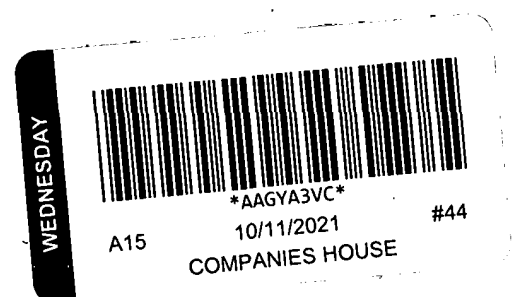


**Ontario Airport Investments Limited**  
**Annual Report and Financial Statements**  
**For the year ended 31 December 2020**



**ONTARIO AIRPORTS INVESTMENTS LIMITED**

**Contents of the Financial Statements**  
**for the year ended 31 December 2020**

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**ONTARIO AIRPORTS INVESTMENTS LIMITED**

**Company Information**  
**for the year ended 31 December 2020**

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**DIRECTORS:**

C Thomazi  
W D Burgess  
J A Adam

**SECRETARY:**

D M Stanton

**REGISTERED OFFICE:**

c/o TMF group  
8th Floor  
20 Farringdon Street  
London  
EC4A 4AB

**REGISTERED NUMBER:**

07002858 (England and Wales)

**AUDITOR:**

Deloitte LLP  
Statutory Auditor  
1 New Street Square  
London  
United Kingdom  
EC4A 3HQ

## **ONTARIO AIRPORTS INVESTMENTS LIMITED**

### **Report of the Directors** **for the year ended 31 December 2020**

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The directors present their annual report with the audited financial statements of the company for the year ended 31 December 2020.

In accordance with Section 414 of the Companies Act 2006, the Directors have not prepared a Strategic Report under the provisions of the small companies' exemption.

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

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the provision of business services to group companies.

#### **REVIEW OF BUSINESS**

As shown on the Statement of Comprehensive Income on page 7 the profit before taxation for the year ended 31 December 2020 was £2,514,847 (2019: £77,494).

In January 2020, the business signed a new service contract with a related party named Beacon Midco Limited, which contributed additional revenue of £1,554,027 in comparison with the previous years.

The above have explained the main driver of the significant increase in the revenue and profit before taxation in the year.

#### **DIVIDENDS**

No dividends were paid during the year (2019: £-). The directors do not propose a final dividend (2019: £-).

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the note 15 to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

C Thomazi  
W D Burgess  
J A Adam

#### **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.

#### **GOING CONCERN**

The financial statements have been prepared using the going concern basis of accounting. The Directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading performance. After making inquiries, the Directors have a reasonable expectation the Company has adequate resources to continue in operational existence for at least 12 months from date of approval of the financial statements. The parent company has agreed to bear the costs of or make contributions to capital amounts sufficient to pay for the Company's expenses for a period of at least 12 months after the end of the reporting period. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have also considered the use of going concern basis in the preparation of these financial statements in light of the current economic conditions and have concluded that this remains appropriate. Despite the adverse market conditions caused by the recent "COVID-19" outbreak, there is no significant doubt as to the ability for OAIL to continue as a going concern because its parent (OTPPB) shall bear the costs of or make capital contributions to pay for OAIL's general expenses. The directors of the Company have assessed OTPPB's ability to provide funding with no concerns identified.

## **ONTARIO AIRPORTS INVESTMENTS LIMITED**

### **Report of the Directors** **for the year ended 31 December 2020**

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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 regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the 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.

The directors 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **AUDITOR**

Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**



D M Stanton - Secretary

08 November 2021

**Independent auditor's report to the members of Ontario Airports Investments Limited**  
**Report on the audit of the financial statements**

---

**Opinion**

In our opinion the financial statements of Ontario Airports Investments Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 16.

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 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.

**Independent auditor's report to the members of Ontario Airports Investments Limited**  
**Report on the audit of the financial statements**

---

**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.

**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 frameworks 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, pension legislation, 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 Employment laws, Health and Safety Act, and Bribery Act.

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

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

- Risk of revenue being recorded in the wrong period due to timing of invoicing (including timing of expenses, as revenue is based on expenses). Our procedures included the following: We tested all invoices issued in the year to amounts received in the bank statement; Furthermore, we tested a sample of invoices issued subsequent to year end to ensure revenue is being recognised in the correct period; As the invoices are based on costs incurred, we selected a sample of costs incurred to underlying support. We also performed unrecorded liability testing to test for the completeness of costs incurred.

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

**Independent auditor's report to the members of Ontario Airports Investments Limited**  
**Report on the audit of the financial statements**

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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 and external legal counsel concerning actual and 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.

