

**CITY AIRPORT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

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# CITY AIRPORT LIMITED

## COMPANY INFORMATION

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|--------------------------|--|
| <b>Directors</b>         | John Whittaker<br>Steven Underwood A.C.A.<br>Ruth Woodhead A.C.A.<br>John Peter Whittaker<br>James Whittaker |
| <b>Company number</b>    | 05241149   |
| <b>Registered office</b> | Venus Building<br>1 Old Park Lane<br>Traffordcity<br>Manchester<br>United Kingdom<br>M41 7HA                 |
| <b>Auditor</b>           | Deloitte LLP<br>Statutory auditor<br>Manchester<br>United Kingdom  |
| <b>Bankers</b>           | The Royal Bank of Scotland plc   |

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# **CITY AIRPORT LIMITED**

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# **CITY AIRPORT LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2022***

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

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The company has also taken the exemption under Section 414B not to prepare a strategic report.

#### **Principal activities**

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

#### **Going concern**

At 31 March 2022 the company is in a net current and net liability position. However the directors have concluded, after making enquiries and along with the confirmation from its parent company that it will continue to provide the necessary level of support to enable it to continue to operate for the 12 months from signing the financial statements, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the 12 months from signing the financial statements 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 1.2 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.

#### **Uncertainties**

The conflict which continues following the Russian invasion of Ukraine towards the end of the financial year has contributed to significant macro-economic volatility and uncertainty with high levels of inflation and increasing interest rates currently being experienced. The impact is being closely monitored and the directors believe that the Company is well positioned to manage any risks and short-term market volatility.

#### **Directors**

Except where stated, the directors who held office during the financial year and up to date of approval are:

John Whittaker  
Steven Underwood A.C.A.  
Ruth Woodhead A.C.A.  
John Peter Whittaker  
James Whittaker

#### **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 2022

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#### **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.

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



Ruth Woodhead A.C.A.

**Director**

30 January 2023

# **CITY AIRPORT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CITY AIRPORT LIMITED**

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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 2022 and of its profit 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; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 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**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **CITY AIRPORT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CITY AIRPORT LIMITED**

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#### **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: [www.frc.org.uk/auditorsresponsibilities](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**

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

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

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included General Data Protection Regulation, employment law, health and safety.

We discussed among the audit engagement team including relevant internal specialists such as tax, IT and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential fraud in the following area, and our specific procedures performed to address it are described below:

- Revenue recognition pinpointed to cut-off revenue: in addressing the risk we have performed a walkthrough of management's control in place addressing the risk, to assess the design and implementation of the control. We have then identified a reciprocal population and confirmed revenue receipts either side of the year end for an identified risk period to ascertain whether revenue straddling the year end has been appropriately reflected in the correct period.

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

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

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

#### **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 the audit:

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

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.

# **CITY AIRPORT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CITY AIRPORT LIMITED**

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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' exemptions 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**

**30 January 2023**

**CITY AIRPORT LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2022**

|   | Note | 2022<br>£        | 2021<br>£        |
|---|------|------------------|------------------|
| Turnover                                    |      | 1,583,572        | 1,020,826        |
| Cost of sales                               |      | (515,243)        | (284,923)        |
| <b>Gross profit</b>                         |      | <b>1,068,329</b> | <b>735,903</b>   |
| Administrative expenses                     |      | (926,885)        | (1,111,020)      |
| Other operating income                      | 2    | 134,965          | 281,839          |
| <b>Operating profit/(loss)</b>              |      | <b>276,409</b>   | <b>(93,278)</b>  |
| Interest payable and similar expenses       |      | (34,099)         | (31,036)         |
| <b>Profit/(loss) before taxation</b>        | 3    | <b>242,310</b>   | <b>(124,314)</b> |
| Tax on profit/(loss)                        |      | (21,052)         | (83,233)         |
| <b>Profit/(loss) for the financial year</b> |      | <b>221,258</b>   | <b>(207,547)</b> |

All of the above results derive from continued operations.

