

Company Registration No. 05241149 (England and Wales)

CITY AIRPORT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019



CITY AIRPORT LIMITED

COMPANY INFORMATION

Directors John Whittaker
Neil Lees A.C.I.S.
Peter Hosker LL.B
Steven Underwood A.C.A
Ruth Woodhead A.C.A.

Secretary Neil Lees A.C.I.S.

Company number 05241149

Registered office Peel Dome
Intu Trafford Centre
Traffordcity
Manchester
United Kingdom
M17 8PL

Auditor Deloitte LLP
Statutory auditor
Manchester
United Kingdom

Bankers Barclays Bank plc

CITY AIRPORT LIMITED

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CITY AIRPORT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and audited financial statements for the year ended 31 March 2019.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal activities

The principal activity of the company continued to be that of an aerodrome.

Going concern

At 31 March 2019 the company is in a net liabilities position. However, after making enquiries, along with the confirmation from Peel Investments (PHA) Limited that they will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future, the directors have concluded they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Directors

Except where stated, the directors who held office during the financial year and thereafter are:

John Whittaker

Neil Lees A.C.I.S.

Peter Hosker LL.B

Steven Underwood A.C.A

Ruth Woodhead A.C.A.

(Appointed 17 October 2019)

Auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

CITY AIRPORT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Directors' responsibilities statement

The directors are responsible 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 then apply them consistently;
- 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 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.

Statement of disclosure to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The main risk associated with the future departure of the UK from the EU is the potential negative impact on the macroeconomic environment. This is as a result of the uncertainty surrounding transitional and post-Brexit arrangement and broader consumer confidence. More specifically the group is affected by changes in sentiment in the investment and occupier market in which it operates. The group continues to monitor the situation closely.

Approved by the Board of Directors and signed on behalf of the Board



Neil Lees A.C.I.S.

Director

19 December 2019

CITY AIRPORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY AIRPORT LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of City Airport Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis of 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's 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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

CITY AIRPORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CITY AIRPORT LIMITED

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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

CITY AIRPORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CITY AIRPORT LIMITED

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.



**Elizabeth Benson BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
20 December 2019**

CITY AIRPORT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover		1,817,700	1,572,184
Cost of sales		(849,147)	(620,899)
Gross profit		<u>968,553</u>	<u>951,285</u>
Administrative expenses		(1,504,523)	(1,146,107)
Other operating income		24,359	36,412
Operating loss		<u>(511,611)</u>	<u>(158,410)</u>
Interest payable and similar expenses		(21,813)	(14,990)
Loss before taxation	3	<u>(533,424)</u>	<u>(173,400)</u>
Tax on loss	5	3,840	80,709
Loss for the financial year		<u><u>(529,584)</u></u>	<u><u>(92,691)</u></u>

All of the above results derive from continuing operations.

There were no other gains or losses than as presented in the above profit and loss account, and accordingly, no separate statement of comprehensive income is presented.

CITY AIRPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	6		129,387		115,344
Current assets					
Stocks	7	9,839		11,616	
Debtors	8	115,652		295,334	
Cash at bank and in hand		10,313		92,787	
Debtors: amounts falling due after more than one year	10	23,675		-	
		<u>159,479</u>		<u>399,737</u>	
Creditors: amounts falling due within one year	9	<u>(867,034)</u>		<u>(563,665)</u>	
Net current liabilities			<u>(707,555)</u>		<u>(163,928)</u>
Net liabilities			<u>(578,168)</u>		<u>(48,584)</u>
Capital and reserves					
Called up share capital	11		1		1
Profit and loss reserves			<u>(578,169)</u>		<u>(48,585)</u>
Shareholder's deficit			<u>(578,168)</u>		<u>(48,584)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accompanying notes form an integral part of these financial statements.

The financial statements of City Airport Limited, company number 05241149 were approved by the board of directors and authorised for issue on 19 December 2019



Neil Lees A.C.I.S.
Director

CITY AIRPORT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2017	1	44,106	44,107
Loss and total comprehensive expense for the year	-	(92,691)	(92,691)
Balance at 31 March 2018	1	(48,585)	(48,584)
Loss and total comprehensive expense for the year	-	(529,584)	(529,584)
Balance at 31 March 2019	1	(578,169)	(578,168)

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

City Airport Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales with company registration number 05241149. The registered office is Peel Dome, Intu Trafford Centre, Traffordcity, Manchester, United Kingdom, M17 8PL.

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1a of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in pounds sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As the company is in a net liabilities position at 31 March 2019, the directors have received confirmation that Peel Investments (PHA) Limited ("Peel"), the divisional holding company, will continue to provide the necessary level of support to enable the company to continue to operate for the foreseeable future. In considering the ability of Peel to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Peel's forecasts, the continuing availability of its facilities and its strategic and contingent plans.

Taking all these factors into account, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Turnover

Turnover comprises income arising from the management of an aerodrome and the rental of hangers and is recognised as the services are provided.

Turnover excludes sales related taxes.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.4 Tangible assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided on all other fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset on a straight line basis over its expected useful life, as follows:

Operational buildings	depreciated at rates varying between 1% and 4% per annum
Plant and vehicles	3-10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Surpluses or deficits arising from revaluation of operational buildings are transferred to the unrealised revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Realised revaluation surpluses representing the difference between historical cost and the asset's carrying value are reclassified by way of a transfer to profit and loss account reserve in the year in which the property disposal occurs.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stock is valued at the lower of cost and net realisable value. Cost represents latest invoiced price. Provisions are made for obsolete or defective items where appropriate.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.8 Financial assets and financial liabilities

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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 and loss, which are initially measured at fair value (which is normally the transaction price excluding the costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance 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.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit and loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which maybe nil) less impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Financial assets and financial liabilities (continued)

Impairment of financial assets

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 amount value had no impairment been recognised.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.10 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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.