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

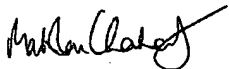
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Makhan Chahal ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
Date 8 November 2021



**ONTARIO AIRPORTS INVESTMENTS LIMITED****Statement of Comprehensive Income**  
**for the year ended 31 December 2020**

	Notes	2020 £	2019 £
<b>REVENUE</b>	3	7,478,348	4,705,958
Administrative expenses		<u>(4,959,730)</u>	<u>(4,629,070)</u>
		2,518,618	76,888
Other operating income		<u>304</u>	<u>6,875</u>
<b>OPERATING PROFIT</b>		2,518,922	83,763
Interest receivable and similar income		<u>-</u>	<u>333</u>
		2,518,922	84,096
Interest payable and similar expenses	5	<u>(4,075)</u>	<u>(6,602)</u>
<b>PROFIT BEFORE TAXATION</b>	6	2,514,847	77,494
Tax on profit	7	<u>(714,733)</u>	<u>77,200</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,800,114	154,694
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,800,114</u>	<u>154,694</u>

The notes form part of these financial statements

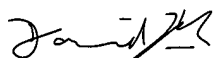
**ONTARIO AIRPORTS INVESTMENTS LIMITED (REGISTERED NUMBER: 07002858)**

**Statement of Financial Position**  
**31 December 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Property, plant and equipment	8	43,526	27,210
<b>CURRENT ASSETS</b>			
Debtors	9	6,964,793	3,259,282
Cash at bank	10	<u>718,943</u>	<u>980,023</u>
		7,683,736	4,239,305
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(4,937,586)</u>	<u>(3,280,366)</u>
<b>NET CURRENT ASSETS</b>		<u>2,746,150</u>	<u>958,939</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,789,676	986,149
<b>PROVISIONS FOR LIABILITIES</b>		<u>(4,823)</u>	<u>(1,410)</u>
<b>NET ASSETS</b>		<u><u>2,784,853</u></u>	<u><u>984,739</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	20	20
Retained earnings		<u>2,784,833</u>	<u>984,719</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>2,784,853</u></u>	<u><u>984,739</u></u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 08 November 2021 and were signed on its behalf by:



D M Stanton - Secretary

The notes form part of these financial statements

**ONTARIO AIRPORTS INVESTMENTS LIMITED****Statement of Changes in Equity**  
**for the year ended 31 December 2020**

---

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	20	830,025	830,045
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>154,694</u>	<u>154,694</u>
Balance at 31 December 2019	<u>20</u>	<u>984,719</u>	<u>984,739</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>1,800,114</u>	<u>1,800,114</u>
Balance at 31 December 2020	<u>20</u>	<u>2,784,833</u>	<u>2,784,853</u>

The notes form part of these financial statements

## **ONTARIO AIRPORTS INVESTMENTS LIMITED**

### **Notes to the Financial Statements** **for the year ended 31 December 2020**

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#### **1. GENERAL INFORMATION**

Ontario Airports Investments Limited ("the Company") is a private limited company, by shares, incorporated and domiciled in England and Wales, registration number 07002858. The address of its registered office can be found on the company information page.

The functional and presentational currency of the company is Sterling pounds (£) and amounts are round to the nearest £.

#### **2. ACCOUNTING POLICIES**

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

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 33 Related Party Disclosure paragraph 33.7.

##### **Going concern**

The financial statements have been prepared using the going concern basis of accounting. The Directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading performance. After making inquiries, the Directors have a reasonable expectation the Company has adequate resources to continue in operational existence for at least 12 months from date of approval of the financial statements. The parent company has agreed to bear the costs of or make contributions to capital amounts sufficient to pay for the Company's expenses for a period of at least 12 months after the end of the reporting period. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have also considered the use of going concern basis in the preparation of these financial statements in light of the current economic conditions and have concluded that this remains appropriate. Despite the adverse market conditions caused by the recent Coronavirus ("COVID-19") outbreak, there is no significant doubt as to the ability for OAIL to continue as a going concern because its parent (OTPPB) shall bear the costs of or make capital contributions to pay for OAIL's general expenses. The directors of the Company have assessed OTPPB's ability to provide funding with no concerns identified.

## **ONTARIO AIRPORTS INVESTMENTS LIMITED**

### **Notes to the Financial Statements - continued** **for the year ended 31 December 2020**

---

#### **2. ACCOUNTING POLICIES - continued**

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

In the application of the accounting policies which are described, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 accounting policies**

No critical judgements have been applied in the accounting policies listed.

##### **Key source of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. There are no key sources of estimated uncertainties noted within the entity.

