

Company Registration No. 09859599

LIVERPOOL AIRPORT PROPERTY HOLDINGS
LIMITED

ANNUAL REPORT AND FINANCIAL
STATEMENTS

YEAR ENDED 31 MARCH 2022

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LIVERPOOL AIRPORT PROPERTY HOLDINGS LIMITED

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LIVERPOOL AIRPORT PROPERTY HOLDINGS LIMITED

Directors, Principal Professional Advisers and Registered Office

Directors: Steven Underwood A.C.A.
Wendy Simon
James Whittaker
Sharon Connor

**Registered Office
and Head Office:** Venus Building
1 Old Park Lane
Traffordcity
Manchester
M41 7HA
United Kingdom

Registered Number: 09859599

Auditor: Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

Bankers: Royal Bank of Scotland plc

Directors' Report *for the year ended 31 March 2022*

The directors submit their annual report together with the audited financial statements of the group for the year ended 31 March 2022.

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

Principal activities

The principal activities of the group is that of the provision of property investment, development and management.

Going concern

After making enquiries, along with the confirmation from joint owners Peel L&P Holdings (UK) Limited and Liverpool City Council that they will continue to provide the necessary level of support to enable it to continue to operate for the 12 months from signing the audit report, the directors have concluded, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the 12 months from signing the audit report and therefore they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

Directors

The directors who have held office during the financial year and thereafter are:

Steven Underwood A.C.A

Wendy Simon

Darran Lawless (resigned 1 April 2021)

Sharon Connor

James Whittaker (appointed 1 April 2021)

Directors indemnities

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report *for the year ended 31 March 2022 continued*

Auditor and the disclosure of information to the auditor

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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

Uncertainties

The two main risks affecting the group are the war in Ukraine and uncertainty arising from increased level of inflation. They result in potential negative impact on the macroeconomic environment. This is as a result of uncertainty and broader consumer confidence. More specifically the group is affected by changes in sentiment in the investment and occupier markets in which it operates.

The group continues to monitor the situations closely.

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



Steven Underwood, A.C.A.

Director

4 October 2022

Independent Auditor's Report to the members of Liverpool Airport Property Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Liverpool Airport Holdings Property Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group profit and loss account;
- the group and company balance sheets
- the group and company statements of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the members of Liverpool Airport Property Holdings Limited *continued*

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the members of Liverpool Airport Property Holdings Limited *continued*

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

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

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

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

- valuation of investment property: We challenge the principal assumptions used to derive the open market value through a number of procedures. These include the review of equivalent yields against market rates, challenge of methodology by RICS certified internal experts, substantive testing of committed rent receivable and the assessment of disposals against fair values held.

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

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

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

Independent Auditor's Report to the members of Liverpool Airport Property Holdings Limited *continued*

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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



Elizabeth Benson BSc ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
4 October 2022

LIVERPOOL AIRPORT PROPERTY HOLDINGS LIMITED

Group Profit and Loss Account *for the year ended 31 March 2022*

	Note	2022 £'000	2021 £'000
Turnover		1,305	1,260
Cost of sales		(44)	(47)
Gross profit		1,261	1,213
Surplus/(deficit) on revaluation of investment properties	4	3,000	(1,275)
Administrative expenses		(102)	(86)
Other operating income		41	41
Operating profit/(loss)		4,200	(107)
Net interest payable and similar expenses		(643)	(580)
Profit/(loss) before taxation		3,557	(687)
Tax on profit/(loss)		(216)	(101)
Profit/(loss) for the financial year		3,341	(788)

All of the above results derive from continued operations.

