

Looking4Parking Limited

Annual report and financial statements

Registered Number 07107772

Year ended 31 March 2020



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Strategic Report

The directors present their strategic report for the Company for the year ended 31 March 2020.

Principal activity

The principal activity of the Company during the year is acting as a booking agent for airport parking operators.

Business review and future outlook

The results for the year are set out on page 8. During the year the Company made a profit before tax of £576,000 (loss before tax 2019: £514,000). At the year end the Company had net assets of £70,000 (2019: net liabilities of £336,000).

Impact of COVID-19

Manchester Airport Holdings Limited and its subsidiaries (including the Company) are referred to below as 'MAG' or 'the Group'. MAG has considered the impact of COVID-19 on the Group (Manchester Airports Holdings Limited) and the Company as a going concern (covered in the Basis of Preparation on page 12), and the carrying value of both its non-financial and financial assets. COVID-19 is an impairment trigger that has resulted in the Company reviewing the carrying value of its significant assets. The directors' testing concluded that there was no impairment to be made in the financial statements in relation to its non-financial assets. The directors acknowledge the challenges of estimating the recoverable amounts of its assets given their dependency on future cashflows, which depend upon the duration of the pandemic and the social restrictions implemented by governments. As a result, the accounting policies section on page 14 provides more detail of the impairment testing process undertaken and the assumptions used in arriving at the impairment quantification.

As for most enterprises during the COVID-19 outbreak, MAG has undertaken a significant review which confirms that the going concern assumption can be applied in the preparation of these financial statements. The directors' assessment of going concern, of both the Group and the Company, including the material uncertainty that the impact of COVID-19 represents, is detailed in the Basis of preparation at page 12.

Entities within the Group have indicated their intention to continue to make available such funds as are needed by the company, and that they do not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. The directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The current economic conditions resulting from the COVID-19 pandemic have had a significant impact on the Group's activity levels from March 2020 onwards. The impacts upon the general economy and the airline industry specifically have continued into the current financial year FY21 with the Group experiencing significantly lower passenger volumes than in the comparative period for FY20.

Details of the Group's financial liquidity at 31 March 2020; the financial covenants on its Bonds and Bank facilities; and its successful implementation of a strategic financial response (including the securing of additional funding of £300m, and waivers on loan covenant testing results) are detailed on page 50 of the MAHL Annual Report for the year ended 31 March 2020. Additionally, after the year end the Group successfully disposal of the Group's non-core property portfolio and a 50% shareholding in the Airport City Limited Partnership for proceeds in excess of £340m.

The expectation is that international markets will continue to reopen with a gradual recovery of traffic over the next 12 months. Demand levels will be dependent upon routes where the governments air bridges are in place, local and country restrictions and the impact of vaccine roll out on the recovery of travel.

Strategic Report *(continued)*

In addition, Manchester Airports Group ('MAG'), the group of companies whose ultimate parent company is Manchester Airports Holdings Limited, and of which the Company is a member, has continued to work with industry partners to help shape the UK Government's approach to Brexit.

The UK reached an agreement with the EU on 24 December 2020, which was then ratified before the end of the transition period on 31 December 2020. MAG welcomes the principles in the agreement which allow the continued operation of air services, close cooperation on aviation security, and collaboration on air traffic management. This preserves the current regime and liberal access to the EU aviation market that MAG had been calling for in any UK-EU relationship following the end of the transition period.

Close collaboration with the UK Government and our airline partners also meant that, with the deal agreed, there was minimal disruption at MAG's airports caused by the end of the transition period. MAG continues to work closely with its partners to ensure that, once demand begins to return to UK airports following the Covid-19 pandemic, travellers will have clear communications and advice about any changes to their airport experience as a result of the new UK-EU relationship.


Principal risks and uncertainties

The key risks faced by the Company, including those arising from COVID-19, are aligned with those of Manchester Airports Holdings Limited. For more details of these risks, including that of COVID-19, and how they are managed please refer to the strategic report in the annual report and accounts for Manchester Airports Holdings Limited. The directors have not identified any other significant risks for the Company.