##### **Turnover**

Ontario Airports Investments Limited provides various services in relation to investments that its ultimate parent company, Ontario Teachers' Pension Plan (OTPP), has made, or is considering making, including the following:

- Investment analysis and due diligence;
- Participating as a board member as requested by OTPPI;
- Providing analysis of board or management issues and summarising board meetings; and
- Enquiries related to the airport industry

Turnover represents amounts derived from the provision of services which fall within the Company's ordinary activities, exclusive of Value Added Tax and trade discounts. Turnover is recognised as services are provided.

##### **Expenses**

Expenses are included in the statement of comprehensive income on an accruals basis, net of discounts and Value Added Tax.

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

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Tangible fixed assets are depreciated as follows:

- Fixtures and fittings - 5 years straight line
- Computer hardware - 5 years straight line
- Computer software - 4 years straight line

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, over the expected useful economic lives of the assets concerned. No depreciation is charged until assets are brought into use.

The carrying value of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

## **ONTARIO AIRPORTS INVESTMENTS LIMITED**

### **Notes to the Financial Statements - continued** **for the year ended 31 December 2020**

---

#### **2. ACCOUNTING POLICIES - continued**

##### **Financial instruments**

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

Financial instruments are recognised in the company's Statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

##### *Non-financial assets*

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

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

##### **Basic financial assets**

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

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.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

##### **Taxation**

Current tax, including UK Corporation 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 statement of financial position date.

## **ONTARIO AIRPORTS INVESTMENTS LIMITED**

### **Notes to the Financial Statements - continued** **for the year ended 31 December 2020**

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Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the statement of financial position date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### **Operating leases**

Rentals paid in respect of operating leases are charged to the statement of comprehensive income as incurred.

#### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

#### **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.

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment. All transactions are recognised on their transaction date through the statement of comprehensive income.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and monies held in bank current accounts.

#### **Creditors**

Short term creditors are measured at the transaction price. All transactions are recognised on their transaction date through the statement of comprehensive income.

### **3. REVENUE**

Turnover, which is stated net of VAT, represents amounts invoiced to group companies all of which are based outside of the UK.

### **4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 6 (2019 - 6).

No directors received any remuneration in the year (2019: £nil).

**ONTARIO AIRPORTS INVESTMENTS LIMITED**

**Notes to the Financial Statements - continued**  
**for the year ended 31 December 2020**

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**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Interest on late payment of Corporation tax	<u>4,075</u>	<u>6,602</u>

**6. PROFIT BEFORE TAXATION**

The profit is stated after charging:

	2020	2019
	£	£
Other operating leases	124,688	85,637
Depreciation - owned assets	13,234	7,318
Auditors' remuneration (auditing of the financial statements)	<u>7,000</u>	<u>11,900</u>



## **ONTARIO AIRPORTS INVESTMENTS LIMITED**

### **Notes to the Financial Statements - continued** **for the year ended 31 December 2020**

#### **7. TAXATION**

##### **Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax	552,257	87,593
Prior year adjustment	<u>159,177</u>	<u>(164,793)</u>
Total current tax	711,434	(77,200)
Deferred tax	<u>3,299</u>	<u>-</u>
Tax on profit	<u>714,733</u>	<u>(77,200)</u>

UK corporation tax has been charged at 19% (2019 - 19%).

##### **Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit before tax	<u>2,514,847</u>	<u>77,494</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	477,821	14,724
Effects of:		
Expenses not deductible for tax purposes	1,237	1,897
Capital allowances in excess of depreciation	(1,002)	(940)
Adjustments to tax charge in respect of previous periods	159,177	(164,793)
Unpaid remuneration adjustments	77,500	70,658
Movement of deferred tax during the year	-	1,410
Other adjustments	<u>-</u>	<u>(156)</u>
Total tax charge/(credit)	<u>714,733</u>	<u>(77,200)</u>

##### **Tax Rate Changes**

The current tax rate applied during the period was 19% based on the standard rate of corporation tax substantively enacted at the reporting date.

Within the Finance Bill 2021 published on 11 March 2021 and substantively enacted on 24 May 2021, the standard rate of corporation tax is set to increase from 19% to 25 % with effect from 1 April 2023.

