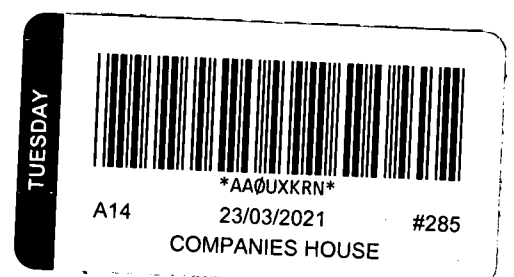


Airport Services International Limited

Annual report and financial statements

Registered Number 11415904

Year ended 31 March 2020



## **Contents**

Directors' report	1
Statement of directors' responsibilities relating to the directors' report and the financial statements	4
Independent auditor's report to the members of Airport Services International Limited	5
Income statement and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10

## Directors' report

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

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

### Principal activity

The principal activity of the Company during the period is acting as a holding company for the distribution companies within the Manchester Airports Holdings Limited Group.

### Business review and future outlook

The results for the year are set out on page 7. During the year the Company made a loss before tax of £962,000 (2019: £1,008,000). At the year end the Company had net liabilities of £1,970,000 (2019: £1,008,000).

Manchester Airport Holdings Limited and its subsidiaries (including the Company) are referred to below as 'MAG' or 'the Group'. MAG has considered the impact of COVID-19 on the Group and the Company as a going concern (covered in the Basis of Preparation at page 11), and the carrying value of both its non-financial and financial assets. COVID-19 is an impairment trigger that has resulted in the Company reviewing the carrying value of its significant assets. The directors' testing concluded that there was no impairment to be made in the financial statements in relation to its non-financial assets. The directors acknowledge the challenges of estimating the recoverable amounts of its assets given their dependency on future cashflows, which depend upon the duration of the pandemic and the social restrictions implemented by governments.

As for most enterprises during the COVID-19 outbreak, MAG has undertaken a significant review which confirms that the going concern assumption can be applied in the preparation of these financial statements. The directors' assessment of going concern, of both the Group and the Company, including the material uncertainty that the impact of COVID-19 represents, is detailed in the Basis of preparation at page 11.

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

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

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

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

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

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

## Directors' report continued

### Business review and future outlook *(continued)*

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

### Principal risks and uncertainties

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

### Key performance indicators ('KPIs')

Management have identified the relevant key performance indicators for the Company to be Profit before taxation and adjusted EBITDA being earnings before interest, tax, depreciation and amortisation.

The Company's performance against these KPIs were as follows:

	2020	2019
	£	£
Loss before taxation	962,000	1,008,000
Adjusted EBITDA	-	-

### Directors

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

C Cornish (resigned 3 December 2020)

N Thompson (resigned 30 November 2020)

J Bramall (appointed 3 December 2020)

B Miller (appointed 3 December 2020)

K O'Toole (appointed 3 December 2020)

### Going concern

It should be recognised that any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events, which are inherently uncertain. The current economic conditions resulting from the COVID-19 pandemic have had a significant impact on the Company's and Group's activity levels from March 2020 onwards. The impacts upon the general economy and the airline industry specifically have continued into the current financial year FY21.

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

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

Those forecasts are dependent on entities within the Manchester Airports Holdings Limited Group not seeking repayment of the amounts currently due to the group, which at 31 March 2020 amounted to £10,582,000, and providing additional financial support during that period. Manchester Airports Holdings Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

## Directors' report continued

### Going concern *(continued)*

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

### Dividend

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

### Disclosure of information to auditor

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

### Independent auditor

Written resolutions relating to the reappointment of KPMG LLP as auditor, and to the authority of the directors to fix the auditor's remuneration, are to be put before the Company's voting shareholders for execution in the short term (and in the case of the former resolution, within the relevant period prescribed by statute). Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Director

12 March 2021

6th Floor, Olympic House  
Manchester Airport  
Manchester  
United Kingdom  
M90 1QX

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **KPMG LLP**

1 St Peter's Square

Manchester

M2 3AE

United Kingdom

## **Independent auditor's report to the members of Airport Services International Limited**

### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Material uncertainty related to going concern**

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

Our opinion is not modified in respect of this matter.