Key performance indicators ('KPIs')

The Directors have identified the relevant key performance indicators for the Company to be Profit before taxation £576,000 (2019: Loss of £514,000), capital investment £nil (2019: £26,000) and adjusted EBITDA being earnings before interest, tax, depreciation and amortisation, and before significant items £896,000 (2019: Loss of £6,000). For the group consolidated key performance indicators please refer to the strategic report in the annual report and accounts for Manchester Airports Holdings Limited. The directors have not used any additional KPIs for the Company.

By order of the Board



J Bramall

Director

12 March 2021

Directors' report

The directors present their directors' report and audited financial statements for the Company for the year ended 31 March 2020.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

C Cornish (resigned 3rd December 2020)

N Thompson (resigned 3rd December 2020)

J Bramall (appointed 3rd December 2020)

B Miller (appointed 3rd December 2020)

K O'Toole (appointed 3rd December 2020)

Research and development

The Company did not incur any research and development expenditure during the year (2019: nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2019: nil).

Financial risk management

The Company's activities expose it to a variety of financial risks. The Company's funding, liquidity and exposure to interest rate risks are managed by the Group's treasury function.

Treasury operations are conducted within a framework of policies, which are approved and subsequently monitored by the Board. These include guidelines on funding, interest rate risk management and counterparty risk management.

For more details of the management of these risks please refer to page 39 of the annual report and accounts for Manchester Airports Holdings Limited. The directors have not identified any additional risks specific to this Company.

Going concern

It should be recognised that any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events, which are inherently uncertain. The current economic conditions resulting from the COVID-19 pandemic have had a significant impact on the Company's and Group's activity levels from March 2020 onwards. The impacts upon the general economy and the airline industry specifically have continued into the current financial year. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared a going concern assessment for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through its ultimate parent company, Manchester Airports Holdings Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on entities within the Manchester Airports Holdings Limited Group not seeking repayment of the amounts currently due to the group, which at 31 March 2020 amounted to £891,000 and providing additional financial support during that period. Manchester Airports Holdings Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do.

However, continued support is dependent on the ability of the Manchester Airports Holdings Limited group being able to settle its liabilities as they fall due. The directors of Manchester Airports Holdings Limited have concluded that a material uncertainty exists over the Manchester Airports Holdings Limited group's ability to continue as a going concern as detailed in the basis of preparation on page 50 of Manchester Airports Holdings Limited annual report which is publicly available on the company website.

Based on their enquiries the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Directors' report *(continued)*

Dividend

A dividend of £nil (2019: £nil) was declared and paid in the year.

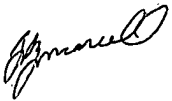
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

Written resolutions relating to the reappointment of KPMG LLP as auditor, and to the authority of the directors to fix the auditor's remuneration, are to be put before the Company's voting shareholders for execution in the short term (and in the case of the former resolution, within the relevant period prescribed by statute). In accordance with section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



J Bramall

Director

12 March 2021

Olympic House
Manchester Airport
Manchester
M90 1QX

Statement of directors' responsibilities relating to the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 St Peter's Square

Manchester

M2 3AE

United Kingdom

Independent auditor's report to the members of Looking4Parking Limited

Opinion

We have audited the financial statements of Looking4Parking Limited ("the Company") for the year ended 31 March 2020 which comprise the Statement of Financial Position, Income Statement and Other Comprehensive Income, Statement of Changes in Equity and related notes including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.2 to the financial statements which indicates that the Company's ability to continue as a going concern is dependent on the continued financial support from its ultimate parent company, Manchester Airport Holdings Limited. The financial statements of Manchester Airport Holdings Limited include a material uncertainty related to going concern and therefore the availability of support may be in doubt if required. These events and conditions, along with the other matters explained in note 1.2, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports/that report and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have/that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Looking4Parking Limited

(continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Christian Bower-Sloane (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square
Manchester M2 3AE
15 March 2021

Income statement and other comprehensive income

for the year ended 31 March 2020

	Note	2020	2019
		£000	£000
Revenue	2	5,515	4,988
Operating costs	3	(4,721)	(5,086)
Operating profit/(loss) before significant items		794	(98)
Significant items	4	(190)	(404)
Operating profit/(loss)		604	(502)
Interest receivable and similar income	7	2	-
Interest payable and similar charges	8	(30)	(12)
Profit/(loss) before taxation		576	(514)
Tax on (profit)/loss	9	(170)	78
Profit/(loss) for the financial year		406	(436)
Other comprehensive income for the year net of tax		-	-
Total comprehensive income/ (expense) for the financial year		406	(436)

The results presented above are all derived from the Company's continuing operations.

