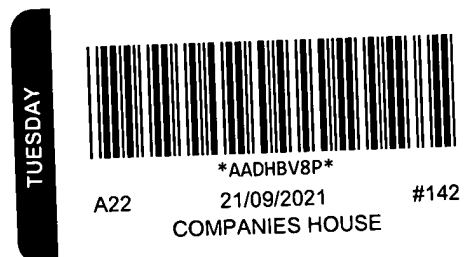


IVY SUPER HOLDCO LIMITED

**Report and Financial Statements
for the year ended 31 December 2020**



**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Michael McGhee
William Woodburn
Philip Iley
Marten Soderborn
Pierre-Hugues Schmit
David McMillan
Nicolas Notebaert
Olivier Mathieu
Rémi Maumon De Longevialle
Eric Delobel

SECRETARY

TMF Corporate Administration Services Limited

REGISTERED OFFICE

8th Floor
20 Farringdon Street
London
EC4A 4AB

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
The Portland Building
25 High Street
Crawley
West Sussex
RH10 1BG

STRATEGIC REPORT

REVIEW FOR THE YEAR

Financial Review

The Company was incorporated on 25 June 2019 with its principal activity being an investment holding company. During the year ended 31 December 2020 the Company made a loss after taxation of £16.1 million largely due to finance costs (2019: £92.3 million profit largely due to dividend income from Ivy Holdco Limited), and had net assets of £5,678.7 million (2019: £5,694.8 million).

During the prior period the Company entered into a intercompany loan agreement with Gatwick Airport Limited for £300.0 million.

Going concern

The Company has net assets of £5,678.7 million (2019: £5,694.8 million).

Based on the net asset position, the Company's future developments, and as further detailed in note 1, the Directors have a reasonable expectation that the Company will continue as a going concern for a period of at least 12 months from the date of approval of these financial statements and the financial statements have been prepared on that basis. As the Company's existing liabilities are due to subsidiaries within the Group, the liquidity risk, the risk that the Company has insufficient resources to meet its obligations as they fall due, is managed on a Group basis. The Company has a net current liability of £23.9 million at the balance sheet date (2019: £7.7 million) which is due to a group company (see note 9). The reliance on the Group, and the Group's uncertainty about its ability to comply with financial covenants and its ability to refinance its term loan obligations highlights there is a material uncertainty which may cast significant doubt about the Company's ability to adopt a going concern basis of preparation for the financial statements. For further details, refer to note 1 of the financial statements.

Key Performance Indicators

Given the nature of the Company, the Directors are of the opinion that analysis using key performance indicators ("KPIs") is not necessary for an understanding of the development, performance or position of the Company.

Principle risks and uncertainties

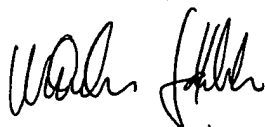
The Gatwick Airport Finance Group actively manages all identified corporate risks. Details of the risk management policies of Gatwick Airport Limited, the main trading entity within the Gatwick Airport Finance Group, are detailed in the financial statements of Gatwick Airport Limited for the year ended 31 December 2020.

There are no planned changes to the Company's principal activity.

Employees

The Company has no employees. All employees of the Group are employed by Gatwick Airport Limited, the main trading entity. Details of the employee policies of Gatwick Airport Limited are included in the financial statements of Gatwick Airport Limited for the year ended 31 December 2020.

On behalf of the Board



Marten Soderbom

Director

24 June 2021

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 December 2020.

PRINCIPLE ACTIVITIES

The principle activity of the Company is that of a holding company. The Company and its wholly owned subsidiaries, Ivy Holdco Limited, Gatwick Airport Limited, Gatwick Funding Limited, Ivy Bidco Limited, and Gatwick Airport Pension Trustees Limited, are referred to collectively in the Strategic Report, the Directors' Report and these financial statements as "the Gatwick Airport Finance Group" or "the Group".