### **Directors' report**

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

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

## **Independent auditor's report to the members of Airport Services International Limited continued**

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

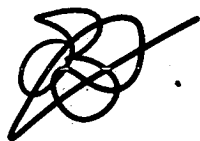
### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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



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

*Chartered Accountants*

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



## Income statement and other comprehensive income

for the year ended 31 March 2020

	<i>Note</i>	<b>2020</b>	9 months ending 31 March 2019
		<b>£000</b>	<b>£000</b>
<b>Revenue</b>		-	-
Operating costs	2-3	-	-
<b>Operating profit</b>		-	-
Significant items	2	(962)	(1,008)
<b>Loss before taxation</b>		(962)	(1,008)
Tax on loss	5	-	-
<b>Loss for the financial year</b>		(962)	(1,008)
Other comprehensive income for the year net of tax		-	-
<b>Total comprehensive loss for the financial year</b>		(962)	(1,008)

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

The notes on pages 10 to 16 form an integral part of these financial statements.

## Statement of financial position

at 31 March 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>Non-current assets</b>					
Investments in subsidiary undertakings	6		<u>9,170</u>		<u>9,114</u>
			9,170		9,114
<b>Current liabilities</b>					
Trade and other payables	7	<u>(11,140)</u>		<u>(10,122)</u>	
<b>Net current liabilities</b>			<u>(11,140)</u>		<u>(10,122)</u>
<b>Net liabilities</b>			<u>(1,970)</u>		<u>(1,008)</u>
<b>Capital &amp; Reserves</b>					
Called up share capital	8		-		-
Retained earnings	9		<u>(1,970)</u>		<u>(1,008)</u>
<b>Shareholders' deficit</b>			<u>(1,970)</u>		<u>(1,008)</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

These financial statements of Airport Services International Limited, registered number 11415904, were approved by the board of directors on 12 March 2021 and were signed on its behalf by:



**J Bramall**  
Director

## Statement of changes in equity

at 31 March 2020

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total shareholders' funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April 2019	-	(1,008)	(1,008)
<b>Total comprehensive income for the year</b>			
Loss for the year	-	(962)	(962)
Total comprehensive income for the year	-	(962)	(962)
<b>Balance at 31 March 2020</b>	-	(1,970)	(1,970)

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total shareholders' funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 14 June 2018	-	-	-
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(1,008)	(1,008)
<b>Total comprehensive income for the period</b>	-	(1,008)	(1,008)
<b>Balance at 31 March 2019</b>	-	(1,008)	(1,008)

The notes on pages 10 to 16 form an integral part of these financial statements.

## Notes to the financial statements

### 1 Accounting policies

Airport Services International Limited (the 'Company') is a company limited by shares and incorporated and domiciled in the UK. The registered number is 11415904 and the registered address is 6th Floor Olympic House, Manchester Airport, Manchester, United Kingdom, M90 1QX.

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

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

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

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

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

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

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

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

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

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

### 1 Accounting policies (*continued*)

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

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

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

Those forecasts are dependent on entities within the Manchester Airports Holdings Limited Group not seeking repayment of the amounts currently due to the group, which at 31 March 2020 amounted to £10,582,000 and providing additional financial support during that period. Manchester Airports Holdings Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

However, continued support is dependent on the ability of the Manchester Airports Holdings Limited group being able to settle its liabilities as they fall due. The directors of Manchester Airports Holdings Limited have concluded that a material uncertainty exists over the Manchester Airports Holdings Limited group's ability to continue as a going concern as detailed in the basis of preparation on page 50-51 of Manchester Airports Holdings Limited annual report which is publicly available on the company website or Companies House.

