.

***Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Notes to the financial statements (continued)**

*for the year ended 31 March 2022*

### **Summary of significant accounting policies (continued)**

#### ***Pensions***

The company operates defined contribution pension plans provided by Scottish Widows, AXA, St James Place and The People's Pension. The expenditure is charged to the income statement in the period to which it relates.

#### ***Holiday pay***

As at the date of the statement of financial position, a liability is recognised for any unused holiday entitlement that may, in accordance with company policy, be carried forward to be used in future periods. The liability is calculated as a pro-rata of base salary.

#### ***Impairment of financial assets***

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the amortised cost category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

#### ***Foreign currency translation***

The company's financial statements are presented in pounds sterling (GBP), which is also the company's functional currency. Foreign currency transactions are translated into the functional currency, at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rates prevailing at the end of the reporting period. The resultant foreign exchange gains and losses are recognised in the income statement.



## Notes to the financial statements (continued)

### for the year ended 31 March 2022

#### 3. Critical accounting estimates and judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### *Provisions*

The company has recognised provisions for impairment of trade receivables, customer rebates and income tax in its financial statements all of which requires management to make judgements. The judgements, estimates and associated assumptions to calculate these provisions are based on historical experience and other reasonable factors.

Following an incident during the year, the company is working with the Health and Safety Executive to ascertain whether there was any negligence on the company's part. Through consultations with subject matter experts, the company expects to pay a material amount as a settlement. The value of the settlement is not disclosed as it could be prejudicial to the outcome. However, given the wide array of possibilities, it is possible that the actual amount paid out, if any, will be materially different to the amount currently provided for.

##### *Lease accounting*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

#### 4. Revenue

All revenue generated is within the United Kingdom geographical market. A split of revenue by category is provided below:

	<i>Year ended</i> <i>31 March</i> <i>2022</i> <i>£ '000</i>	<i>Year ended</i> <i>31 March</i> <i>2021</i> <i>£ '000</i>
Cargo	85,583	76,058
Ramp	21,282	16,780
<b>Total revenue</b>	<b>106,865</b>	<b>92,838</b>

**Notes to the financial statements (continued)**  
*for the year ended 31 March 2022*

**5. Administrative expenses**

	<b>Note</b>	<b>Year ended 31 March 2022 £ '000</b>	<b>Year ended 31 March 2021 £ '000</b>
Staff costs	9	58,793	51,181
Depreciation of tangible assets	12	5,954	5,800
Depreciation of right-of-use assets		13,648	12,761
(Gain)/loss on disposal of plant and equipment		(32)	299
Operating leases		2,264	2,089
Management fees		842	844
Foreign exchange losses/(gains)		315	(936)
(Reversal)/impairment of debtors		(160)	773
Other operating charges		25,674	23,100
<b>Total administrative expenses</b>		<b>107,298</b>	<b>95,911</b>

The company received £3,119,000 (2021: £17,693,000) as part of the Coronavirus job retention scheme in the UK. This has been offset in staff costs. The Coronavirus job retention scheme came to an end on 30<sup>th</sup> September 2021.

**6. Other income**

	<b>Year ended 31 March 2022 £ '000</b>	<b>Year ended 31 March 2021 £ '000</b>
Government grant	3,177	6,239
	<b>3,177</b>	<b>6,239</b>

The company received an Airport and Ground Operations Support Scheme ("AGOSS") grant of £3,177,000 (2021: £6,239,000).

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### 7. Operating profit

This is stated after charging:

	<i>Year ended 31 March 2022 £ '000</i>	<i>Year ended 31 March 2021 £ '000</i>
Services provided by the company's auditors		
- Fees payable for the audit	<u>115</u>	<u>135</u>
Depreciation of tangible fixed assets	5,954	5,800
Depreciation of right-of-use assets	<u>13,648</u>	<u>12,761</u>
	<u>19,602</u>	<u>18,561</u>

No fees were paid or accrued in respect of non-audit services.