BOARD OF DIRECTORS

The Company's Board of Directors during the year, unless otherwise stated, and up to the date of approval of these financial statements are as follows:

Michael McGhee
William Woodburn
Philip Iley
Marten Soderbom
Pierre-Hugues Schmit
David McMillan
Nicolas Notebaert
Olivier Mathieu
Rémi Maurmon De Longevialle
Eric Delobel (appointed 26 August 2020)

DIRECTORS' INDEMNITY

The Company's Articles of Association provide that, subject to the provisions of the Companies Act 2006, but without prejudice to any indemnity to which the person concerned might otherwise be entitled, every Director of the Company shall be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

DIVIDENDS

The Directors have not declared a dividend during the year ended 31 December 2020 (2019: £300.0 million per share on 12 July 2019, amounting to £300.0 million and £100.0 million per share on 19 December 2019, amounting to £100.0 million.) The Directors did not recommend the payment of a final dividend (2019: £nil).

FINANCIAL RISK MANAGEMENT

The financial risk of the Group is managed by the Company's parent, Gatwick Airport Finance plc (formerly Ivy Midco Limited).

The Company's financial risk management objectives and policies have been disclosed in the financial statements of Gatwick Airport Finance plc.

EMPLOYEES

Information on the Company's employees has been included in the Strategic Report on page 4.

DIRECTORS' REPORT (continued)

FUTURE DEVELOPMENTS

Information on the Company's future developments has been included in the Strategic Report on page 4.

CORPORATE GOVERNANCE ARRANGEMENTS

The corporate governance arrangements of the Group are managed by the Directors of Gatwick Airport Finance plc. Details of the arrangements are included in the financial statements of Gatwick Airport Finance plc for the year ended 31 December 2020.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors who held office at the date of approval of this Directors' Report are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Marten Soderbom', written in a cursive style.

Marten Soderbom
Director
24 June 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMEBRS OF IVY SUPER HOLDCO LIMITED

REPORT ON THE AUDIT OF THE COMPANY FINANCIAL STATEMENTS

Opinion

In our opinion, Ivy Super Holdco Limited's company financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. Due to the nature of the Company's operations, with the Group's financing arrangements being cross-guaranteed by each Company within the Ivy Limited Holdco Group, the Company's evaluation of going-concern is dependent on the evaluation of Gatwick Airport Finance plc's (formerly Ivy Midco Limited) consolidated group consisting of Gatwick Airport Finance plc, Ivy Super Holdco Limited, Ivy Holdco Limited, Ivy Bidco Limited, Gatwick Funding Limited and the Company (collectively the "Group"). Management's forecasts assume that as the vaccine roll out extends through the UK and overseas there is a reasonable prospect of a relaxing of current lockdown and travel restrictions by the summer of 2021. However, should they extend, or be reimposed, in key summer trading months, this would likely significantly adversely impact projected passenger numbers through the airport. This would in turn reduce cash flows from operations and as a consequence could result in the Group breaching its senior interest cover ratio covenant when next assessed as at 31 December 2021. This would then expose the Group to the risk that all the existing debt would fall due for immediate repayment. In addition, the Group's £300 million term loan facility currently falls due for repayment in October 2021 albeit this date can be extended, at the Group's option, to April 2022. Whilst the Directors are confident that they will be able to refinance this debt this has not been agreed as at the date of approval of these financial statements. Given the existence of these risks and the fact that any remedies that could be needed have not been executed as at the date of this report this represents a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The Company financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE MEMEBRS OF IVY SUPER HOLDCO LIMITED
(continued)**

REPORT ON THE AUDIT OF THE COMPANY FINANCIAL STATEMENTS (continued)

Material uncertainty related to going concern (continued)

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.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMEBRS OF IVY SUPER HOLDCO LIMITED
(continued)**

REPORT ON THE AUDIT OF THE COMPANY FINANCIAL STATEMENTS (continued)

Responsibilities for the financial statements and the audit (continued)

Responsibilities of the directors for the financial statements (continued)

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

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Group's compliance with their aerodrome license to operate regulated by the Civil Aviation Authority, including the commitments made within, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management's incentives, which are tied to achieving adjusted EBITDA set out in the annual budget. This could be achieved primarily through manual adjustments to revenue, or through the manipulation of operating expenses. The two ways operating expenses could be manipulated is through inappropriate capitalisation of expenses or through reclassifying operating expenses to categories excluded from adjusted EBITDA. Audit procedures performed by the engagement team included:

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by unexpected users;
- Assessed management's compliance with the commitments under the aerodrome operator license;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing the Group's litigation register in so far as it related to non-compliance with laws and regulations and fraud; and
- Reviewing relevant meeting minutes, including those of the Board of Directors and the Audit Committee.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMEBRS OF IVY SUPER HOLDCO LIMITED
(continued)**

REPORT ON THE AUDIT OF THE COMPANY FINANCIAL STATEMENTS (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

OTHER MATTER

We have reported separately on the group financial statements of Ivy Super Holdco Limited for the year ended 31 December 2020.



Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Crawley
24 June 2021

IVY SUPER HOLDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

	Note	Year ended 31 December 2020 £m	Period ended 31 December 2019 £m
Finance costs	5	(16.2)	(7.7)
Dividend income	6	-	100.0
Net (loss)/profit before taxation		(16.2)	92.3
Income tax credit	7	0.1	-
(Loss)/profit for the period		(16.1)	92.3
Other comprehensive income		-	-
Total comprehensive (expense)/income		(16.1)	92.3

The notes on pages 14 to 22 form an integral part of these financial statements.

All profits and losses recognised during the current year and prior period are from continuing operations.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020


	Called up share capital £m	Retained earnings £m	Total equity £m
Profit for the period	-	92.3	92.3
Total comprehensive income	-	92.3	92.3
Contributions by and to owners			
Proceeds from shares issued	6,002.5	-	6,002.5
Share capital reduction	(6,002.5)	6,002.5	-
Dividends paid	-	(400.0)	(400.0)
Total contributions by and to owners	-	5,602.5	5,602.5
Balance at 31 December 2019	-	5,694.8	5,694.8
Loss for the year	-	(16.1)	(16.1)
Total comprehensive expense	-	(16.1)	(16.1)
Balance at 31 December 2020	-	5,678.7	5,678.7

The notes on pages 14 to 22 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	31 December 2020 £m	31 December 2019 £m
Fixed assets			
Investments	8	6,002.5	6,002.5
Deferred tax asset		0.1	-
Total assets		6,002.6	6,002.5
Creditors: amounts falling due within one year			
Trade and other payables	9	(23.9)	(7.7)
Total current liabilities		(23.9)	(7.7)
Total assets less current liabilities		5,978.7	5,994.8
Creditors: amounts falling due after more than one year	10	(300.0)	(300.0)
Net assets		5,678.7	5,694.8
Equity			
Called up share capital	11	-	-
Retained earnings		5,678.7	5,694.8
Total equity		5,678.7	5,694.8

The financial statements on pages 12 to 22 were approved by the Board of Directors on 24 June 2021 and signed on its behalf by:



Marten Soderbom
Director



Rémi Maumon de Longevialle
Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. BASIS OF PREPARATION

These financial statements are the financial statements of Ivy Super Holdco Limited ("the Company") for the year ended 31 December 2020. The comparative period is from incorporation on 25 June 2019 to 31 December 2019. Ivy Super Holdco Limited is a private limited company, limited by shares incorporated in England, United Kingdom. The registered number is 12069556 and the registered address is 8th Floor, 20 Farringdon Street, London, United Kingdom, EC4A 4AB.

The financial statements have been prepared under the historic cost convention (unless otherwise specified in the accounting policies) in accordance with the Companies Act 2006 and FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. Accounting policies have been applied consistently, other than where new policies have been adopted.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates, as included in note 3.

The financial statements contain information about Ivy Super Holdco Limited as an individual company. The Company's and its subsidiaries' results are included in the audited consolidated financial statements of VINCI SA and Gatwick Airport Finance plc for the year ended 31 December 2020, the largest and smallest groups to consolidate these financial statements. As such the Company has taken the s400 Exemption under the Companies Act 2006 from preparing consolidated financial statements. The consolidated financial statements of VINCI SA can be obtained from the Company Secretary, VINCI, 1 Cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison, Cedex, France.

The Directors have prepared the financial statements on a going concern basis. In assessing the going concern position of the Company, the Directors have considered the potential impact of COVID-19 on the cash flow and liquidity of the Group over the next 12 months, and the corresponding impact on the covenants associated with the Group's financing arrangements, noting that the Company's credit risk is with another group company, Gatwick Airport Limited.