# CITY AIRPORT LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

|   | Note | 2022<br>£          | £                  | 2021<br>£          | £                  |
|---|------|--------------------|--------------------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |      |                    |                    |                    |                    |
| Tangible assets                                       | 5    |                    | 94,530             |                    | 6,117              |
| <b>Current assets</b>                                 |      |                    |                    |                    |                    |
| Stocks  | 6    | 50,461             |                    | 1,322              |                    |
| Debtors   | 7    | 144,789            |                    | 112,210            |                    |
| Cash at bank and in hand                              |      | 266,489            |                    | 37,783             |                    |
| Debtors: amounts falling due after more than one year | 7    | 32,204             |                    | 28,820             |                    |
|   |      | 493,943            |                    | 180,135            |                    |
| <b>Creditors: amounts falling due within one year</b> | 8    | <u>(1,510,770)</u> |                    | <u>(1,381,253)</u> |                    |
| <b>Net current liabilities</b>                        |      |                    | <u>(1,016,827)</u> |                    | <u>(1,201,118)</u> |
| <b>Total assets less current liabilities</b>          |      |                    | (922,297)          |                    | (1,195,001)        |
| <b>Creditors: amounts falling due after one year</b>  | 10   |                    | (51,445)           |                    | -                  |
| <b>Net liabilities</b>                                |      |                    | <u>(973,742)</u>   |                    | <u>(1,195,001)</u> |
| <b>Capital and reserves</b>                           |      |                    |                    |                    |                    |
| Called up share capital                               | 12   |                    | 1                  |                    | 1                  |
| Profit and loss reserves                              |      |                    | (973,743)          |                    | 1,195,002          |
| <b>Shareholder's deficit</b>                          |      |                    | <u>(973,742)</u>   |                    | <u>(1,195,001)</u> |

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

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

The financial statements of City Airport Limited, company number 05241149 were approved by the board of directors and authorised for issue on 30 January 2023.

Signed on its behalf by:



Ruth Woodhead A.C.A.  
Director

# **CITY AIRPORT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

***FOR THE YEAR ENDED 31 MARCH 2022***

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### **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 Venus Building, 1 Old Park Lane, Traffordcity, Manchester, United Kingdom, M41 7HA.

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 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") under the historical cost convention, and the requirements of the Companies Act 2006. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. The company has taken advantage of section 1A of FRS 102, paragraph 3.1B that allows an entity that qualifies as small to take an exemption from preparing a statement of cash flows.

# CITY AIRPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

#### 1.2 Going concern

As the company is in a net liabilities position at 31 March 2022, the directors have received confirmation that Peel Investments (PHA) Limited ("Peel Airports"); the companies holding company, will continue to provide the necessary level of support to enable the company to continue to operate for the 12 months from signing the financial statements. The liquidity of Peel Airports is dependent on the liquidity of the Peel Group ('Peel'). 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 12 months from signing the financial statements and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for the management of an aerodrome and the rental of hangers and is accounted for on an accruals basis, net of VAT and trade discounts and is recognised when services are provided.

#### 1.4 Tangible assets

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 | 3-10 years straight line |
| Plant and vehicles    | 3-10 years straight line |

# CITY AIRPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### 1.4 Tangible assets (continued)

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

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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 2022

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#### 1 Accounting policies

##### 1.8 Financial assets and financial 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 or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, it is considered whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be 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 group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

##### 1.9 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.

##### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

# **CITY AIRPORT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **1 Accounting policies**

##### **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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# CITY AIRPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 1 Accounting policies

##### 1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

##### 1.15 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. The company has also taken advantage of the exemption available to entities applying the small companies regime not to disclose transactions with related companies as these are undertaken under normal market conditions.

#### 2 Other operating income

|                                   | 2022           | 2021           |
|-----------------------------------|----------------|----------------|
|                                   | £              | £              |
| Furlough receipts                 | 1,908          | 196,996        |
| Local restriction grant           | 18,000         | 26,000         |
| Other operating income            | 99,057         | 58,843         |
| Profit on sale of tangible assets | 16,000         | -              |
|                                   | <u>134,965</u> | <u>281,839</u> |

In response to the Covid-19 pandemic, the company took advantage of the Coronavirus Job Retention Scheme which resulted in the company receiving a £1,908 (2021: £196,996) government grant to cover the salary cost of certain employees.

A £18,000 (2021: £26,000) government grant was also received in respect of business support during periods of local restrictions.

Other operating income consist of recharges, other income and shop sales.

#### 3 Profit/(loss) before taxation

|  | 2022     | 2021      |
|--|----------|-----------|
|  | £        | £         |
| Profit/(loss) for the year is stated after charging: |          |           |
| Government grants                                    | (19,908) | (222,996) |
| Other operating income                               | (99,056) | (58,843)  |
| Depreciation of owned tangible fixed assets          | 7,054    | 1,214     |
| Cost of stock recognised as an expense               | -        | 3,969     |
|  | <u></u>  | <u></u>   |

# CITY AIRPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 4 Employees

|                       | 2022<br>£      | 2021<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 315,790        | 365,069        |
| Social security costs | 27,360         | 26,293         |
| Pension costs         | 12,617         | 8,355          |
|                       | <u>355,767</u> | <u>399,717</u> |

The average monthly number of persons employed by the group in property and administration during the year, inclusive of directors, was 20 (2021: 17).

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.