### 8. Non-operating Income

	<i>Year ended 31 March 2022 £ '000</i>	<i>Year ended 31 March 2021 £ '000</i>
Dividend Income	<u>1,521</u>	<u>-</u>
	<u>1,521</u>	<u>-</u>

The company received dividends from its subsidiary companies dnata Ground limited and dnata Cargo limited on 14<sup>th</sup> June 2021 for £1,073,000 and £448,000, respectively.

### 9. Staff costs

	<i>Year ended 31 March 2022 £ '000</i>	<i>Year ended 31 March 2021 £ '000</i>
Wages and salaries	51,491	42,906
Social security costs	5,203	5,199
Other pension costs	<u>2,099</u>	<u>3,076</u>
<b>Total staff costs</b>	<u>58,793</u>	<u>51,181</u>

The company received £3,119,000 (2021: £17,693,000) as part of the Coronavirus job retention scheme in the UK. This has been offset in staff costs. The Coronavirus job retention scheme came to an end on 30<sup>th</sup> September 2021.

## Notes to the financial statements (continued)

### for the year ended 31 March 2022

#### 9. Staff costs (continued)

The monthly average number of employees during the year was as follows:

	<i>Year ended 31 March 2022 No.</i>	<i>Year ended 31 March 2021 No.</i>
Administration	96	145
Operations	1,549	1,675
<b>Total average number of employees</b>	<b>1,645</b>	<b>1,820</b>

#### 10. Directors' emoluments

	<i>Year ended 31 March 2022 £ '000</i>	<i>Year ended 31 March 2021 £ '000</i>
Aggregate emoluments in respect of qualifying service	231	406

One director (2021: One) was remunerated by the company. The remuneration of the other directors is borne by fellow Group subsidiaries which make no recharge to the company. The company's directors are also directors of fellow Group subsidiaries. It is not possible to make an accurate apportionment of their remuneration in respect of each of the fellow Group subsidiaries of which they are a director.

#### 11. Finance costs and similar expenses

	<i>Year ended 31 March 2022 £ '000</i>	<i>Year ended 31 March 2021 £ '000</i>
Interest on amounts owed to group undertakings	636	630
Interest on bank loans and other borrowings	428	178
Interest on Lease liabilities	2,646	2,473
Management fees for parental guarantees	317	207
<b>Total interest expense on borrowings</b>	<b>4,027</b>	<b>3,488</b>

## Notes to the financial statements (continued)

### for the year ended 31 March 2022

#### 12. Income tax expense

Tax expense included in the income statement

	<i>Year ended 31 March 2022 £ '000</i>	<i>Year ended 31 March 2021 £ '000</i>
<i>Current tax:</i>		
UK corporation tax payable on profits for the year	-	-
Adjustment in respect of prior years	31	(31)
Total current tax (credit)/charge	31	(31)
<i>Deferred tax:</i>		
Origination and reversal of timing differences	420	221
Adjustments in respect of prior year	47	(1)
Impact of change in tax rate	62	-
Total deferred tax (note 19)	529	220
Total tax on profit/(loss)	560	189

The tax expense for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK for the year ended 31 March 2022 of 19% (2021: 19%).

	<i>Year ended 31 March 2022 £ '000</i>	<i>Year ended 31 March 2021 £ '000</i>
Profit/(loss) before income tax	345	(298)
Loss before income tax multiplied by rate of tax of 19% (2021: 19%)	66	(57)
Effects of:		
Fixed asset differences	268	243
Expenses not deductible for tax purposes	467	6
Adjustments in respect of prior years	47	(32)
Impact of change in tax rate	62	-
Losses carried back	-	38
Income not taxable for tax purposes	(312)	(154)
Group relief claimed	(183)	-
Temporary differences not recognised in the computation	154	154
Other differences	(9)	(9)
Total tax charge for the year	560	189

