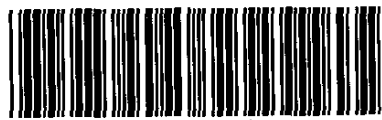


# Travel Parking Group Limited

## Annual report and unaudited financial statements

Registered number 07235776

Year ended 31 March 2023

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		*ACIF7XXL*		
	A22	15/12/2023	#66	
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		*ACHD4XCH*		
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		COMPANIES HOUSE		

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## Directors' report

The directors present their directors' report and unaudited financial statements of Travel Parking Group Limited ('the Company') for the year ended 31 March 2023.

In accordance with section 414B of the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013, the Company is exempt from preparing a Strategic report.

### Principal activity

The principal activity of the Company during the year was acting as a holding company and licensing of its intellectual property to its wholly-owned subsidiary, Looking4Parking Limited.

### Business review and future outlook

The results for the year are set out on page 5. During the year, the Company recorded a loss before tax of £2,000 (2022: loss of £421,000). At 31 March 2023 the Company had net assets of £1,642,000 (2022: £1,604,000).

Manchester Airports Holdings Limited and its subsidiaries (including the Company) are referred to below as 'MAG' or 'the Group'.

### Group strategy

#### *A year of recovery*

Last year was one of the most significant in our sector's history, the first full year following the removal of the restrictions imposed in response to the Covid-19 pandemic, enabling the full resumption of international travel.

Demand recovered well across all three of MAG's airports. The Group was delighted to see passenger volumes returning close to pre-pandemic levels, growing from 83.8% of 2020 volumes at the half year, to 90.6% at the financial year end. Total passenger numbers for the financial year reached 54.0m, an increase of 163.4% compared with FY22.

The whole of the UK aviation sector experienced challenges in meeting the rapid increase in demand following the removal of travel restrictions. This caused well documented operational issues that impacted our airports to varying extents. Through an extensive recruitment drive of more than 1,600 security officers, the Group were able to improve service levels and meet rising demand later in the financial year.

The Group generated positive cash from operating activities, after tax and interest during FY23. Cash at 31 March 2023 was £67.6m (2022: £462.9m) and net debt was £2,500.5m (2022: £2,520.3m), with the movements being mainly attributable to the repayment of the £500m revolving credit facility in the year. At 31 March 2023, the Group had financial headroom of £561.6m, comprised of £484.0m of undrawn committed facilities, an additional £10m of available overdraft facilities, and £67.6m of cash. This strong financial position has enabled MAG to relaunch the transformation programmes at both Manchester and London Stansted to invest in new facilities and enhance service levels. Through centralised cash pooling, the Company has access to the Group's cash facilities.

Across all three airports, the Group is making the necessary investments to introduce Future Security technology in line with agreed Government timescales. This will remove the need for passengers to take liquids, gels and large electrical items out of their hand luggage, significantly improving their airport experience.

#### *Working together for a brighter future*

Decarbonisation is a key strategic priority for MAG, and the Group has seen real progress this year in its journey to a net zero aviation industry.

Zero Carbon Airports is one of the three themes of MAG's CSR work, and we are developing robust plans to enable our airports to achieve our target of net zero emissions by 2038. We are also working in partnerships with Fulcrum BioEnergyUK and HyNet with the goal of making Manchester Airport the first UK airport with a direct supply of Sustainable Aviation Fuel and hydrogen. The Task Force on Climate-Related Finance Disclosure can be found on pages 88 to 97 in the Manchester Airports Holdings Limited annual report.