Critical judgements in applying the company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied, apart from those involving estimates which are dealt with separately below:

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below:

Fixed assets

Costs directly attributable to other fixed assets and which meet the recognition criteria are stated at cost less impairment for any diminution in value.

The company regularly reviews the asset costs to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The carrying amount of fixed assets at the balance sheet date was £129,387 (2018: £115,344) with no impairment recognised in the year.

3 Loss before taxation

	2019	2018
	£	£
Loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	25,473	26,212
Cost of stock recognised as an expense	118,740	94,118

4 Employees

	2019	2018
	£	£
Wages and salaries	689,926	596,047
Social security costs	57,728	47,148
Pension costs	18,329	15,210
	765,983	658,405

The average monthly number of persons employed by the group in property and administration during the year, inclusive of directors, was 37 (2018: 38).

The directors of the company were remunerated by Peel Group Management Limited for their services to the group as a whole; it is not practicable to allocate their remuneration between their services to group companies.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Taxation

	2019 £	2018 £
Current tax		
Adjustments in respect of prior years	-	(36,541)
Group relief	(547)	(23,786)
Total current tax credit	(547)	(60,327)
Deferred tax		
Origination and reversal of timing differences	(3,293)	(20,382)
Total tax credit	(3,840)	(80,709)

The credit for the year can be reconciled to the loss per the profit and loss account as follows:

	2019 £	2018 £
Loss before taxation	(533,424)	(173,400)
UK corporation tax at 19.00% (2018: 19.00%)	(101,351)	(32,946)
Effects of:		
Expenses not deductible for tax purposes	5,068	4,583
Adjustments in respect of prior years	(644)	(36,541)
Unrecognised movement on deferred tax in relation to losses	92,711	-
Difference in tax rate on current year deferred tax	376	2,398
Changes in recognition of deferred tax	-	(18,203)
Tax credit for the year	(3,840)	(80,709)

The standard rate of tax applied to the reported losses is 19% (2018: 19%).

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Tangible assets

	Operational buildings £	Plant and vehicles £	Total £
Cost			
At 1 April 2018	126,295	86,167	212,462
Additions	39,516	-	39,516
At 31 March 2019	165,811	86,167	251,978
Depreciation and impairment			
At 1 April 2018	45,417	51,701	97,118
Depreciation charged in the year	18,812	6,661	25,473
At 31 March 2019	64,229	58,362	122,591
Carrying amount			
At 31 March 2019	101,582	27,805	129,387
At 31 March 2018	80,878	34,466	115,344

The net book value at 31 March 2019 of assets under finance leases amounted to £15,241 (2018: £18,144) and depreciation provided thereon totalled £2,903 (2018: £2,903).

7 Stocks

	2019 £	2018 £
Raw materials and consumables	9,839	11,616

There is no material difference between the value of stock above and its replacement cost.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Debtors	Due within one year		Due after one year	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	97,985	199,299	-	-
Amounts due from group undertakings	547	60,327	-	-
Prepayments and accrued income	17,120	15,326	-	-
	<u>115,652</u>	<u>274,952</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 10)	-	20,382	23,675	-
	<u>115,652</u>	<u>295,334</u>	<u>23,675</u>	<u>-</u>

Amounts due from group undertakings are interest free and are repayable on demand.

9 Creditors	Due within one year	
	2019	2018
	£	£
Finance leases	1,695	8,195
Trade creditors	50,136	66,420
Amounts due to group undertakings	707,123	389,592
Other taxation and social security	23,421	39,387
Other creditors	3,100	658
Accruals and deferred income	81,559	59,413
	<u>867,034</u>	<u>563,665</u>

Included in amounts due to group undertakings are £678,387 (2018: £276,750) which carry interest of 2.25% above LIBOR (2018: 2.25% above LIBOR). The remainder is interest free and the whole amount is repayable on demand.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

10 Deferred tax asset

	Deferred tax asset £
At 1 April 2018	20,382
Profit and loss account	3,293
	<u>23,675</u>
At 31 March 2019	<u>23,675</u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	<u>23,675</u>	<u>20,382</u>

There is an unrecognised deferred tax asset relating to tax losses carried forward of £82,952 (2018: £nil) as realisation of this asset is dependent on the availability of suitable taxable profits in future periods.

Finance Act 2016, which was substantively enacted on 6 September 2016, included provisions to reduce the rate of corporation tax to 17% from 1 April 2020. Accordingly, deferred tax balances have been revalued to the lower rate of 17% in these accounts. To the extent that the deferred tax reverses before 1 April 2020 then the impact on the net deferred tax asset will be reduced.

11 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

The company has one class of ordinary shares which carry no right to fixed income.

12 Controlling party

The ultimate holding company in the year ended 31 March 2019 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the Billown 1997 Settlement.

The immediate parent company is Peel Investments (PHA) Limited.

The largest group of companies, of which the company is a member, that produces consolidated financial statements is Peel Holdings Group Limited, a company incorporated in the Isle of Man. The registered office is Billown Mansion, Ballasalla, Malew, IM9 3DN, Isle of Man.

The smallest group of companies, of which the company is a member, that produces consolidated financial statements, is Peel Investments (PHA) Limited, a company incorporated in England and Wales. Its group financial statements are available from the Company Secretary at its registered office, Peel Dome, Intu Trafford Centre, Traffordcity, Manchester, M17 8PL.