

Registered No. SC176703

KENT AIRPORT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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KENT AIRPORT LIMITED

COMPANY INFORMATION

Directors	AB Mackinnon AJM Welch
Company number	SC176703
Registered office	50 Lothian Road Festival Square Edinburgh EH3 9WJ
Solicitors	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ
Auditors	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE

KENT AIRPORT LIMITED

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KENT AIRPORT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their strategic report for the year ended 31 March 2015.

Fair review of the business

The company's key financial performance indicators during the year were as follows:

	31/3/15	31/3/14
	£'000	£'000
Revenue	612	8,899
Total Comprehensive Income	(1,150)	(5,404)
Net Liabilities	(3,659)	(2,509)

Principal risks and uncertainties

The company faces a range of risks and uncertainties which could materially affect its financial performance. The board is ultimately responsible for risk management. The principal risk and uncertainties facing the company are primarily in relation to external factors.

Further information regarding the company's financial risk management objectives and policies are provided in note 13 to the financial statements.

Future developments

Subsequent to closure of Manston, Kent's International Airport, the company has wound down its operations and at the date of this report, there are no plans to recommence trading.

ON BEHALF OF THE BOARD


AB Mackinnon

Director

22.12.15

KENT AIRPORT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITIES AND REVIEW

The principal activity of Kent Airport Limited, registered company number SC176703, ("the company"), is the operation of Manston, Kent's International Airport, which is owned by a fellow subsidiary undertaking, Kent Facilities Limited. On 15 May 2014, the airport was closed and trading ceased.

RESULTS AND DIVIDENDS

The net loss for the year amounted to £1,150,000 (2014 - £5,404,000). No ordinary dividend was paid in the current year (2014: £nil).

DIRECTORS

The directors who held office during the year were as follows:

AB Mackinnon
AJM Welch
CRS Buchanan (resigned 30 May 2014)

STATEMENT OF DIRECTORS' RESPONSIBILITY

The directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable laws and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). 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;
- state whether the financial statements comply with IFRS, subject to any material departures disclosed and explained in the financial statements 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 have concluded that the going concern basis is no longer appropriate.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They 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.

KENT AIRPORT LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

STATEMENT OF DISCLOSURE TO AUDITORS

As far as the directors are aware, there is no relevant information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make him aware of any relevant audit information and to establish that the company's auditors are 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.

ON BEHALF OF THE BOARD



AB Mackinnon

Director

22.11.15

KENT AIRPORT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KENT AIRPORT LIMITED

We have audited the financial statements of Kent Airport Limited for the year ended 31 March 2015 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

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 auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on pages 1-2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report, the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the case of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, 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. These disclosures detail that the financial statements have not been prepared on a going concern basis.

KENT AIRPORT LIMITED

INDEPENDENT AUDITORS' REPORT (continued)

TO THE MEMBERS OF KENT AIRPORT LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Johnston Carmichael LLP

David Holmes (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP
Chartered Accountants and Statutory Auditor
Edinburgh

22 December 2015

7-11 Melville Street
Edinburgh
EH3 7PE

KENT AIRPORT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Revenue	2	612	8,899
Cost of sales		(904)	(11,977)
Gross loss		(292)	(3,078)
Operating expenses		(804)	(963)
Operating loss	4	(1,096)	(4,041)
Restructuring costs	15	-	(1,345)
Finance costs	5	(54)	(18)
Loss on ordinary activities before tax		(1,150)	(5,404)
Taxation	6	-	-
Loss on ordinary activities after tax		(1,150)	(5,404)
Total comprehensive loss for the year		(1,150)	(5,404)

Total comprehensive income for the current and prior year is wholly attributable to the equity holders of Kent Airport Limited.

The statement of comprehensive income has been prepared on the basis that all operations are discontinued.

KENT AIRPORT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Notes	31 March 2015 £'000	31 March 2014 £'000
ASSETS			
CURRENT ASSETS			
Inventory	8	-	84
Trade and other receivables	9	837	1,212
Cash and cash equivalents		418	1,394
TOTAL CURRENT ASSETS		<u>1,255</u>	<u>2,690</u>
TOTAL ASSETS		<u>1,255</u>	<u>2,690</u>
EQUITY AND LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	4,824	3,709
		<u>4,824</u>	<u>3,709</u>
NON CURRENT LIABILITIES			
Loans and other borrowings	11	-	145
Provisions for liabilities and charges	15	90	1,345
		<u>90</u>	<u>1,345</u>
TOTAL LIABILITIES		<u>4,914</u>	<u>5,199</u>
EQUITY			
Share capital	16	32,278	32,278
Retained earnings		(35,937)	(34,787)
TOTAL EQUITY		<u>(3,659)</u>	<u>(2,509)</u>
TOTAL EQUITY AND LIABILITIES		<u>1,255</u>	<u>2,690</u>

The notes on pages 10 to 20 are an integral part of the financial statements.