## Directors' report (continued)

### Principal risks and uncertainties

The key risks faced by the Company are aligned with those of Manchester Airports Holdings Limited. The key risks for the Company are macroeconomic, political and geopolitical uncertainty. For more details of the risks, and how they are managed please refer to pages 82 to 87 of 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 risk	Risk detail	Mitigation strategy
Macroeconomic, political and geopolitical uncertainty	<p>The nature of our operations and size of the organisation mean that we are impacted by external factors that are inherently outside of our control to directly manage.</p> <p>Understanding these factors allows us to consider the possible impact to the business and take the required steps to minimise the impact and ensure that MAG can successfully respond to national and global uncertainties. Macroeconomic, political and geopolitical factors have the potential to reduce demand for air travel and thereby restrict growth throughout the industry. There could be multiple consequences arising from this, including the risk of airline failure and reduction in consumer spending.</p> <p>The impact of this could prevent MAG airports from delivering forecast traffic volumes. A weak economic outlook and/or recession, alongside cost of living pressures could impact on consumer demand and ability to travel in the way the public would wish to due to personal cost pressures and the lack of disposable funds.</p> <p>A natural consequence of this is a reduction in airline capacity and growth which, as we have seen in the recent past, can lead to airline failure, particularly when combined with an increased cost base.</p> <p>Furthermore, macroeconomic, political and geopolitical factors currently at play increase the costs associated with operating and developing MAG airports. This includes, but is not limited to, an increase in operating and capital costs as a result of supply chain issues, labour shortages, continued weakness in sterling and high energy costs.</p>	<p>As noted above, whilst the factors impacting on MAG are inherently outside of our control, we take a proactive approach to assessing the market and the implications of uncertainties on our business.</p> <p>By taking early and decisive action, we are able to navigate these uncertainties and continue to flourish. We also incorporate appropriate flexibility into our long term plans and strategies to enable us to respond to changes in circumstances. Examples of this include:</p> <ul style="list-style-type: none"> <li>• We maintain a manageable level of external debt, it is primarily long term and as evidenced in the pandemic, we have supportive shareholders.</li> <li>• During the pandemic, we were able to pause the Manchester Airport transformation programme because of the phasing we had incorporated into the planning and delivery of the project. With the recovery now established, we are pressing ahead with second phase of the programme.</li> <li>• We have developed and maintained close relationships with our airline partners. This is further enhanced by strong route development, particularly among the Low-Cost Carriers who have seen the fastest recovery in operations. This diversity of offering, alongside robust key account management, enables MAG airports to remain competitive and ensures that routes remain attractive and exciting to customers, even during times of economic uncertainty.</li> <li>• We have also focused on ensuring that we have the right skills, resources and organisational design in place to grow back better following the disruption caused by the pandemic. We undertake a robust process of modelling resource requirements to align to forecast demand levels.</li> <li>• MAG is a diverse business and we consider our product and geographical diversification when making business decisions. We undertake regular reviews of economic growth prospects for the UK and the world economy, and implications for demand forecasts for MAG airports. We support this approach to sound economic planning by ensuring that our corporate and airport strategies incorporate sensitivities for economic shocks and broader world events such as the current conflict in Ukraine. In this way, we have the information to be able to make business decisions that incorporate the information at our disposal to ensure it is considered, appropriate and ensures the best short, medium and long term outlook for the Group.</li> </ul>

## Directors' report *(continued)*

### Key performance indicators ('KPIs')

The key performance indicators for the Company are aligned with those of the Group. The directors have not used any additional KPIs for the Company and those that are relevant to the Company are detailed in the table below.

	2023 £000	2022 £000
Loss before tax	(2)	(421)

### Directors

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

J Bramall  
M Jones

### Going Concern

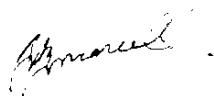
The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared a going concern assessment for the period to 30 September 2024 which indicate that, the Company will have sufficient funds, through funding from its ultimate parent company, Manchester Airports Holdings Limited, to meet its liabilities as they fall due for that period. Further detail of the directors' assessment of going concern is detailed in the basis of preparation section of the accounting policies on page 8, within note 1 to the financial statements.

### Post balance sheet event

Subsequent to the year end, on 12 May 2023 the Group secured a bridge to bond facility that provides the Group with assurance that it will be able to refinance its bond for £360,000,000, details of which can be found in note 14 to the financial statements.

By order of the Board



**J Bramall**  
*Director*

4 October 2023

6th Floor  
Olympic House  
Manchester Airport  
Manchester  
M90 1QX

## **Statement of directors' responsibilities relating to the Directors' report and the financial statements**

The directors are responsible for preparing 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and company financial position and financial performance;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and/or the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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. Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

For the year ended 31 March 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

**Statement of comprehensive Income**  
*for the period ended 31 March 2023*

	<i>Note</i>	<b>2023</b> <b>£000</b>	2022 £000
<b>Revenue</b>		-	300
Operating costs	2	(2)	(721)
<b>Loss before tax</b>		(2)	(421)
Taxation	4	40	114
<b>Profit/(loss) for the financial year</b>		38	(307)
<b>Total comprehensive income/(expense) for the year</b>		38	(307)

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

The notes on pages 8 to 18 form an integral part of these financial statements.