### 5 Tangible assets

|                                    | Operational<br>buildings<br>£ | Plant and<br>vehicles<br>£ | Total<br>£     |
|------------------------------------|-------------------------------|----------------------------|----------------|
| <b>Cost</b>                        |                               |                            |                |
| At 1 April 2021                    | 178,552                       | 86,167                     | 264,719        |
| Additions                          | 1,616                         | 93,851                     | 95,467         |
| Disposals                          | -                             | (29,030)                   | (29,030)       |
| At 31 March 2022                   | <u>180,168</u>                | <u>150,988</u>             | <u>331,156</u> |
| <b>Depreciation and impairment</b> |                               |                            |                |
| At 1 April 2021                    | 172,435                       | 86,167                     | 258,602        |
| Depreciation charged in the year   | 1,575                         | 5,479                      | 7,054          |
| Eliminated on disposal             | -                             | (29,030)                   | (29,030)       |
| At 31 March 2022                   | <u>174,010</u>                | <u>62,616</u>              | <u>236,626</u> |
| <b>Carrying amount</b>             |                               |                            |                |
| At 31 March 2022                   | <u>6,158</u>                  | <u>88,372</u>              | <u>94,530</u>  |
| At 31 March 2021                   | <u>6,117</u>                  | -                          | <u>6,117</u>   |

There is one asset held under finance lease as at 31 March 2022 with a cost price of £63,000 (2021: nil) and the related depreciation provided amounted to 3,938 (2021: £nil).

No impairment loss was recognised in the period (2021: £ same) following a review performed by management.

# CITY AIRPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 6 Stocks

|                                     | 2022<br>£ | 2021<br>£ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 50,461    | 1,322     |

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

### 7 Debtors

|                                | Note | Due within one year |           | Due after one year |           |
|--------------------------------|------|---------------------|-----------|--------------------|-----------|
|                                |      | 2022<br>£           | 2021<br>£ | 2022<br>£          | 2021<br>£ |
| Trade debtors                  |      | 118,019             | 72,631    | -                  | -         |
| VAT                            |      | 14,157              | -         | -                  | -         |
| Other debtors                  |      | -                   | 2,252     | -                  | -         |
| Prepayments and accrued income |      | 12,613              | 37,327    | -                  | -         |
|                                |      | 144,789             | 112,210   | -                  | -         |
| Deferred tax asset             | 9    | -                   | -         | 32,204             | 28,820    |
|                                |      | 144,789             | 112,210   | 32,204             | 28,820    |

### 8 Creditors: amounts falling due within one year

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Trade creditors                          | 109,793   | 36,790    |
| Amounts due to fellow group undertakings | 1,246,500 | 1,246,841 |
| Amounts owed to related parties          | -         | 4,073     |
| Tax                                      | 24,436    | -         |
| Other taxation and social security       | 12,364    | 6,301     |
| Other creditors                          | 26,841    | 26,841    |
| Accruals and deferred income             | 80,743    | 60,407    |
| Finance lease                            | 9,000     | -         |
|  | 1,510,770 | 1,381,253 |

Included in amounts due to group undertakings are loans of £1,246,500 (2021: £1,137,251) which carry interest at LIBOR + 2.25% up to 31 December 2021 and SONIA + 2.25% thereafter. The remainder in 2021 does not carry interest and the whole amount is repayable on demand.

# CITY AIRPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 9 Deferred tax asset

|                         | Deferred tax<br>asset<br>£ |
|-------------------------|----------------------------|
| At 1 April 2021         | 28,820                     |
| Rate change             | 9,983                      |
| Profit and loss account | (6,599)                    |
| At 31 March 2022        | <u>32,204</u>              |

The deferred tax asset is made up as follows:

|                                | 2022<br>£     | 2021<br>£     |
|--------------------------------|---------------|---------------|
| Fixed asset timing differences | <u>32,204</u> | <u>28,820</u> |

The March 2021 Budget announced that the UK corporation tax rate will increase to 25.00% with effect from 1 April 2023. As this change was substantively enacted as at 31 March 2022, deferred tax balances are measured at a rate of 25.00%.

There is an unrecognised deferred tax asset relating to tax losses carried forward of £128,387 (2021: £123,860) as realisation of this assets is dependent on the availability of suitable taxable profits in future periods.

### 10 Creditors: amounts falling due after more than one year

|                | 2022<br>£     | 2021<br>£ |
|----------------|---------------|-----------|
| Finance leases | <u>51,445</u> | <u>-</u>  |

### 11 Finance lease repayments

The future minimum payments due under finance leases:

|               | 2022<br>£     | 2021<br>£ |
|---------------|---------------|-----------|
| Within 1 year | 9,000         | -         |
| 1 to 2 years  | 9,000         | -         |
| 2 to 5 years  | 42,445        | -         |
|               | <u>60,445</u> | <u>-</u>  |

# CITY AIRPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 12 Called up share capital

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| <b>Ordinary share capital<br/>Issued and fully paid</b> |           |           |
| 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.

### 13 Parent company

The ultimate holding company in the year ended 31 March 2022 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 registered office of the company is Venus Building, 1 Old Park Lane, Traffordcity, Manchester, England, M41 7HA.

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