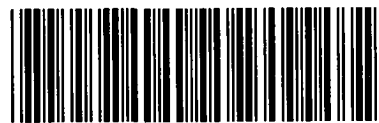


Company Registration No. 05241149 (England and Wales)

CITY AIRPORT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

WEDNESDAY



A7J6SPYR

A17

21/11/2018

#143

COMPANIES HOUSE

CITY AIRPORT LIMITED

COMPANY INFORMATION

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

CONTENTS

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 19

CITY AIRPORT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and audited financial statements for the year ended 31 March 2018.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and for the same reason a strategic report has not been prepared.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company is consolidated in the financial statements of its parent, Peel Investments (PHA) Limited, which may be obtained at Peel Dome, Intu Trafford Centre, Traffordcity, Manchester, M17 8PL. Exemptions have been taken in these separate company financial statements in relation to disclosures surrounding financial instruments, presentation of a cash flow statement, related party transactions and remuneration of key management personnel.

Principal activities

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

Going concern

The directors have concluded, after making enquiries, 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.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the directors. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The company has no exposure to either foreign currency risk or interest rate risk.

Credit risk

The company's principal financial assets are group loans which are risk-free in the context of this group.

Trade debtors as presented in the notes to the Balance Sheet are net of provisions for doubtful debts. A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company can rely on appropriate funding from the group it belongs to.

Future developments

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the coming year. The future departure of the UK from the EU gives rise to uncertainty and this will be closely monitored.

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.

CITY AIRPORT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Directors

Except where stated, the directors who held office from 1 April 2017 were as follows:

John Whittaker

Neil Lees A.C.I.S.

Paul Wainscott A.C.I.S.

(Resigned 16 March 2018)

Peter Hosker LL.B

Steven Underwood A.C.A

Results and dividends

The results for the year are set out on page 7.

The directors can not recommend payment of a final dividend (2017: £nil).

Auditor

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

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.

CITY AIRPORT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Statement of disclosure to auditor

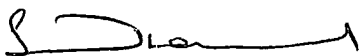
Each of the persons who is a director at the date of approval of this report confirms that:

(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.

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



Steven Underwood A.C.A

Director

12 July 2018

CITY AIRPORT LIMITED

INDEPENDENT AUDITOR'S REPORT .

TO THE MEMBERS OF CITY AIRPORT LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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 of City Airport Limited (the 'company') which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14.

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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CITY AIRPORT LIMITED

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

Report on other legal 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 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 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.



Elizabeth Benson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
12 July 2018

CITY AIRPORT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover	3	1,572,184	1,395,430
Cost of sales		(620,899)	(243,544)
Gross profit		<u>951,285</u>	<u>1,151,886</u>
Administrative expenses		(1,146,107)	(1,413,708)
Other operating income		36,412	60,957
Operating loss		<u>(158,410)</u>	<u>(200,865)</u>
Interest payable and similar expenses	6	(14,990)	(17,200)
Loss before taxation	4	<u>(173,400)</u>	<u>(218,065)</u>
Tax on loss	7	80,709	-
Loss for the financial year attributable to the equity shareholder of the company		<u><u>(92,691)</u></u>	<u><u>(218,065)</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 2018

	Note	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	8		115,344		57,424
Current assets					
Stocks	9	11,616		12,714	
Debtors	10	295,334		844,293	
Cash at bank and in hand		92,787		7,848	
		<u>399,737</u>		<u>864,855</u>	
Creditors: amounts falling due within one year	11	<u>(563,665)</u>		<u>(878,172)</u>	
Net current liabilities			<u>(163,928)</u>		<u>(13,317)</u>
Net (liabilities)/assets			<u>(48,584)</u>		<u>44,107</u>
Capital and reserves					
Called up share capital	13		1		1
Profit and loss reserves			<u>(48,585)</u>		<u>44,106</u>
Shareholder's (deficit)/funds			<u>(48,584)</u>		<u>44,107</u>

The financial statements of City Airport Limited, company number 05241149 were approved by the board of directors and authorised for issue on 12 July 2018



Steven Underwood A.C.A
Director

CITY AIRPORT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2016	1	262,171	262,172
Loss and total comprehensive expense for the year	-	(218,065)	(218,065)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	1	44,106	44,107
Loss and total comprehensive expense for the year	-	(92,691)	(92,691)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	<hr/> <hr/> 1	<hr/> <hr/> (48,585)	<hr/> <hr/> (48,584)

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

City Airport Limited is a private company limited by shares incorporated in England and Wales. 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 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.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company is consolidated in the financial statements of its parent, Peel Investments (PHA) Limited, which may be obtained at Peel Dome, Intu Trafford Centre, Traffordcity, Manchester, M17 8PL. Exemptions have been taken in these separate company financial statements in relation to disclosures surrounding financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

1.2 Going concern

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 2018

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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 2018

1 Accounting policies

(Continued)

1.8 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue 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 2018

1 Accounting policies

(Continued)

1.11 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.

1.12 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.

1.13 Related party transactions

The company has taken advantage of the exemption in Section 33 of FRS 102 and has not disclosed details of transactions with fellow wholly owned undertakings within the Peel Holdings Group Limited group of companies.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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.