**Notes to the financial statements (continued)**  
*for the year ended 31 March 2022*

**13. Tangible assets**

	<i>Short term leasehold property improvements £ '000</i>	<i>Plant &amp; machinery £ '000</i>	<i>Assets under construction £ '000</i>	<i>Total £ '000</i>
<b>Cost:</b>				
At 1 April 2021	14,585	56,972	1,779	73,336
Additions	-	-	3,603	3,603
Transfers	574	1,624	(2,198)	-
Disposals	-	(1,010)	-	(1,010)
<b>At 31 March 2022</b>	<b>15,159</b>	<b>57,586</b>	<b>3,184</b>	<b>75,929</b>
<b>Accumulated depreciation:</b>				
At 1 April 2021	3,911	31,075	-	34,986
Depreciation	993	4,961	-	5,954
Disposals	-	(1,000)	-	(1,000)
<b>At 31 March 2022</b>	<b>4,904</b>	<b>35,036</b>	<b>-</b>	<b>39,940</b>
<b>Net book value:</b>				
<b>At 31 March 2022</b>	<b>10,255</b>	<b>22,550</b>	<b>3,184</b>	<b>35,989</b>
At 31 March 2021	10,674	25,897	1,779	38,350

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### 14. Right-of-use assets

	<i>Leasehold property improvements</i>	<i>Plant &amp; machinery</i>	<i>Motor Vehicles</i>	<i>Total</i>
	<i>£ '000</i>	<i>£ '000</i>	<i>£ '000</i>	<i>£ '000</i>
<b>Cost:</b>				
At 1 April 2021 <sup>1</sup>	113,328	5,080	6,512	124,920
Additions	-	223	708	931
Disposals	(298)	(1,450)	(976)	(2,724)
<b>At 31 March 2022</b>	<b>113,030</b>	<b>3,853</b>	<b>6,244</b>	<b>123,128</b>
<b>Accumulated depreciation:</b>				
At 1 April 2021 <sup>1</sup>	18,892	1,589	2,799	23,281
Depreciation	10,467	1,201	1,317	12,985
Disposals	-	(1,450)	(976)	(2,426)
<b>At 31 March 2022</b>	<b>29,359</b>	<b>1,340</b>	<b>3,140</b>	<b>33,840</b>
<b>Net book value:</b>				
<b>At 31 March 2022</b>	<b>83,672</b>	<b>2,513</b>	<b>3,103</b>	<b>89,288</b>
At 31 March 2021	94,436	3,491	3,712	101,664

Note 1. Opening balances have been restated to reflect accurate categorisation of the class of various assets. This amendment has had no impact on the opening or closing net book value, nor the Balance Sheet.

### 15. Debtors: amounts receivable after more than one year

	<i>31 March 2022 £ '000</i>	<i>31 March 2021 £ '000</i>
Other debtors	<u>2,008</u>	<u>2,012</u>

Other debtors are deposits leases for leasehold property and rental equipment.

## Notes to the financial statements (continued)

### for the year ended 31 March 2022

#### 16. Debtors: amounts receivable within one year

	<b>31 March 2022 £ '000</b>	<b>31 March 2021 £ '000</b>
Trade debtors	12,593	7,949
Other debtors	-	6,950
Amounts owed by group undertakings	544	-
Corporation tax	-	31
Prepayments and accrued income	4,818	2,353
	<b>17,955</b>	<b>17,283</b>

The amounts owed by group undertakings were interest free, not secured and settled on normal commercial terms. The increase in accrued income is reflective of the increased business activity in the months leading up to the year-ended 31 March 2022, when comparing to the year-ended 31 March 2021.

#### 17. Cash and cash equivalents

	<b>31 March 2022 £ '000</b>	<b>31 March 2021 £ '000</b>
Cash and cash equivalents	<b>24,774</b>	<b>16,021</b>

#### 18. Creditors: amounts falling due within one year

	<b>Note</b>	<b>31 March 2022 £ '000</b>	<b>31 March 2021 £ '000</b>
Trade creditors		10,224	14,034
Amounts owed to group undertakings		1,076	10,185
Other taxation and social security		1,887	1,413
Other creditors		3,041	348
Accruals and deferred income		7,113	6,866
		<b>23,341</b>	<b>32,846</b>

The amounts owed to group undertakings are interest free, not secured and settled on normal commercial terms.

Included within creditors: amounts falling due within one year is £350,000 (2021: £306,000) of outstanding defined contribution pension payments.