**Statement of financial position**  
*at 31 March 2023*

	<i>Note</i>	<b>2023</b> <b>£000</b>	<b>2023</b> <b>£000</b>	2022 £000	2022 £000
<b>Non-current assets</b>					
Tangible assets	6		79		81
Investments	7		1,679		1,679
			<u>1,758</u>		<u>1,760</u>
<b>Current assets</b>					
Trade and other receivables	8	13		-	
		<u>13</u>		<u>-</u>	
<b>Current liabilities</b>					
Trade and other payables	9	(129)		(156)	
		<u>(129)</u>		<u>(156)</u>	
<b>Net current liabilities</b>			<u>(116)</u>		<u>(156)</u>
<b>Net assets</b>			<u>1,642</u>		<u>1,604</u>
<b>Capital and reserves</b>					
Called up share capital	11		501		501
Share premium	11		576		576
Retained deficit	12		(86)		(124)
Capital contribution reserve	12		651		651
			<u>1,642</u>		<u>1,604</u>
<b>Shareholders' funds</b>			<u>1,642</u>		<u>1,604</u>

The notes on pages 8 to 18 form an integral part of these financial statements.

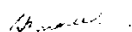
For the year ending 31 March 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members:

- have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- acknowledge their responsibilities for:
  - i. have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
  - ii. preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the Company.

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

These financial statements of Travel Parking Group Limited, registered number 07235776, were approved by the board of directors on 4 October 2023 and were signed on its behalf by:



**J Bramall**  
*Director*



**Statement of changes in equity**  
*for the year ended 31 March 2023*

<b>2023</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Retained deficit</b>	<b>Capital Contribution reserve</b>	<b>Total shareholders' funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2022	501	576	(124)	651	1,604
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	38	-	38
<b>At 31 March 2023</b>	<b>501</b>	<b>576</b>	<b>(86)</b>	<b>651</b>	<b>1642</b>
<b>2022</b>	<b>Share capital</b>	<b>Share Premium</b>	<b>Retained deficit</b>	<b>Capital contribution reserve</b>	<b>Total shareholders' funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2021	501	-	183	651	1,335
<b>Total comprehensive expense for the year</b>					
Loss for the year	-	-	(307)	-	(307)
<b>Transactions with owners recorded directly in equity</b>					
Share issue	-	576	-	-	576
<b>At 31 March 2022</b>	<b>501</b>	<b>576</b>	<b>(124)</b>	<b>651</b>	<b>1,604</b>

The notes on pages 8 to 18 form an integral part of these financial statements.

## Notes to the financial statements

### 1 Accounting policies

Travel Parking Group Limited (the 'Company') is a company limited by shares and incorporated and domiciled in the UK, with registered number 07235776. The registered address of the Company is 6th Floor, Olympic House Manchester Airport Manchester, M90 1QX.

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'). 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 accounting standards in conformity with the requirements of the Companies Act 2006, 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 Related Party Disclosures and not disclosed transactions with wholly-owned subsidiaries within the same group.

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 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.

#### 1.2 Going concern and basis of preparation

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 the period to 30 September 2024 which indicate that, the Company will have sufficient funds, through funding from its ultimate parent company, Manchester Airports Holdings Limited, to meet its liabilities as they fall due for that period.

This assessment is dependent on Manchester Airports Holdings Limited providing financial support during the period as the funding requirements for the Group are managed centrally. Manchester Airports Holdings Limited has indicated its intention to continue to make available such funds as are needed by the Company for the going concern period.

#### Group assessment

At 31 March 2023, the Group had liquidity headroom of £561,600,000 comprised of: £67,600,000 of net cash, undrawn committed facilities of £484,000,000 (Secured Revolving Credit Facility (RCF)) and an available overdraft facility of £10,000,000.