The notes on pages 11 to 25 form an integral part of these financial statements.

Statement of financial position

at 31 March 2020

	Note	2020	2020	2019	2019
		£000	£000	£000	£000
Non-current assets					
Tangible assets	10		28		37
Intangible assets	11		441		534
Deferred tax asset	14		-		156
			<u>469</u>		<u>727</u>
Current assets					
Trade and other receivables	12	3,107		3,110	
Cash at bank and in hand		<u>900</u>		<u>2,864</u>	
		4,007		5,974	
Current liabilities					
Trade and other payables	13	<u>(4,301)</u>		<u>(6,942)</u>	
Net current liabilities			<u>(294)</u>		<u>(968)</u>
Non-current liabilities					
Deferred tax liability	14	<u>(105)</u>		<u>(95)</u>	
			<u>(105)</u>		<u>(95)</u>
Net assets/(liabilities)			<u>70</u>		<u>(336)</u>
Capital & Reserves					
Called up share capital	15		1		1
Retained earnings	16		<u>69</u>		<u>(337)</u>
Shareholders' funds/(deficit)			<u>70</u>		<u>(336)</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

These financial statements of Looking4Parking Limited, registered number 07107772, were approved by the board of directors on 12 March 2021 and were signed on its behalf by:



J Bramall
Director

Statement of changes in equity

at 31 March 2020

2020	Called up share capital £000	Retained earnings £000	Total shareholders' funds £000
Balance at 1 April 2019	1	(337)	(336)
Total comprehensive income for the year			
Profit for the year	-	406	406
Total comprehensive income for the year	-	406	406
Balance at 31 March 2020	1	69	70

2019	Called up share capital £000	Retained earnings £000	Total shareholders' funds £000
Balance at 1 April 2018	1	99	100
Total comprehensive income for the year			
Loss for the year	-	(436)	(436)
Total comprehensive income for the year	-	(436)	(436)
Balance at 31 March 2019	1	(337)	(336)

The notes on pages 11 to 25 form an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

Looking4Parking Limited (the 'Company') is a company limited by shares and incorporated and domiciled in the UK. The registered number is 07107772 and the registered address is Olympic House, Manchester Airport, Manchester, M90 1QX, .

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ('FRS 102') as issued in August 2014. The amendments issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Manchester Airports Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Manchester Airports Holdings Limited, prepared in accordance with International Financial Reporting Standards as adopted by the EU, are available to the public, and may be obtained from Olympic House, Manchester Airport, M90 1QX.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 relating to the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company has taken advantage of section 33.1A of FRS 102 and not disclosed transactions with fellow Manchester Airports Holdings Limited Group ('the Group' or 'Group') companies.

As the consolidated financial statements of Manchester Airports Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available relating to the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues relating to financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out over the page have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis with the exception of certain assets and liabilities.

Notes to the financial statements (*continued*)

1 Accounting policies (*continued*)

1.2 *Basis of Preparation and Going concern*

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared a going concern assessment for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through its ultimate parent company, Manchester Airports Holdings Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Manchester Airports Holdings Limited Group not seeking repayment of the amounts currently due to the group, which at 31 March 2020 amounted to £891,000 and providing additional financial support during that period. Manchester Airports Holdings Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do.

However, continued support is dependent on the ability of the Manchester Airports Holdings Limited group being able to settle its liabilities as they fall due. The directors of Manchester Airports Holdings Limited have concluded that a material uncertainty exists over the Manchester Airports Holdings Limited group's ability to continue as a going concern as detailed in the basis of preparation on page 50 of Manchester Airports Holdings Limited annual report which is publicly available on the company website.

1.3 *Foreign currency*

The Company financial statements are presented in pounds sterling and rounded to thousands. The Company's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each year end foreign currency monetary items are translated using the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement within other operating costs.

1.4 *Classification of financial instruments issued by the Company*

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium exclude amounts in relation to those shares.

Notes to the financial statements (*continued*)

1 Accounting policies (*continued*)

1.5 Basic financial instruments

Trade and other receivable/payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument.

1.6 Intercompany

Intercompany balances are recognised initially at transaction price and including attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of intercompany receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.7 Revenue

Turnover is recognised at the fair value of the consideration for commission on agency sales received or receivable for services provided in the normal course of business, and it shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover derived from agency sales is recognised at the time of booking.