LIVERPOOL AIRPORT PROPERTY HOLDINGS LIMITED

Group and Parent Company Balance Sheets *as at 31 March 2022*

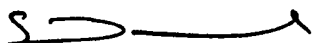
		Group	Group	Parent Company	Parent Company
		2022	2021	2022	2021
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Investment properties	4	19,500	16,500	-	-
Investments	5	-	-	3,196	3,196
		19,500	16,500	3,196	3,196
Current assets					
Debtors	6	422	16	-	-
Cash at bank and in hand		938	1,240	1	-
		1,360	1,256	1	-
Creditors: amounts falling due within one year	7	(970)	(1,127)	(34)	(33)
Net current assets/(liabilities)		390	129	(33)	(33)
Total assets less current liabilities		19,890	16,629	3,163	3,163
Creditors: amounts falling due after more than one year	8	(11,893)	(12,083)	-	-
Provisions for liabilities	9	(234)	(124)	-	-
Net assets		7,763	4,422	3,163	3,163
Capital and reserves					
Called up share capital	11	2,136	2,136	2,136	2,136
Profit and loss account		5,627	2,286	1,027	1,027
Shareholder's funds		7,763	4,422	3,163	3,163

The result for the financial year dealt with in the financial statements of the parent company was £nil (2021: profit £599,000).

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

The financial statements for Liverpool Airport Property Holdings Limited, company number 09859599, were approved by the directors and authorised for issue on 4 October 2022.

Signed on its behalf by



Steven Underwood, A.C.A.

Director

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

LIVERPOOL AIRPORT PROPERTY HOLDINGS LIMITED

Group Statement of Changes in Equity for the year ended 31 March 2022

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2020	2,136	3,674	5,810
Loss and other comprehensive expense for the financial year	-	(788)	(788)
Total comprehensive income for the financial year	-	(788)	(788)
Dividend paid	-	(600)	(600)
At 31 March 2021	2,136	2,286	4,422
Profit and other comprehensive income for the financial year	-	3,341	3,341
Total comprehensive income for the financial year	-	3,341	3,341
At 31 March 2022	2,136	5,627	7,763

Company Statement of Changes in Equity for the year ended 31 March 2022

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2020	2,136	1,028	3,164
Profit and other comprehensive income for the financial year	-	599	599
Total comprehensive income for the financial year	-	599	599
Dividend paid	-	(600)	(600)
At 31 March 2021	2,136	1,027	3,163
Profit and other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	-	-	-
At 31 March 2022	2,136	1,027	3,163

Notes to the Financial Statements

1. Accounting policies

The principal accounting policies are summarised below. The policies have been applied consistently throughout the year and the preceding period. The principal activities and operations of the group and its subsidiaries are set out in the report of the directors on pages 3 to 4.

Company information

Liverpool Airport Property Holdings Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales with the company registration number 09859599. The registered office is Venus Building, 1 Old Park Lane, Trafford City, Manchester, United Kingdom, M41 7HA.

Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, fair value of swaps and investments, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The functional currency of the group and company is considered to be pound sterling, because that is the currency of the primary economic environment in which the group and company operates. The financial statements are rounded to the nearest £000.

Going concern

The directors have received confirmation that the joint owners Peel L&P Holdings (UK) Limited ("Peel") and Liverpool City Council will continue to provide the necessary level of support to enable it to continue to operate for the 12 months from signing the audit report.

In considering the ability of Peel to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Peel's consolidated forecasts, the continuing availability of its facilities and its strategic and contingent plans.

Taking all these factors into account, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the 12 months from signing the audit report and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

Group financial statements

The group financial statements consolidate the financial statements of the holding company and its subsidiary undertakings made up to 31 March each year from the date of acquisition.

The subsidiaries are consolidated under acquisition accounting principles. Results of subsidiary undertakings acquired or disposed of during the year are included from the date of acquisition or to the date of disposal to the extent of group ownership.

The separable net assets of subsidiary undertakings acquired are included in the group financial statements at their fair value to the group at the date of acquisition including provisions and liabilities taken into consideration in assessing the fair value of the business acquired.

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account for the holding company is not presented.

Investment properties

Investment properties are measured at fair value annually with any change recognised in the profit and loss account.

Properties in the course of development or practically completed but not substantially let are included in the balance sheet at cost subject to provisions if the directors consider it prudent having regard to the prevailing market conditions. Cost includes interest and directly attributable overheads whilst the property is in the course of development.

Investment property sales are recognised upon unconditional exchange.

Fixed asset investments

In the company financial statements fixed asset investments in subsidiary undertakings are stated at cost less provision for impairment. Cost represents the aggregate cash consideration, costs incurred and either the fair or the nominal value of shares issued.