In forming this view, the Directors have noted that 2020 was an unprecedented year in the aviation sector but that the actions taken throughout the year have managed the impact and put the Group in a strong position for recovery. Whilst, the early success of the vaccination programme in the UK and significant progress made abroad gives confidence to the Directors on a significant traffic recovery in 2021 there remains a degree of uncertainty over forecasts for 2021.

The Group's financing arrangements are cross-guaranteed by each company within the Ivy Holdco Group. This results in each company being interdependent on the overall results and cash flows of the Group as a whole.

The Group has taken steps to increase the availability of cash and committed funding available. On 3 April 2020, the Group entered into a new £300 million Term Loan (due for repayment in October 2021, extendable for an additional 6 months at the Group's option such that it would not fall due for repayment until April 2022). As at 31 December 2020, the Group held cash of £293.1 million and its £300 million Revolving Credit Facility was fully drawn. The Group also has access to a committed £150 million Liquidity Facility to ensure interest payment obligations can be kept current for over 12 months. The Group does not currently expect to utilise the Liquidity Facility. The Group was approved to draw up to £300 million under the Bank of England Covid Corporate Financing Facility ("CCFF"). £175 million was drawn on 10 November 2020. The loan was repaid in January 2021 and a further £250 million was drawn on 14 January 2021 to both provide additional working capital to the Group and to extend the maturity of the facility to January 2022. The Group's forecasts demonstrate that the Group continues to have liquidity headroom for at least the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

1. BASIS OF PREPARATION (continued)

The Group's financing arrangements are subject to compliance with financial covenants, including the Senior Interest Cover Ratio ("ICR") (which is calculated on the basis of operating cash flow within a 12 month period, adjusted downwards by a pre-defined notional (non-cash) amount, compared to net interest paid) and the Senior RAR Ratio ("RAR") (which is calculated by reference to net debt compared with a defined multiple of average EBITDA from the last 3 years). Both covenants are subject to bi-annual tests at 30 June and 31 December.

The Group has been granted a covenant waiver and amendment of certain terms under the financing documents, from Qualifying Borrower Secured Creditors. This includes: a) any Default relating to Senior ICR and Senior RAR levels is waived in respect of the calculation dates falling on December 2020 and June 2021; and b) a temporary amendment (until June 2023) to the calculation of the Senior RAR to replace the April 2020 to March 2021 EBITDA in such calculation with the average of the 2017, 2018 and 2019 financial years corresponding to each relevant calendar quarter, to prevent results in this exceptional period continuing to impact the Senior RAR.

The Group's most recent forecast assumes a steady increase in passengers as the vaccination program in the UK continues to roll out and reduces levels of serious infection such that we expect total passenger numbers of 2021 to be circa 40% compared to 2019. Following the granting of the covenant waiver, the Group anticipates compliance with all covenant tests at the relevant calculation dates. However, it should be noted that the ICR is particularly sensitive to the concentrated loss of revenues and cash flows within a trailing 12 month period, while the Senior RAR is impacted for longer since it incorporates a 3 year trailing average EBITDA component. Given the recent rise in COVID-19 cases and the action taken by both the UK Government and other nations, there remains short term uncertainty in the passenger forecasts for 2021.

The impact of COVID-19 creates considerable uncertainty for the aviation industry. The Directors nevertheless consider that the Group can maintain sufficient liquidity over the next 12 months and, given the underlying credit quality of the business, can secure the necessary and timely support of its debtholders, and that it is accordingly appropriate to adopt a going concern basis for the preparation of these financial statements. Our term loan facility falls due no later than April 2022, and accordingly will require refinancing before then which, whilst we believe should be achievable, has not been completed as at the date of approval of these financial statements. Whilst there are a number of severe but plausible downside scenarios, particularly if severe government restrictions impacting travel were to extend into the summer, there remains a risk to the Group's covenant ratios. Whilst the Group has a number of options to mitigate or remedy any potential covenant breaches and refinance its term loan, there remains the existence of a material uncertainty which may cast significant doubt about the Company's ability to adopt a going concern basis of preparation for the financial statements. These financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the financial statements had not been prepared on a going concern basis.