1.8 Tangible fixed assets

Tangible fixed assets are stated at costs less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets.

The estimated useful lives are as follows:

Fixtures, fittings, tools and equipment	-	5 - 10 years
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Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and included in operating costs.

1.9 Intangible fixed assets

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.9 Intangible fixed assets *(continued)*

Other intangible assets

Intangible assets that are acquired by the Company have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases future economic benefits embodied in the specific assets to which it relates.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in the income statement on a straight-line basis over the estimated useful economic life, from the date that the asset is available for use:

Patents	-	10 years
Development Costs	-	10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1.10 Impairment and deferred tax assets

Financial assets (including trade and other receivables)

A financial asset not carried at fair value through the income statement is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss relating to a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between an asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the income statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit').

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised relating to cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements (*continued*)

1 Accounting policies (*continued*)

1.11 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements, and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

Defined contribution plans and other long-term employee benefits

The Company operates a defined contribution pension scheme for all qualifying employees. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the years during which services are rendered by employees. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Company, in independently administered funds.

1.12 Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred.

Lease incentives received are recognised in income statement over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar charges include interest payable and finance charges.

Interest income and interest payable are recognised in the income statement as they accrue, using the effective interest method.

1.13 Significant items

Significant items are material items of income and expense that, because of the unusual nature or frequency of the events giving rise to them, merit separate presentation to allow an understanding of the Company's underlying financial performance.

Such items include impairment of assets, major reorganisation of businesses, and integration costs associated with significant acquisitions.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.14 Taxation

Tax on the income statement for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable relating to previous years.

Deferred tax is provided on timing differences that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable, or are disallowable for tax, or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.15 Impairment

Financial assets (including trade and other receivables)

A financial asset not carried at fair value through the income statement is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, which can be estimated reliably.

An impairment loss relating to a financial asset measured at amortised cost is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between an asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the income statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.16 Critical accounting estimates and judgements

In applying the Company's accounting policies, the Company has made estimates and judgements concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may, however, differ from the estimates calculated and management believe that the following are the more significant judgements affecting these financial statements.

COVID-19 has had a significant impact upon the accounting estimates & judgements as at the reporting date. The Group has had to consider this impact in presenting the financial statements to this report. The critical accounting estimates areas of: valuation of investment properties; valuation of the Group's net pension liability; discount rate applied to leases under IFRS 16 and the impairment of the Group's non-financial assets are detailed below:

Going concern

The impact of COVID-19 has resulted in the group of companies headed by Manchester Airports Holdings Limited ("the Group") obtaining waivers from the requirements to perform loan covenant testing and obtain additional shareholder funding to ensure that the Company, supported by the Group, has adequate headroom going forward.

The directors of Looking4parking Limited have evaluated whether the actions of the Group, coupled with further mitigating actions that the Company and the Group can undertake are sufficient to ensure that the Company will continue as a going concern for plausible future trading scenarios reflecting the likely timing and rate of recovery of the sector.

By virtue of the directors concluding that the Group will be able to continue as a going concern, the directors have concluded to regard Looking4parking Limited as a going concern for the purpose of these financial statements. The going concern assessment of the Group is outlined at page 50 of the Manchester Airport Holdings Limited Annual Report and the going concern assessment of Looking4parking Limited is on page 12 of these financial statements.

Carrying value of non-financial assets

Estimates have been made in respect of the amounts of future operating cash flows to be generated by certain of the Group's cash generating units (CGUs), in order to assess whether there has been any impairment of the amounts of the Group's assets included in the statement of financial position.

The directors have viewed that COVID-19 has acted as an impairment trigger of its long-term assets and consequently have assessed the recoverable amounts of its principal CGUs. The assessment of recoverable amounts based upon Value in Use projections of future operating cashflows of the businesses which are based upon a range of assumptions of the timing and rate of economic recovery from the pandemic and the resultant impact upon the Group's trading levels.

The Group has considered future traffic levels projections issued by other industry participants in arriving at its own projections which were used for both the impairment review and the Group's going concern assessment. These projections considered the timing and rate of recovery to pre-COVID-19 activity levels. For impairment purposes long-term projections beyond the 7-year business plan time horizon were based upon long-term growth rates. Downside scenarios included low-growth assumptions in considering risks around recoverability of the assets carrying value.