Notes to the Financial Statements *continued*

1. Accounting policies *continued*

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover

The turnover of the group has been derived from its principal activities and is stated net of VAT.

Property rental income from investment property is accounted for on an accruals basis and is recognised on a straight-line basis over the lease term. Rental premiums are spread evenly over the lease term.

Trading property sales are accounted for on a legal completion basis.

Leased assets – group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

In October 2020 an amendment was issued by the FRC and has been adopted. The amendment applies to temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic. Any reduction in lease payments affects only payments originally due on or before 30 June 2021. This has now been extended to 30 June 2022.

Notes to the Financial Statements *continued*

1. Accounting policies *continued*

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Financial assets and financial liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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

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

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

Impairment of financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying amount value had no impairment been recognised.

Notes to the Financial Statements *continued***2. Particulars of staff**

The group and the company have no employees other than the directors (2021: same).

3. Dividends

	Group 2022 £'000	Group 2021 £'000
Final dividend paid of £nil pence per share (2021: 28.10 pence per share)	-	600

4. Investment properties

	Group Long Leasehold £'000
Valuation:	
At 1 April 2021	16,500
Revaluation	3,000
At 31 March 2022	19,500

The historical cost to the group of all investment properties is £13,350,000 (2021: £13,350,000).

100% of the investment property portfolio was valued by the group's own Royal Institution of Chartered Surveyors qualified staff.

The valuations were undertaken in accordance with "Red Book Principles" and were conducted on the basis of Market Value. The investment properties are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to current and, if any, reversionary income streams. The capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuers' professional judgement and market observation. All of the valuers hold professional qualifications and have many years of relevant experience in valuing these types of assets.

Property rental income earned in the year was £1,306,000 (2021: £1,260,000).

There are no contractual obligations for repairs and maintenance or health and safety.

LIVERPOOL AIRPORT PROPERTY HOLDINGS LIMITED

Notes to the Financial Statements *continued*

5. Investments

	Parent Company
Shares in subsidiary undertakings:	£'000
Cost and net book value at 31 March 2021 and at 31 March 2022	3,196

Subsidiary undertakings

The subsidiary undertakings consolidated as at 31 March 2022, all of which were wholly owned ordinary shares, unless otherwise stated, were as follows:

Incorporated	Company	Group Shareholding	Principal activities
England & Wales	Liverpool Airports Property (Intermediate) Limited **	100%	Holding company
England & Wales	Liverpool Airports Property Limited	100%	Property investment
England & Wales	Liverpool Airport Hotel Limited	100%	Property management

** directly owned.

All the subsidiaries above incorporated in England and Wales have the registered office Venus Building, 1 Old Park Lane, TraffordCity, Manchester, United Kingdom, M41 7HA.

Audit exemption

Subsidiary undertakings Liverpool Airports Property (Intermediate) Limited and Liverpool Airport Hotel Limited claimed exemption from audit under section 479A Companies Act 2006.

6. Debtors

	Group 2022 £'000	Group 2021 £'000	Parent Company 2022 £'000	Parent Company 2021 £'000
Trade debtors	175	10	-	-
Amounts owed by related parties	247	6	-	-
	422	16	-	-

Amounts owed by related parties in respect of trade balances are repayable on standard trade terms.

LIVERPOOL AIRPORT PROPERTY HOLDINGS LIMITED

Notes to the Financial Statements *continued*

7. Creditors: amounts falling due within one year

		Group	Group	Parent Company	Parent Company
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Secured bank loans	8	200	200	-	-
Amounts owed to group undertakings		2	-	34	33
Trade creditors		12	-	-	-
Other creditors		66	127	-	-
Corporation tax payable		-	110	-	-
Accruals and deferred income		690	690	-	-
		970	1,127	34	33

Details of security interest rates and repayment dates on the above borrowings are disclosed in note 8.

8. Creditors: amounts falling due after more than one year

	Group	Group	Parent Company	Parent Company
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Secured bank loans	9,223	9,413	-	-
Loans from parent companies	2,670	2,670	-	-
	11,893	12,083	-	-

The bank loan is repayable in June 2024 and bears interest at 3.57%.