3 Turnover

An analysis of the company's turnover is as follows:

	2018 £	2017 £
Turnover		
Rental income	311,844	299,827
Licence fee income	115,430	101,400
Fuel income	674,956	604,952
Aircraft parking	45,208	33,429
Landing fees	200,859	176,285
Event Income	30,889	13,825
Car park income	10,588	18,216
Cafe income	182,410	147,496
	<u>1,572,184</u>	<u>1,395,430</u>

The total turnover of the company for the year has been wholly undertaken in the United Kingdom.

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

4 Loss before taxation

	2018	2017
	£	£
Loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	26,212	17,541
Cost of stock recognised as an expense	401,424	-
	<u>427,636</u>	<u>17,541</u>

The auditor's remuneration of £1,000 (2017: £1,000) for audit work was borne by the holding company and was not recharged. There has been no remuneration paid in the year to the auditor for non-audit services (2017: same).

Fuel costs have reclassified from administrative expenses to cost of sales in the year.

5 Employees

	2018	2017
	£	£
Wages and salaries	596,047	524,083
Social security costs	47,148	41,218
Pension costs	15,210	10,080
	<u>658,405</u>	<u>575,381</u>

The average monthly number of persons employed by the group in property and administration during the year, inclusive of directors, was 38 (2017: 36).

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.

6 Interest payable and similar expenses

	2018	2017
	£	£
Interest on bank overdrafts and loans	6,706	5,315
Interest on finance leases	1,948	1,010
Interest payable to group undertakings	6,336	10,875
	<u>14,990</u>	<u>17,200</u>

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

7 Taxation

	2018 £	2017 £
Current tax		
Adjustments in respect of prior years	(36,541)	-
Group relief	(23,786)	-
	<u>(60,327)</u>	<u>-</u>
Total current tax	<u>(60,327)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(20,382)	-
	<u>(20,382)</u>	<u>-</u>
Total tax credit	<u>(80,709)</u>	<u>-</u>

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

	2018 £	2017 £
Loss before taxation	(173,400)	(218,065)
	<u>(173,400)</u>	<u>(218,065)</u>
UK corporation tax at 19.00% (2017: 20.00%)	(32,946)	(43,613)
Expenses not deductible for tax purposes	4,583	447
Adjustments in respect of prior years	(36,541)	-
Changes in recognition of deferred tax	(18,203)	43,166
Difference in tax rate on current year deferred tax	2,398	-
	<u>(80,709)</u>	<u>-</u>
Taxation for the year	<u>(80,709)</u>	<u>-</u>

The standard rate of tax applied to the reported profits is 19% (2017: 20%).

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

8 Tangible fixed assets

	Operational buildings £	Plant and vehicles £	Total £
Cost			
At 1 April 2017	41,071	87,259	128,330
Additions	83,506	626	84,132
At 31 March 2018	124,577	87,885	212,462
Depreciation and impairment			
At 1 April 2017	26,658	44,248	70,906
Depreciation charged in the year	17,040	9,172	26,212
At 31 March 2018	43,698	53,420	97,118
Carrying amount			
At 31 March 2018	80,879	34,465	115,344
At 31 March 2017	14,413	43,011	57,424

The net book value at 31 March 2018 of assets under finance leases amounted to £18,144 (2017: £20,321) and depreciation provided thereon totalled £2,177 (2017: £2,903).

9 Stocks

	2018 £	2017 £
Raw materials and consumables	11,616	12,714

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 2018

10 Debtors

	2018 £	2017 £
Trade debtors	199,299	133,076
Amount due from parent undertaking	-	1,326
Amounts due from fellow group undertakings	60,327	663,609
Deferred tax	20,382	-
Other debtors	-	23,215
Prepayments and accrued income	15,326	23,067
	<u>295,334</u>	<u>844,293</u>

Amounts owed from group companies do not carry interest and are repayable on demand.

The carrying value of the companies financial assets measured at amortised cost is £295,334 (2017: £844,293).

11 Creditors: amounts falling due within one year

	2018 £	2017 £
Finance leases	8,195	12,669
Trade creditors	66,420	92,811
Amounts due to group undertakings	389,592	637,390
Other taxation and social security	39,387	38,204
Other creditors	658	2,896
Accruals and deferred income	59,413	94,202
	<u>563,665</u>	<u>878,172</u>

Included in amounts owed to group companies are £273,750 (2017: £569,963) which carry interest of 1.5% above base rate (2017: 1.5%) per annum charged on the outstanding loan balance. The remainder does not carry interest and the whole amount is repayable on demand.

The carrying value of the companies financial liabilities measured at amortised cost is £563,663 (2017: £878,172).

CITY AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Deferred taxation

	Deferred tax asset £
At 1 April 2017	-
Profit and loss account (note 10)	(20,382)
	<u>(20,382)</u>
At 31 March 2018	<u>(20,382)</u>

The deferred tax liability is made up as follows:

	2018 £	2017 £
Fixed asset timing differences	(20,382)	-
	<u>(20,382)</u>	<u>-</u>

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.

13 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

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

14 Controlling party

The ultimate holding company in the period ended 31 March 2018 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the Billown 1997 Settlement.

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.

The immediate holding company is Peel Investments (PHA) Limited, a company incorporated in England & Wales.