Notes to the financial statements *(continued)*

2 Analysis of revenue

	2020	2019
	£000	£000
<i>By Activity</i>		
Car Parking	5,515	4,988
	<u>5,515</u>	<u>4,988</u>

3 Notes to the income statement

	2020	2019
	£000	£000
<i>Profit/(loss) before taxation is stated after charging:</i>		
Depreciation of tangible fixed assets	9	9
Amortisation of intangible fixed assets	93	83
Operating lease charge	54	54

Auditor's remuneration

Amounts receivable by the Company's auditor and the auditor's associates relating to services to the Company have been borne by the Company's ultimate parent, Manchester Airports Holdings Limited. The directors believe that the proportion of the consolidated fee applicable to the Company is £10,000 (2019: £10,000).

4 Significant items

Significant items of £190,000 (2019: £404,000) relate to employee incentives in relation to the completion of the acquisition of the Company.

5 Remuneration of directors

C Cornish (resigned 3rd December 2020) and N Thompson (resigned 3rd December 2020), were directors of Manchester Airports Holdings Limited during the year, and their aggregate remuneration is disclosed in that company's consolidated financial statements. The directors believe that the proportion of their aggregate remuneration applicable to the Company based on services provided, is £1,000 (2019: £37,482).

Notes to the financial statements *(continued)*

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2020 £000	2019 £000
Management and administrative	26	30
	<u>26</u>	<u>30</u>

The average number of employees has been calculated for both 2020 and 2019 to reflect full-time equivalents (FTEs) employees as opposed to actual headcount.

The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	1,013	1,262
Social security costs	122	171
Other pension costs	24	14
	<u>1,159</u>	<u>1,447</u>

Defined contribution pension scheme

The Company operates one defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £24,000 (2019: £16,000).

Contributions amounting to £nil (2019: £nil) were payable to the scheme at the year end and are included in payables.

7 Interest receivable and similar income

	2020 £000	2019 £000
Interest receivable on loans	2	-
	<u>2</u>	<u>-</u>

8 Interest payable and similar charges

	2020 £000	2019 £000
Interest payable on loans	30	12
	<u>30</u>	<u>12</u>

Notes to the financial statements (continued)

9 Taxation

Total tax expense recognised in the income statement

	2020 £000	2020 £000	2019 £000	2019 £000
<i>UK corporation tax</i>				
Current tax on income for the year	9		(52)	
Adjustments relating to prior years	(5)		-	
Total current tax		4		(52)
<i>Deferred tax</i>				
Origination/reversal of timing differences	161		(26)	
Adjustment relating to prior years	11		-	
Effect of change in rate of corporation tax	(6)		-	
Total deferred tax		166		(26)
Total tax		170		(78)

Total tax expense/(income) included in the income statement, other comprehensive income and equity

	2020 Current tax £000	2020 Deferred tax £000	2020 Total tax £000	2019 Current tax £000	2019 Deferred tax £000	2019 Total tax £000
Recognised in the income statement	4	166	170	(52)	(26)	(78)
Total tax	4	166	170	(52)	(26)	(78)

Notes to the financial statements *(continued)*

9 Taxation *(continued)*

Reconciliation of effective tax rate

	2020	2019
	£000	£000
<i>Current tax reconciliation</i>		
Profit/(Loss) for the year	406	(436)
Total tax expense	170	(78)
Profit/(Loss) before tax	576	(514)
Profit/(Loss) before tax multiplied by the standard rate of corporation tax of 19% (2019: 19%)	109	(98)
<i>Effects of:</i>		
Expenses not deductible	60	17
Income not tax deductible	-	-
Effect of lower than standard rate used for deferred tax movements	-	-
Effect of change in rate of corporation tax	-	-
Adjustments to current tax charge in respect of previous periods	(4)	-
Adjustments to deferred tax charge in respect of previous periods	11	-
Effect of change in rate of corporation tax	(6)	-
Effect of lower than standard rate used for deferred tax movements	-	3
Total tax expense included in income statement	170	(78)

Factors that may affect future current and total tax charges

The UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax asset and liability amounts at 31 March 2020 have been calculated at 19% (2019: 17%).