As at 31 December 2020 the Company had net assets of £5,678.7 million (2019: £5,694.8 million). The Company's existing liabilities are due to subsidiaries within the Group. The uncertainty at a Group level therefore directly affects the Company. Taking into account the Company's current assessment of the impact of COVID-19 and the significant headroom in the valuation, combined with the mitigating actions that are within the Company's control, and access to cash and committed financing, the Directors consider the Company can maintain sufficient liquidity over the next 12 months, and they continue to adopt a going concern basis for the preparation of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

2. ACCOUNTING POLICIES

(a) Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. Current tax assets or liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred tax is provided on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred taxation is determined using the tax rates and laws that have been enacted, or substantively enacted, by the financial position date and are expected to apply in the periods in which the temporary differences are expected to reverse.

(d) Investments in subsidiaries

Investments are held as fixed assets and are stated at cost and reviewed for impairment if there are indications that the carrying value may not be recoverable.

(e) Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

(f) Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

(g) Share capital

Ordinary shares are classified as equity and are recorded at the fair value of proceeds received, net of direct issue costs. Where shares are issued above par value, the proceeds in excess of par value are recorded in the share premium account.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

(h) Dividend distribution

A dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the shareholders' right to receive payment of the dividend is established by approval of the dividend at the Board Meeting. Interim dividends are recognised when paid.

(i) Cash

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

(j) Debt

Borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently stated at amortised cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

(k) Related party disclosures

The Company's ultimate parent entity in the UK is Ivy Super Topco Limited, a company registered in England and Wales. The results of the Company are included in the audited consolidated financial statements of Gatwick Airport Finance plc for the year ended 31 December 2020.

(l) Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 Section 7 Statement of Cash Flows, and paragraph 3.17(d) of FRS 102 Section 3 Financial Statement Presentation.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In applying the Company's accounting policies management have made estimates and judgements. Actual results may, however, differ from the estimates calculated and management believe that the following presents the greatest level of uncertainty.

(a) Investments in subsidiaries

Management regularly assesses the performance of the subsidiaries of the Company and takes into account forecast future cash flows and activities. Management believe that the carrying value of the investments are supported by their future trade.

4. OPERATING COSTS

Operating costs

Audit fees of £5,000 (2019: £5,000) are borne by Gatwick Airport Limited.

Employee information

The Company has no employees (2019: nil). All employees of the Gatwick Airport Finance Group are employed by Gatwick Airport Limited. Gatwick Airport Limited incurs all staff costs for the Gatwick Airport Finance Group.

Directors' remuneration

No directors of the Company were remunerated during the year. The emoluments of Directors who were also directors of Gatwick Airport Limited that were remunerated are disclosed in the financial statements of Gatwick Airport Limited.

No Directors are members of the Gatwick Airport Limited defined benefit pension scheme.

5. FINANCE COSTS

	Year ended 31 December 2019 £m	Period ended 31 December 2019 £m
Interest payable on loans from Group undertakings ^(a)	16.2	7.7

(a) Interest on loan from Gatwick Airport Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

6. DIVIDENDS

The Directors have not declared a dividend during the year ended 31 December 2020 (2019: £300.0 million per share on 12 July 2019, amounting to £300.0 million and £100.0 million per share on 19 December 2019, amounting to £100.0 million.) The Directors did not recommend the payment of a final dividend (2019: £nil).

The Company did not receive any dividends during the year from its wholly-owned subsidiary, Ivy Holdco Limited (2019: on 18 December 2019 the Company received dividends of £100.0 million).