Group management have modelled a base case and downside scenario for the Group, neither of which indicate a liquidity or covenant breach. They have also modelled a reverse stress test which is considered remote based on current passenger levels and industry predictions.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### 1.2 *Going concern and basis of preparation (continued)*

##### *Group assessment (continued)*

Whilst the MAHL Annual Report for the year ended 31 March 2022 was prepared on a going concern basis it contained a material uncertainty as the Group, under a severe but plausible scenario, forecasted a potential breach of a financial covenant at 31 March 2023. The strong recovery in passenger numbers experienced by the Group over the past 12 months and the forecasts produced to cover the going concern assessment period have provided confidence that a material uncertainty no longer exists.

The Group's base case forecast of passenger number projections include a business plan of 95% of pre-Covid-19 (defined as FY20) levels for FY24 and returning to pre-Covid-19 levels in FY25. The levels of passenger demand in the forecast reflects the directors' anticipated rate of recovery and is aligned with industry expectations.

The forecasts include the successful refinancing of the Group's £360,000,000 bond and result in a minimum liquidity headroom of £315,000,000 during the going concern assessment period and compliance with MAG's financial covenants when tested at September 2023; March 2024; and September 2024. The forecasts also include the raising of additional finance for discretionary expansionary capital expenditure. The directors expect to be able to access this finance, as described above. However, should the finance not be available, the expansionary capital expenditure would be deferred.

In addition to the Group's business plan forecast of 95% of pre-Covid passenger levels the directors have also considered a downside scenario.

##### *Downside scenario*

In this scenario passenger numbers are restricted to 88% of pre-Covid-19 levels in FY24 (in line with the lower level of current industry forecasts), with partial recovery to 92% of pre-Covid-19 levels in FY25. In such a case the Group is expected to maintain positive liquidity headroom in excess of £198m for the going concern assessment period.

The forecast contains certain cash and cost mitigation measures to remove areas of discretionary spend but keeps key regulatory or infrastructure spend in place. The Group can, where necessary, also undertake potential mitigating actions within its control, including cutting of additional spend and delaying of further capital expenditure.

In addition, a reverse stress test has been prepared by management which demonstrates the level of passenger numbers that would result in a covenant breach, this equates to a reduction in passenger numbers of 77% of pre-pandemic levels. A fall to this level is considered to be implausible, based on current passenger levels and industry predictions.

A bridge to bond facility is available and sufficient to ensure the £360,000,000 bond maturing in April 2024 can be repaid if a new bond issue should not take place in advance of that date. The remaining £1,100,000,000 of group bonds will mature between 2034 and 2044.

Based on the work performed to assess the Group forecasts, and that the Directors are satisfied that Manchester Airport Holdings Limited has agreed to support the Company as required, the directors 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 the period to 30 September 2024.

#### 1.3 *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.

## Notes to the financial statements *(continued)*

### **1 Accounting policies *(continued)***

#### **1.3 Classification of financial instruments issued by the Company *(continued)***

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.

##### *Trade and other receivables/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.

##### *Amounts due from/to group undertakings*

Amounts due from/to group undertakings are accounted for in line with normal trade and other receivables/payables (as above). Balances are presented as a receivable where the net balance with a given counter-party is a receivable, and as a payable where the net balance with a given counter-party is a payable. All receivables are classified as current unless they are intended for use on a continuing basis in the Company's activities in which case they are classified as non-current.

##### *Investments in subsidiaries*

Investments in subsidiaries are carried at cost less impairment, with changes recognised in other comprehensive income.

#### **1.4 Revenue**

Turnover represents licence fee income to the Company's wholly-owned subsidiary, Looking4Parking Limited, at invoiced amounts less discounts given and value added tax. The revenue is recognised as the risks and rewards are transferred.

#### **1.5 Tangible fixed assets**

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

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

Depreciation is charged to the statement of comprehensive income 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:

Leasehold land and buildings - 50 years

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.

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 statement of comprehensive income and included in 'Operating costs'.

## Notes to the financial statements (*continued*)

### 1 Accounting policies (*continued*)

#### 1.7 Intangible assets

Intangible assets are stated at cost less amortisation or impairment provision where necessary. Intangible assets are amortised over the useful economic lives of the assets. Amortisation is calculated at the following annual rates on a straight line basis:

Intellectual property 15 years  
Software and contracts - 10 years

Goodwill and intellectual property arising on the purchase of trade and assets is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful economic life, from the date that the asset is available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### 1.8 Investments

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit and loss.