Approved by the Board on 22/12/15 and signed on its behalf by:



AB Mackinnon
Director
Registered No. SC176703

KENT AIRPORT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 April 2013	-	(29,383)	(29,383)
Shares issued in the year	32,278	-	32,278
Total comprehensive income for the year	-	(5,404)	(5,404)
Balance as at 31 March 2014	32,278	(34,787)	(2,509)
Shares issued in the year	-	-	-
Total comprehensive income for the year	-	(1,150)	(1,150)
Balance at 31 March 2015	32,278	(35,937)	(3,659)

KENT AIRPORT LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	31 March 2015 £'000	31 March 2014 £'000
Cash flows from operating activities			
Cash generated from operations	20	(777)	1,387
Interest paid		(54)	(18)
Interest received		-	-
Net cash from operating activities		(831)	1,369
Cash flows from investing activities			
Purchase of investments		-	-
Proceeds from disposal of investments		-	-
Net cash used in investing activities		-	-
Cash flows from financial activities			
Proceeds from issue of ordinary shares		-	-
Movement in long term liabilities		(145)	-
Ordinary dividends paid		-	-
Proceeds from issue of preference shares		-	-
Net cash generated from financial activities		-	-
Net increase in cash		(976)	1,369
Cash at beginning of year		1,394	25
Cash at end of year		418	1,394

Cash flows from operating activities have been derived from discontinued operations.

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

1. STATEMENT OF COMPLIANCE

BASIS OF PREPARATION OF THE ACCOUNTS

The company is required by law to prepare accounts and to deliver them to the Registrar of Companies. The Accounts have been prepared in accordance with International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS") and International Finance Reporting Interpretations Committee ("IFRIC") Interpretations (collectively referred to as IFRS), as adopted by the EU as at the date of approval of these financial statements and which are mandatory for the financial year ended 31 March 2015. The financial statements are prepared in accordance with the Accounting Policies set out below.

GOING CONCERN

The company has ceased to trade as an airport effective 15 May 2014. The directors have therefore prepared the financial statements on the basis that the company is not a going concern.

NEW STANDARDS NOT YET APPLIED

The IASB has issued the following standards and interpretations to be applied to financial statements with years commencing on or after the following dates:

- Annual improvements to IFRS 2010-2012 Cycle (effective 1 February 2015)

The adoption of these amendments will have no material impact on the Company's results or financial statement disclosures. There are no other standards or amendments issued by the IASB and endorsed by the EU that will impact on the company.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term deposits with a maturity date of three months or less.

For the purpose of cash flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts.

BORROWINGS

Borrowings are recognised initially at fair value, net transaction cost. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date, borrowings are subsequently stated at amortised costs. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using effective interest method.

BORROWING COST

Borrowing costs are recognised in the income statement in the period in which they are incurred.

TRADE AND OTHER PAYABLES

Trade and other payables are recognised at fair value.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at their cost less impairment losses. The collectability of debt is assessed at the reporting date and a specific provision is made for any doubtful debts.

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

OPERATING LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

CORPORATION TAX AND OTHER TAXES

Corporation tax is accounted for using the taxes payable method. The corporation tax expense recorded in the Statement of Comprehensive Income for the period represents the corporation tax payable for the period.

The current corporation tax asset or liability recognised on the Statement of Financial Position represents the current corporation tax balance due from or obligation to the relevant tax authority at balance date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

REVENUE RECOGNITION

Revenue comprises the fair value of consideration received or receivable from the provision of goods and services to customers. Income is recognised in the period that goods and services are rendered.

PENSION COSTS: DEFINED CONTRIBUTIONS PLAN

Under a defined contribution plan, the entity pays fixed contributions into a fund but has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. The entity's obligation is therefore effectively limited to the amount it agrees to contribute to the fund and effectively place actuarial and investment risk on the employee.