Notes to the financial statements *(continued)*

10 Tangible fixed assets

Office fixtures and equipment £000

Cost

At 1 April 2019

86

Additions

-

At end of year

86

Depreciation

At 1 April 2019

49

Charge for year

9

At end of year

58

Net book value

At 31 March 2020

28

At 31 March 2019

37

Notes to the financial statements *(continued)*

11 Intangible assets

	Patents	Development Costs	Total
	£000	£000	£000
Cost			
Balance at 31 March 2020 and 1 April 2019	27	661	688
Depreciation			
Balance at 1 April 2019	16	138	154
Charge for the year	3	90	93
Balance at 31 March 2020	19	228	247
Net book value			
At 31 March 2020	8	433	441
At 31 March 2019	11	523	534

12 Trade and other receivables

	2020	2019
	£000	£000
Trade receivables	729	587
Amounts owed by group undertakings	2,110	2,026
Other receivables	19	217
Prepayments and accrued income	249	280
	3,107	3,110

Amounts owed by group undertakings of £2,109,601 are unsecured, interest free and are repayable on demand.

13 Trade and other payables

	2020	2019
	£000	£000
Trade payables	1,958	2,286
Amounts owed to group undertakings	891	1,525
Taxation and social security	116	90
Other payables	1,214	2,948
Accruals and deferred income	122	93
	4,301	6,942

Amounts owed by group undertakings of £891,000 are unsecured, interest free and are repayable on demand.

Notes to the financial statements *(continued)*

14 Deferred tax assets and liabilities

	Differences between accumulated depreciation and capital allowances	Tax losses carried forward	Net tax assets/ (liabilities)
	£000	£000	£000
At 1 April 2019	(95)	156	61
Charge to income statement	(10)	(156)	(166)
At 31 March 2020	(105)	-	(105)

	2020	2019
	£000	£000
Deferred tax assets	-	156
Deferred tax liabilities	(105)	(95)
	(105)	61

15 Called up share capital

	2020	2019
	£000	£000
<i>Issued, called up and fully paid</i>		
900 Ordinary shares of £1 each	1	1
	1	1

16 Reserves

	Retained Earnings £000
2020	
At 1 April 2019	(337)
Profit for the year after taxation	406
At 31 March 2020	69
	Retained Earnings £000
2019	
At 1 April 2018	99
Loss for the year after taxation	(436)
At 31 March 2019	(337)

Notes to the financial statements *(continued)*

17 Operating lease arrangements

At 31 March 2020 the Company has commitments under non-cancellable operating leases which expire as follows:

	2020	2019
	Office buildings	Office buildings
	£000	£000
Operating leases which expire:		
Within one year	54	54
In the second to fifth years inclusive	81	135
Five years and above	-	-
	<u>135</u>	<u>189</u>

18 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a subsidiary undertaking of Travel Parking Group Limited. The smallest group in which the results of the Company are consolidated is that headed by Manchester Airport Holdings Limited. The Company's ultimate parent is Manchester Airports Holdings Limited. The consolidated financial statements of these groups are available to the public and may be obtained from the Company Secretary at Olympic House, Manchester Airport, Manchester M90 1QX, or via the website at www.magairports.com.

19 Post balance sheet events

On 7 August 2020 a fellow subsidiary of the Group, Manchester Airport Group Investment Limited entered into an agreement to sell its entire shareholding in MAG Investment Assets Limited to Columbia Threadneedle Investments, with net combined proceeds, after fees and expenses, being in excess of £330 million.

On 7 August 2020, a fellow subsidiary of the Group, Airport City (Manchester) Limited sold a 50% stake in its investment in the Airport City Manchester Development to Columbia Threadneedle Investment, with net combined proceeds, after fees and expenses, being in excess of £10 million.

MAG's shareholders have injected £300m of funds into the Group in the form of shareholder loans. On 02 July 2020 Manchester Airport Finance Holdings Limited increased its equity investment into its subsidiary Manchester Airports Investment Group Limited by the same value.

On 26 June 2020 the Group obtained the approval from its Banks and Bondholders for the waiver of the requirement to perform loan covenant testing as at 30 September 2020 and 31 March 2021.

On 20th October 2020, the Group announced that Neil Thompson, the Group CFO, had taken the decision to leave the Group. On 4th December 2020 the MAG Group announced the appointment of Jan Bramall, previously Group Finance Director, as Group CFO.