#### 1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### 1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### 1.11 Impairment

##### *Financial assets (including trade and other receivables)*

A financial asset not carried at fair value through the statement of comprehensive income 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 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 statement of comprehensive income. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

##### *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 statement of comprehensive income. 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.

#### 1.12 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.

##### **Judgements**

In applying the Group's accounting policies, the Group has made key judgements. Management believe that going concern categories contain the more significant judgements impacting these financial statements.

##### *Going concern*

The directors have prepared a going concern assessment for the period to 30 September 2024 which indicate that, the Company will have sufficient funds, through funding from its ultimate parent company, Manchester Airports Holdings Limited, to meet its liabilities as they fall due for that period.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### 1.12 Critical accounting estimates and judgements *(continued)*

##### *Going concern (continued)*

The impact of the ability of the Group to refinance a £360,000,000 bond due to mature in April 2024; and the impact upon activity levels of current macroeconomic considerations (including the cost of living crisis and the Ukraine conflict) have been considered in the Basis of Preparation. The directors have evaluated whether the actions already undertaken to secure a credit facility and the mitigating actions that the Group can undertake against any reductions in activity levels are sufficient to ensure that MAG will continue as a going concern for plausible future trading scenarios.

Based on the work performed at the MAHL level, the directors 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 the period to 30 September 2024.

### 2 Notes to the statement of comprehensive income

Profit before taxation is stated after charging:

	2023 £000	2022 £000
Depreciation of tangible fixed assets	2	1
Amortisation of intangible fixed assets	-	714

### 3 Remuneration of directors

J Bramall and M Jones were directors of Manchester Airports Holdings Limited during the year, and their aggregate remuneration is disclosed in that company's consolidated financial statements.. The proportion of their aggregate remuneration applicable to the Company based on services provided is £1,000 (2022: £1,000).

## Notes to the financial statements (continued)

### 4 Taxation

#### Total tax credit recognised in the statement of comprehensive income

	2023 £000	2023 £000	2022 £000	2022 £000
<i>UK corporation tax</i>				
Current tax on profit for the year	(1)		56	
Adjustment in respect of prior periods	(39)		(170)	
Total current tax credit		(40)		(114)
Total tax credit		(40)		(114)

#### Reconciliation of effective tax rate

	2023 £000	2022 £000
<i>Current tax reconciliation</i>		
Profit/(loss) for the year	38	(307)
Total tax credit	(40)	(114)
Loss before tax	(2)	(421)
Profit/loss before tax multiplied by the standard rate of corporation tax of 19% (2022: 19%)	-	(80)
<i>Effects of:</i>		
(Income not taxable)/expenses not deductible	(1)	136
Adjustments to current tax charge in respect of previous periods	(39)	(170)
Total tax credit included in the statement of comprehensive income	(40)	(114)



## Notes to the financial statements *(continued)*

### 5 Intangible fixed assets

	Intellectual property £000	Software and contracts £000	Total £000
<b>Cost</b>			
At 1 April 2022	1,500	569	2,069
Disposals	(1,500)	(569)	(2,069)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>

#### *Disposal of nil net book value assets no longer in use*

In the year ended 31 March 2022, the Group began migration to a single car park booking platform, managed by fellow Group company CAVU Group Limited. As a result, management deemed the intangible assets to have no useful economic life beyond 31 March 2022. At 31 March 2023, migration to the single platform was imminent – hence, management have disposed of the assets, deeming them to no longer be in use at the year end.

### 6 Fixed assets

	Land and Buildings £000
<b>Cost</b>	
At 1 April 2022	91
<b>At 31 March 2023</b>	<b>91</b>
	<hr/>
<b>Depreciation</b>	
At 1 April 2022	10
Charge for the year	2
<b>At 31 March 2023</b>	<b>12</b>
	<hr/>
<b>Net book value</b>	
At 1 April 2022	81
<b>At 31 March 2023</b>	<b>79</b>
	<hr/>

## Notes to the financial statements (continued)

### 7 Investments

	Shares in group undertakings £000
<b>Cost and carrying amount</b>	
At 1 April 2022	1,679
<b>At 31 March 2023</b>	<b>1,679</b>

At 31 March 2023 the Company held investments in the following subsidiary undertakings:

Subsidiary undertakings	Country of incorporation	Principal activity	Class of shares held	Percentage of of shares held
CAVU Ecommerce (EMEA) Limited	England & Wales	Trading Company	Ordinary	100%

The registered office for the above company is 6th Floor, Olympic House, Manchester Airport, Manchester, M90 1QX.