This rate increase has no effect on the tax charge for the period ended 31 December 2020

**ONTARIO AIRPORTS INVESTMENTS LIMITED****Notes to the Financial Statements - continued  
for the year ended 31 December 2020****8. PROPERTY, PLANT AND EQUIPMENT**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2020	62,066	100,562	162,628
Additions	<u>29,550</u>	<u>-</u>	<u>29,550</u>
At 31 December 2020	<u>91,616</u>	<u>100,562</u>	<u>192,178</u>
<b>DEPRECIATION</b>			
At 1 January 2020	41,924	93,494	135,418
Charge for year	<u>10,439</u>	<u>2,795</u>	<u>13,234</u>
At 31 December 2020	<u>52,363</u>	<u>96,289</u>	<u>148,652</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>39,253</u>	<u>4,273</u>	<u>43,526</u>
At 31 December 2019	<u>20,142</u>	<u>7,068</u>	<u>27,210</u>

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	695,426	-
Other debtors	-	4,274
VAT	15,666	7,207
Called up share capital not paid	18	18
Accrued income	6,189,486	3,207,363
Prepayments	<u>64,197</u>	<u>40,420</u>
	<u>6,964,793</u>	<u>3,259,282</u>

The accrued income relates to the unbilled service charge revenue to the customers for the reporting period as at 31 December 2020, which included £4,588,125 (2019: £3,207,363) due from OTPP Infrastructure & Natural Resources under recharge of LTIP/STIP staff bonus scheme and £1,554,027 from a new service agreement signed with Beacon Midco Limited in January 2020.

**10. CASH AT BANK**

	2020 £	2019 £
Bank deposit account	669,475	948,340
Bank account	<u>49,468</u>	<u>31,683</u>
	<u>718,943</u>	<u>980,023</u>

**ONTARIO AIRPORTS INVESTMENTS LIMITED****Notes to the Financial Statements - continued**  
**for the year ended 31 December 2020****11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	4,005	5,205
Corporation tax	552,257	40,138
Social security and other taxes	60,935	31,683
Other creditors	1,577	1,577
Accruals	4,318,812	3,201,763
	<u>4,937,586</u>	<u>3,280,366</u>

The accruals relate to the outstanding balance of the unpaid LTIP/STIP staff bonus scheme rewarded for the accounting period of 2017, 2018, 2019 and 2020 respectively in the amount of £4,182,817 (2019: £3,201,763) and other accrued expenses for the reporting period.

**12. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	149,625	134,750
Between one and five years	598,500	539,000
In more than five years	<u>339,526</u>	<u>651,292</u>
	<u>1,087,651</u>	<u>1,325,042</u>

On 28 August 2019, the company entered into a short-term lease agreement with Aspect Capital Limited for the office at level 6 East, 10 Portman Square, London W1, the lease obligation is due to be expired on 7 April 2028. However, the continuity of the lease is subject to the outcomes of a review undertaking in year 5 on 15 May 2023.

## **ONTARIO AIRPORTS INVESTMENTS LIMITED**

### **Notes to the Financial Statements - continued** **for the year ended 31 December 2020**

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#### **13. CALLED UP SHARE CAPITAL**

The rights and restrictions attaching to the Class A Ordinary shares are as follows:

- a) The holder(s) of Class A Ordinary shares shall be entitled to receive any dividends out of the profits of the Company available for distribution and resolved under the articles to be distributed;
- b) On a distribution of assets of the Company among its members on a winding up the holder(s) of the Class A Ordinary shares shall be entitled to receive the nominal value of such Class A Ordinary shares; and
- c) The holder(s) of Class A Ordinary shares shall be entitled to receive notice of and attend all general meetings of the Company, but shall not have the rights to vote on any resolutions of the members or by written resolution, except any proposal to:
  - a. Appoint any person to be a director to fill a vacancy or as an addition to the existing directors; or
  - b. Remove a director from office.

The rights and restrictions attaching to the Class B Ordinary shares are as follows:

- a) The holder(s) of Class B Ordinary shares shall be entitled to receive any dividends out of the profits of the Company available for distribution and resolved under the articles to be distributed;
- b) On a distribution of assets of the Company among its members on a winding up or other return of capital (other than a redemption or purchase by the Company of its own shares) the holder(s) of the Class B Ordinary shares shall be entitled to participate in the assets of the Company in accordance with Article 137; and
- c) The holder(s) of Class B Ordinary shares shall be entitled to receive notice of and attend all general meetings of the Company and to vote on all resolutions of the members or by written resolution, except any proposal to:
  - a. Appoint any person to be a director to fill a vacancy or as an addition to the existing directors; or
  - b. Remove a director from office.

#### **14. RELATED PARTY DISCLOSURES**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### **15. POST BALANCE SHEET EVENTS**

There were no significant events after the reporting period to be adjusted in the financial statements.

#### **16. ULTIMATE CONTROLLING PARTY**

The company is a wholly owned subsidiary of 2289717 Ontario Limited, a company incorporated in Canada, is the smallest and largest group to consolidate the results of Ontario Airports Investments Ltd. The only parent which is the ultimate controlling party is Ontario Teachers' Pension Plan a pension plan registered in Canada.

Copies of the annual report of Ontario Teachers' Pension Plan can be obtained from the Director of Communications and Media Relations, 5650 Yonge Street, Toronto, Ontario, M2M 4H5, Canada.