Pension costs represent the amounts payable by the company to these funds in respect of the accounting period.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

2. REVENUE

An analysis of company revenue is as follows:

	2015 £'000	2014 £'000
Aviation fuel	332	6,275
Rental Income	43	110
Freight income	237	1,550
Other income	-	964
	<u>612</u>	<u>8,899</u>

Other income includes car parking fees, charter flights fees, training fees, tax and duty free sales.

3. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Wages and salaries	682	3,261
Social security costs	44	298
Other pension costs	28	64
	<u>754</u>	<u>3,623</u>

The average number of employees during the period was as follows:

Administrative and managerial staff	4	8
Operating staff	24	134
	<u>28</u>	<u>142</u>

4. OPERATING LOSS

The operating profit is stated after charging:

	2015 £'000	2014 £'000
Rentals payable under operating leases	-	36

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

5 FINANCE COSTS

	2015 £'000	2014 £'000
Interest payable on group loans	54	18
	<u>54</u>	<u>18</u>

6 TAXATION

	2015 £'000	2014 £'000
Current tax credit on loss for the year	-	-
UK Corporation tax	-	-
	<u>-</u>	<u>-</u>
Tax expense on ordinary activities	<u>-</u>	<u>-</u>

Reconciliation of tax by domestic tax rate:

The tax charge on the profit on ordinary activities for the year varied from the standard rate of UK Corporation tax as follows:

	2015 £'000	2014 £'000
Loss before taxation per financial statements	(1,150)	(5,404)
	<u>(1,150)</u>	<u>(5,404)</u>
Profit before taxation multiplied by UK tax corporation tax rate of 21% (2014:23%)	(241)	(1,243)
Effects of:		
Unrecognised tax losses carried forward	225	1,235
Disallowable expenditure	23	10
Other tax adjustments	(7)	(2)
	<u>225</u>	<u>1,243</u>
Tax charge reported in the statement of comprehensive income	<u>-</u>	<u>-</u>

The company has a deferred tax asset of £12,790 (2014: £5,846,000) which has not been recognised due to uncertainty around recoverability.

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

7 AUDITORS' REMUNERATION

	2015	2014
	£'000	£'000
Audit of the company's annual accounts	17	15

8 INVENTORY

	2015	2014
	£'000	£'000
Consumables & fuel	-	84
	-	84

9 TRADE AND OTHER RECEIVABLES

	2015	2014
	£'000	£'000
Trade receivables	7	904
Prepayments and accrued income	694	114
VAT recoverable	6	176
Amount due from related party	130	18
	837	1,212

Movement in provision for impairment of receivables

	Individually impaired £'000	Collectively impaired £'000	Total £'000
As at 1 April 2013	-	-	-
Charge for the year	244	-	244
As at 1 April 2014	244	-	244
Charge for the year	(52)	-	(52)
As at 31 March 2015	192	-	192

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

9 TRADE AND OTHER RECEIVABLES (continued)

	As at 31 March 2015 £'000	As at 31 March 2014 £'000
Ageing analysis of trade receivables		
Neither past due nor impaired	-	247
< 30 days past but not impaired	6	151
30 - 60 days past but not impaired	1	284
61 - 90 days past but not impaired	-	52
>90 days past but not impaired	-	170
Total	7	904

Customer credit risk is managed through monthly management review of aged debts and balances are assessed as impaired during this process. Credit checks are not performed on customers, however advance payment is taken until sufficient assurance has been obtained on the customer's ability to adhere to credit terms.

10 TRADE AND OTHER PAYABLES

	2015 £'000	2014 £'000
Trade creditors	19	663
Other taxes and social security	4	75
Accruals	168	186
Other creditors	-	17
Amounts due to parent company	1,081	2,180
Amounts due to other group companies	3,552	588
	4,824	3,709

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

11 LOANS AND OTHER BORROWINGS

Non-current

	2015 £'000	2014 £'000
Amounts due to parent undertakings	-	145

12 INTEREST BEARING LOANS AND BORROWINGS

	Interest Rate	Maturity	2015 £'000	2014 £'000
Current	%			
Loan notes	3% pa	Sept 15/Sept 14	980	2,180
Non-current				
Loan notes	3% pa	N/A	-	145

The interest bearing loan notes are included in trade and other payables (Note 10), within amounts due to parent company, as they are current in nature.

13 FINANCIAL RISK MANAGEMENT

Liquidity risk

The table below summarises the maturity profile of the company's financial liabilities based on a contracted undiscounted basis.