## Notes to the financial statements (continued)

### for the year ended 31 March 2022

#### 19. Creditors: amounts falling due after more than one year

	<i>31 March 2022 £ '000</i>	<i>31 March 2021 £ '000</i>
Amounts owed to group undertakings	15,895	11,893
Provisions	2,000	-
	<u>17,895</u>	<u>11,893</u>

The amounts owed to group undertakings is £15,895,000. The amount comprises of two loans, both unsecured, with their carrying value approximating their fair value. The loan, payable to dnata Aviation Services Limited bears interest at a rate of 5.75% per annum. A new loan of £5,145,000 which was entered into effect from 31<sup>st</sup> March 2022 is included within the balance, which accumulates interest at a rate of 3.695%.

Included within Provisions are amounts related to an incident which occurred during the year. The company is working with the Health and Safety Executive to ascertain whether there was any negligence on the company's part. Through consultations with subject matter experts, the company expects to pay a material amount as a settlement. The value of the settlement is not separately disclosed as it could be prejudicial to the outcome. However, given the wide array of possibilities, it is possible that the actual amount paid out, if any, will be materially different to the amount currently provided for.

#### 20. Loans and other borrowings

	<i>31 March 2022 £ '000</i>	<i>31 March 2021 £ '000</i>
Bank loans	20,000	10,000
Lease liabilities	104,763	116,890
Carrying value of liability	<u>124,763</u>	<u>126,890</u>

The bank loan bears a variable interest rate of 3-month SONIA.

#### Bank loan maturity

	<i>31 March 2022 £ '000</i>	<i>31 March 2021 £ '000</i>
Not later than one year	-	10,000
Later than one year, but not later than five years	20,000	-
Carrying value of liability	<u>20,000</u>	<u>10,000</u>

## Notes to the financial statements (continued)

for the year ended 31 March 2022

### 20. Loans and other borrowings (continued)

#### Lease liability maturity

	31 March 2022 £ '000	31 March 2021 £ '000
Not later than one year	13,190	12,950
Later than one year, but not later than five years	91,573	103,940
Carrying value of liability	<u>104,763</u>	<u>116,890</u>

### 21. Deferred tax

	Deferred tax £ '000
At 1 April 2021	151
Charge for the year	529
At 31 March 2021	<u>680</u>

The deferred tax liability included in the statement of financial position is as follows:

	31 March 2022 £ '000	31 March 2021 £ '000
Deferred tax asset	1,030	812
Deferred tax liability	(1,710)	(962)
Total net deferred tax (liability)/asset	<u>(680)</u>	<u>(150)</u>

#### Deferred tax liabilities

	Accelerated capital allowances £ '000
At 1 April 2020	840
Charged to the income statement	122
At 31 March 2021	<u>962</u>
Charged to the income statement	748
At 31 March 2022	<u>1,710</u>

**Notes to the financial statements (continued)***for the year ended 31 March 2022***21. Deferred tax (continued)****Deferred tax assets**

	<i>Timing Differences £ '000</i>
At 1 April 2019	910
Charged to the income statement	(98)
At 31 March 2020	812
Credited to the income statement	218
At 31 March 2021	<u>1,030</u>

**22. Related parties**

The company has taken advantage of the exemption contained in Financial Reporting Standard Number 101 paragraph 8 "Related Party Disclosure" as it is a wholly-owned subsidiary of dnata. The company has therefore not disclosed transactions or balances with wholly-owned entities that form part of the Group headed by dnata.

**23. Called up share capital**

	<i>Allotted and fully paid 31 March 2022 £ '000</i>	<i>Allotted and fully paid 31 March 2021 £ '000</i>
2,000,000 (2021: 2,000,000) ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

**24. Dividend paid**

No dividend was paid during the year (2021: nil).

**Notes to the financial statements (continued)***for the year ended 31 March 2022***25. Parent and ultimate parent undertaking**

The company's immediate parent company is dnata Aviation Services Limited, registered in England.

The company's penultimate parent company is dnata, incorporated in the United Arab Emirates under an Emiri Decree. The ultimate parent undertaking and controlling company at the year-end is the Investment Corporation of Dubai, a company incorporated in the United Arab Emirates under an Emiri decree.

dnata is the smallest group to consolidate these financial statements. Copies of dnata consolidated financial statements can be obtained from the Company secretary at dnata, PO Box 1515, Dubai, UAE.