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

#### 1.3 Classification of financial instruments issued by the Company

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

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

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

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

### 1 Accounting policies (*continued*)

#### 1.4 Basic financial instruments

##### *Trade and other receivable/payables*

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

#### 1.5 Interest income

Interest income is recognised in the income statement as it accrues, using the effective interest method.

#### 1.6 Taxation

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

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

#### 1.7 Investments

Investments in subsidiaries are measured at cost less impairment, with impairments recognised in the income statement.

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

#### 1.8 Significant items

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

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

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

### 2 Notes to the income statement

<i>Loss before taxation is stated after charging:</i>	<b>2020</b>	2019
	<b>£000</b>	£000
Significant items	<u>962</u>	<u>1,008</u>

#### *Auditor's remuneration*

Amounts receivable by the Company's auditor and the auditor's associates relating to services to the Company have been borne by the Company's ultimate parent, Manchester Airports Holdings Limited. The directors believe that the proportion of the consolidated fee applicable to the Company is £3,000 (2019: £500).

#### *Significant items*

Significant items of £962,000 in the period relate to the payment to Directors for the earn-out of their investments in the Agency of the North Limited and subsidiaries. Prior year significant items of £1,008,000 relate to accruals based on expected deferred payment in relation to the Company's acquisition of the investments in the Agency of the North Limited and subsidiaries.

### 3 Remuneration of directors

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

### 4 Staff numbers and costs

The Company had no employees during the year (2019: nil). The remuneration of the directors has been borne by a fellow Group company, MAG Airport Limited.

### 5 Taxation

#### *Total tax expense recognised in the income statement*

	<b>2020</b>	<b>2020</b>	2019	2019
	<b>£000</b>	<b>£000</b>	£000	£000
<i>UK corporation tax</i>				
Current tax on income for the year	-		-	
Total current tax		-		-
Total tax		<u>-</u>		<u>-</u>

#### *Total tax (income)/expense recognised in other comprehensive income*

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

### 5 Taxation continued

#### *Reconciliation of effective tax rate*

	2020	2019
	£000	£000
<i>Current tax reconciliation</i>		
Loss for the year	(962)	(1,008)
Total tax expense		-
Loss before tax	(962)	(1,008)
Loss before tax multiplied by the standard rate of corporation tax of 19% (2018: 19%)	(183)	(192)
<i>Effects of:</i>		
Expenses not deductible	183	192
Total tax expense included in income statement	-	-

#### *Factors that may affect future current and total tax charges*

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



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

### 6 Fixed asset investments

	Shares in subsidiary undertakings £'000
<i>Cost and net book value</i>	
As at 1 April 2019	9,114
Unwind of deferred consideration	56
At 31 March 2020	<u>9,170</u>

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
Simmerdown Limited	England and Wales	Holding company	100% ordinary
Skyparksecure Limited	England and Wales	Trading company	100% ordinary
Agency of the North Limited	England and Wales	Holding company	100% ordinary
Travel Parking Group Limited	England and Wales	Holding company	100% ordinary
Looking4Parking Limited	England and Wales	Trading company	100% ordinary

The registered office addresses of the above companies is 6th Floor, Olympic House, Manchester Airport, Manchester, M90 1QX.

### 7 Trade and other payables

	2020 £000	2019 £000
Accruals and deferred income	558	1,452
Amounts owed to group undertakings	10,582	8,670
	<u>11,140</u>	<u>10,122</u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

### 8 Called up share capital

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

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

### 9 Reserves

	<b>Retained Earnings £000</b>
<b>2020</b>	
At 1 April 2019	(1,008)
Loss for the year after taxation	(962)
<b>At 31 March 2020</b>	<b><u>(1,970)</u></b>
	<b>Retained Earnings £000</b>
<b>2019</b>	
At 14 June 2018	-
Loss for the period after taxation	(1,008)
<b>At 31 March 2019</b>	<b><u>(1,008)</u></b>

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

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

### 11 Post balance sheet events

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

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

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

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

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