#### Impairment

The impairment testing calculated the recoverable amount of investments in subsidiaries in each cash generating unit by comparing the carrying value to the calculated value-in-use. Key assumptions for these calculations are those regarding discount rates, terminal value growth rates, expected changes to passenger and revenue growth rates, EBITDA margin and the level of capital expenditure required to maintain the assets.

These projections for the timing and rate of passenger volume recoveries are in line with the projections used for going concern. For the purposes of the impairment assessment the business reflected the budget for the first five years and considered a terminal value for each CGU based upon a long-term growth reflecting estimated rates of inflation of 2%. The business has used a period of five years but appreciates that an additional forecast period could be merited to reflect the business's return to normal trading levels post Covid-19 recovery. If an additional forecast period was applied in the impairment assessments this would give rise to an increase in the headroom to those quoted.

### 8 Trade and other receivables

	2023 £000	2022 £000
Amounts owed by group undertakings	13	-
	<b>13</b>	<b>-</b>

Amounts owed by group undertakings of £13,000 (2022: £nil) are unsecured, interest-free and repayable on demand.

## Notes to the financial statements *(continued)*

### 9 Trade and other payables

	2023 £000	2022 £000
Amounts owed to group undertakings	129	156
	<u>129</u>	<u>156</u>

Amounts owed to group undertakings of £129,000 (2022: £156,000) are unsecured, interest-free and repayable on demand.

### 10 Called up share capital

	2023 £000	2022 £000
<i>Issued, called up and fully paid</i>		
501,309 Ordinary shares of £1 each	501	501
	<u>501</u>	<u>501</u>

In the prior year, the Company issued a £1 share to parent undertaking Airport Services International Limited, attracting share premium of £576,000.

### 11 Reserves

2023	Share premium £000	Capital contribution reserve £000	Retained earnings £000
At 1 April 2022	576	651	(124)
Profit for the year	-	-	38
<b>At 31 March 2023</b>	<b>576</b>	<b>651</b>	<b>(86)</b>

In the prior year, the Company issued a £1 share to parent undertaking Airport Services International Limited, attracting share premium of £576,000.

## Notes to the financial statements (continued)

### 11 Reserves (continued)

2022	Share premium	Capital contribution reserve	Retained earnings
	£000	£000	£000
At 1 April 2021	-	651	183
Loss for the year	-	-	(307)
Share issue	576	-	576
<b>At 31 March 2022</b>	<b>576</b>	<b>651</b>	<b>(124)</b>

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

The Company is a subsidiary undertaking of Agency of the North Limited. The smallest group in which the results of the Company are consolidated is that headed by Manchester Airport Group Investments 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.magaairports.com](http://www.magaairports.com).

### 13 Contingent liabilities

Under the Common Terms Agreement signed on 14 February 2014, the Company and a number of its fellow subsidiaries have entered into a security agreement with the Group's bondholders and bankers. The bonds and bank loans are secured by a fixed and floating charge over substantially all of the Group's assets. The total amount outstanding under this agreement at 31 March 2023 is £1,436,100,000 (2022: £1,921,200,000).

### 14 Post balance sheet event

Subsequent to the year end, on 12 May 2023 the Group secured a bridge to bond facility that provides the Group with assurance that it will be able to refinance its bond for £360,000,000 by providing the facility to drawdown £360,000,000 up to 12 May 2024, with options to extend to 12 May 2025. These new facilities ensure sufficient headroom throughout the business plan period to ensure compliance with the Group's internal treasury policy. The bridge to bond facility is held within fellow group undertaking Manchester Airport Group Finance Limited. As required, drawings from the facility will be transferred within the Group in line with the Group's internal treasury policy.