7. INCOME TAX

	Year ended 31 December 2020 £m	Period ended 31 December 2019 £m
Current tax	-	-
Deferred tax	0.1	-
Tax credit	0.1	-

Reconciliation of tax credit

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19%. The actual tax credit for the current year differs from the standard rate for the reasons set out in the following reconciliation:

	Year ended 31 December 2020 £m	Period ended 31 December 2019 £m
(Loss)/profit before taxation	(16.2)	92.3
Tax on loss/(profit) at 19%	3.1	(17.5)
Effect of:		
Income not subject to tax	-	19.0
Effects of group relief	(3.0)	(1.5)
Tax credit for the period	0.1	-

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. During the March 2020 Budget, the UK Government announced that the reduction in corporation tax rate to 17% would be cancelled and the 19% rate retained from 1 April 2020. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

8. INVESTMENTS

	31 December 2020 £m	31 December 2019 £m
Investment in subsidiaries	6,002.5	6,002.5

The Company has investments in the following subsidiary undertaking:

Subsidiary Undertakings	Principal activity	Holding	%
Ivy Holdco Limited	Holding Company	Ordinary Shares	100%
Gatwick Airport Limited ^(a)	Airport owner and operator	Ordinary Shares	100%
Gatwick Funding Limited ^(a)	Financing company	Ordinary Shares	100%
Ivy Bidco Limited ^(a)	Property company	Ordinary Shares	100%
Gatwick Airport Pension Trustees Limited ^(a)	Dormant company	Ordinary Shares	100%

(a) Held by a subsidiary undertaking

All subsidiaries (except for Gatwick Funding Limited ("GFL")) are incorporated and operate in England, United Kingdom. Gatwick Airport Limited and Gatwick Airport Pension Trustees Limited have registered office 5th Floor Destinations Place, Gatwick Airport, West Sussex, RH6 0NP. Ivy Holdco Limited and Ivy Bidco Limited have registered office 8th Floor, 20 Farringdon Street, London, EC4A 4AB. GFL is incorporated in Jersey and has registered office 44 Esplanade, St Helier, Jersey, JE4 9WG.

As a result of the COVID-19 pandemic, the directors have assessed the recoverability of the investment in subsidiaries through a discounted cashflow analysis using the forecast EBITDA generated by the Company, discounted by the WACC and concluded their carrying value is appropriate and no impairments are required.

The impairment assessment used management's model for the first 5 years and a long-term growth assumption for the period beyond the first 5 years of 2% and a WACC of 5.5%. These assumptions, consistent with external benchmarks, represent management's best estimate of inputs to be used. If the WACC was increased to 7%, with a corresponding increase in the long term growth assumption to 3% for beyond the first 5 years, there remained no requirement for impairment.

9. TRADE AND OTHER PAYABLES

	31 December 2020 £m	31 December 2019 £m
Trade and other payables		
Amounts owed to group undertakings	23.9	7.7

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Other creditor amounts falling due after more than one year relate to amounts due to group undertakings. The following amounts represent interest bearing amounts in the form of a loan from Gatwick Airport Limited. Accrued interest on these loans is disclosed within amounts owed to group undertakings due within one year.

	31 December 2020 £m	31 December 2019 £m
Borrowings	300.0	300.0
Maturity Profile:		
Repayable between 1 and 2 years	-	-
Repayable between 2 and 5 years	-	-
Repayable in more than 5 years	300.0	300.0
	300.0	300.0

11. CALLED UP SHARE CAPITAL

	31 December 2020 £m	31 December 2019 £m
Called up and fully paid share capital		
1 ordinary share of £1.00 each (2019: 1)	-	-

12. RELATED PARTY TRANSACTIONS

During the year the Company entered into the following transactions with related parties as follows:

	Interest payable with related party	Amounts owed to related party		
	Year ended 31 December 2020 £m	Period ended 31 December 2019 £m	As at 31 December 2020 £m	As at 31 December 2019 £m
Gatwick Airport Limited	16.2	7.7	(323.9)	(307.7)

Gatwick Airport Limited is a subsidiary of the Company (refer to note 8).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

13. CONTROLLING PARTIES

At 31 December 2020 the Company's ultimate parent and ultimate controlling party is VINCI SA, a company incorporated in France. The Company's immediate parent is Gatwick Airport Finance plc, a company incorporated in the UK.

On 13 May 2019, Global Infrastructure Partners, LP ("GIP 1"), together with its four co-shareholders (Abu Dhabi Investment Authority, National Pension Service of the Republic of Korea, California Public Employees' Retirement System and the Future Fund) completed the sale of a 50.01% interest in the Group to CRUISER Bidco Limited, a wholly owned subsidiary of VINCI SA for a total equity consideration of approximately £3.0 billion.