At 31 March 2015	On demand £'000	< 3 months £'000	3-12 months £'000	1 to 5 years £'000	> 5 years £'000	Total £'000
Other liabilities	3,552	100	994	-	-	4,646
Trade and other payables	191	-	-	-	-	191
	<u>3,473</u>	<u>100</u>	<u>994</u>	<u>-</u>	<u>-</u>	<u>4,837</u>

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

13 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

The table below summarises the maturity profile of the company's financial liabilities based on a contracted undiscounted basis.

At 31 March 2014	On demand £'000	< 3 months £'000	3-12 months £'000	1 to 5 years £'000	> 5 years £'000	Total £'000
Other liabilities	570	1,421	2,420	198	90	4,699
Trade and other payables	663	-	-	-	-	663
	<u>1,233</u>	<u>1,421</u>	<u>2,420</u>	<u>198</u>	<u>90</u>	<u>5,362</u>

Credit risk

The company is subject to credit risk on its cash and deposits. The company's cash and deposits are held within an AA3 rated counterparty.

Market risk

The main market risk that the company is exposed to is interest rate risk. An increase in 100 basis points, based on the closing balance sheet position, over a 12 month period, would lead to an approximate decrease in comprehensive income of £5,620 (2014: £14,000)

14 MEASUREMENT OF FINANCIAL INSTRUMENTS

The table below sets out the carrying amount and fair value of the company's financial instruments:

	2015		2014	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial assets				
Cash and cash equivalents	418	418	1,394	1,394
Trade and other receivables	<u>137</u>	<u>137</u>	<u>922</u>	<u>922</u>
Financial liabilities				
Loan notes	980	980	2,325	2,325
Payables	<u>3,844</u>	<u>3,844</u>	<u>1,454</u>	<u>1,454</u>

The carrying value of financial instruments is a reasonable approximation of fair value.

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

15 Provision for liabilities

	Restructuring provision £'000
As at 1 April 2014	1,345
Arising during period	-
Utilised	1,255
As at 31 March 2015	90

The provision relates to closure costs of the airport.

16 SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid shares:		
Ordinary shares of £1 each	32,278,150	32,278,150
	32,278,150	32,278,150

17 RESERVES

Retained earnings

The retained earnings reserve recognises all profits that are revenue in nature or have been allocated to revenue.

18 COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	2015 £'000	2014 £'000
Operating leases which expire:		
Within one year	-	36
Within two-five year period	-	-
	-	36

KENT AIRPORT LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

19 RELATED PARTY DISCLOSURES

(a) Transactions and balances arising in the normal course of business

As at 31 March 2015, the company owed Kent Facilities Limited, a company which is also owned by Manston Skyport Limited, £3,551,634 (2014: £587,830). The loan is interest free, unsecured and repayable on demand.

As at 31 March 2015, the company owed Manston Skyport Limited, the immediate parent company, £980,000 in secured loan notes. The loan notes carry a fixed rate of interest of 3% per annum and have a redemption dates as outlined in note 12. In addition, the company owed Manston Skyport Limited £100,587, which consists of interest-free advances and accrued interest (£53,951) on the 3% secured loans.

As at 31 March 2015, the company was due £130,207 from a joint venture company which is owned by a company, with a group director in common. The amount is an interest-free advance, which is due within 12 months of year end.

During the year ended 31 March 2015, the Company was charged £200,000 in management fees for services performed by Manston Skyport Limited, the immediate parent company.

(b) Remuneration of key management personnel and directors

During the year £73,917 (2014: £127,000) was paid in relation to directors remuneration. The highest paid director received remuneration of £64,917 (2014: £123,580) during the current year.

During the year, fees of £141,450 (2014: £46,139) were paid to Augusta Management Services Limited, a company which AB MacKinnon is a director.

(c) Immediate parent company

The directors regard Manston Skyport Limited, a company incorporated in Scotland, as the immediate parent company.

(d) Ultimate parent company

The directors regard Highland Global Transport Limited, a company incorporated in Scotland as the ultimate parent company, and also the immediate parent company of Manston Skyport Limited. The financial statements of Highland Global Transport Limited are available at its registered office, 16 Charlotte Square, Edinburgh, EH2 4DF.

20 CASH GENERATED FROM OPERATIONS

	2015	2014
	£'000	£'000
Operating loss	(1,096)	(4,041)
Decrease/(Increase) in trade and other receivables	375	(385)
(Increase)/Decrease in trade and other payables	(140)	5,748
Decrease in inventories	84	65
	<u>(777)</u>	<u>1,387</u>