Included within the secured bank loans are un-amortised debt costs of £22,000 (2021: £32,000).

Loans from parent companies are 50% with each ultimate parent company. Interest is payable at a rate of SONIA plus margin of 10%. The loans are repayable in full in June 2024.

Repayment of gross debt

	Group 2022 £'000	Group 2021 £'000
Bank loans		
Within 1 year	200	200
Between 1 and 5 years	9,223	9,413
	9,423	9,613
Loans from parent companies		
Between 1 and 5 years	2,670	2,670

Notes to the Financial Statements *continued*

9. Provisions for liabilities

	Group £'000
Deferred taxation	
At 1 April 2021	124
Profit and loss account	110
At 31 March 2022	234

Provision is made for deferred taxation at a rate of 25% (2021: 19%), the amount provided being:

	Group 2022 £'000	Group 2021 £'000
Revalued investment property	234	124

There was no unrecognised deferred tax in either year.

The March 2021 Budget announced that the UK corporation tax rate will increase to 25% with effect from 1 April 2023. As this change was substantively enacted as at 31 March 2022, deferred tax balances are measured at a rate of 25%.

However, in the September 2022 Mini Budget it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%. This rate had not been substantively enacted at the balance sheet date, and as the result the deferred tax balances as at 31 March 2022 continue to be measured at the full 25% rate noted above. The estimated impact of the reversal of the corporation tax rate increase would be to reduce the deferred tax liability by £26,000.

10. Operating lease receivables

The total future amounts receivable by the group under non-cancellable operating leases are as follows:

	Group 2022 £'000	2021 £'000
Within one year	1,327	1,260
Between one and five years	5,127	5,040
In over five years	60,741	61,835
	67,195	68,135

11. Called up share capital and reserves

	Parent Company and Group	
	Number	£'000
Allotted and fully paid		
Equity share capital		
Ordinary A shares of £1 each:	1,601,634	1,602
Ordinary B shares of £1 each:	533,800	534
At 1 April 2021 and 31 March 2022	2,135,434	2,136

The holders of the A shares are entitled to 50.1% of Liverpool Airports Property Holdings Limited's distributable profits and to 50.1% of Liverpool Airports Property Holding Limited's assets on winding up. The holders of the B shares are entitled to 49.9% of Liverpool Airports Property Holdings Limited's distributable profits and to 49.9% of Liverpool Airports Property Holdings Limited's assets on winding up.

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties and investments.

Notes to the Financial Statements *continued*

12. Related party transactions

During the year to 31 March 2022, companies within Liverpool Airports Property Holdings Limited group have made sales to fellow subsidiary Peel Leisure Operations No1 Limited. The rent in the year totalled £760,000 (2021: £745,000) and the amount outstanding as at 31 March 2022 was £233,000 (2021: £3,000).

During the year to 31 March 2022, the group was charged management fees by a fellow subsidiary of one of the joint venture parents Peel L&P Holdings (UK) Limited of £63,000 (2021: £63,000) and the amount outstanding as at 31 March 2022 was a debit of £3,000 (2021: £3,000).

Included in amounts owed by related parties is an amount of £11,000 (2021: £nil) group relief receivable from Peel L&P Holdings (UK) Limited.

At the year end £2,670,000 is owed to the ultimate parent companies in relation to the loan (2021: £2,670,000).

At the year end £134,000 is owed to the ultimate parent companies in relation to accrued loan interest (2021: £115,000).

13. Ultimate holding company

In the opinion of the directors there is no ultimate controlling party as the company is owned jointly by Peel L&P Holdings (UK) Limited and Liverpool City Council.

The smallest group of companies of which the company is a member, that produces consolidated accounts, is Liverpool Airport Property Holdings Limited, a company incorporated in England and Wales. Its group financial statements are available from the Company Secretary at its registered office, Venus Building, 1 Old Park Lane, TraffordCity, Manchester, United Kingdom, M41 7HA.

The largest group of companies in which the company sits, that produces consolidated accounts, is Peel Holdings Group Limited, a company incorporated in the Isle of Man. Its registered office is Billown Mansion, Ballasalla, Malew, IM9 3DL, Isle of Man.