Airport Services International Limited

Annual report and unaudited financial statements

Registered Number 11415904

Year ended 31 March 2022

Contents

Directors' report

The directors present their Directors' report and unaudited financial statements for Airport City (Manchester) Limited ('the Company') for the year ended 31 March 2022.

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

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

The principal activity of the Company during the period was acting as a holding company for the UK car parking businesses within the Manchester Airports Holdings Limited Group.

Business review

The results for the year are set out on page 6. In the year to 31 March 2022, the Company made a loss before tax of £6,624,000 (2021: loss before tax of £15,000). At year end, the Company had net assets of £7,075,000 (2021: £2,788,000). During the year, the Company issued a share, attracting share premium of £10,911,000 which resulted in the overall increase in net assets.

Impact and recovery from COVID-19

For the second consecutive year, this report paints a picture of an aviation sector that was severely impacted by the international travel restrictions introduced in response to the coronavirus pandemic. As the effects of the COVID-19 pandemic on the aviation industry have fluctuated, at MAG we have balanced our ability to manage our costs and liquidity against maintaining our infrastructure to enable future growth.

At the start of April 2021, all non-essential travel to and from the UK was prohibited, with many of the Group's most important markets effectively closed. We were joined by others in our industry in calling for a risk-based approach to restrictions, so that travel to different markets could be opened up depending on factors such as case rates and vaccination levels.

The Government's Global Travel Taskforce responded to this with its "traffic light system," which categorised countries as red, amber or green, with different restrictions applying in each case. While this appeared a positive development, a succession of changes – both to the categories themselves and to the countries within each designation – continued to cause uncertainty for the industry and consumers.

This meant that, for long periods of this year, passenger volumes remained significantly lower than they were pre-pandemic, with British travellers often subject to more stringent controls than those experienced in other countries. These measures resulted in a slower recovery in demand over Summer 2021 compared to most European countries.

However, the emergence and rapid spread of the Omicron variant in November hindered the sector's recovery once more, with the temporary re-introduction of complex, multi-stage testing requirements for people travelling to the UK. This change dramatically reduced passenger volumes and impacted our ability to plan ahead for a meaningful recovery.

Faced with these challenges, we were at the forefront of research to demonstrate the ineffectiveness of testing and quarantine requirements in preventing the spread of new variants, and highlight the significant economic impact caused by holding back the recovery of aviation.

The Government recognised these findings when it removed the remaining restrictions for fully vaccinated passengers at the turn of the calendar year, while also indicating such controls will only be re-introduced in exceptional circumstances.

This development sparked a rapid return of demand to the market, with passenger numbers rising sharply towards the end of the financial year. That trend has continued into the new period, with traffic across the Group in April 2022 reaching 80% of 2019 levels, rising to 85% by July 2022.

Like all airports across the UK, it has been challenging to build back our staffing levels quickly enough to meet this returning demand. This has meant we have at times seen disruption at some of our airports. But our major recruitment campaigns at all three Group airports are delivering results, and we expect to have the resources we need in place ahead of the busy 2023 summer season.

Directors' report *(continued)*

Business review and future outlook *(continued)*

Impact and recovery from COVID-19 (continued)

The fact this improved outlook only materialised in the final month of the financial year means it has had limited impact on the performance of the Group during the period covered by this report.

Passenger volumes across the Group in FY22 were 20.5m. While this was up on the 6.3m served in FY21, it was still significantly lower than the 59.6m recorded in FY20.

The past two years have been exceptionally difficult and we know that our recovery over the coming months will not be without its challenges. Our immediate focus is on rebuilding resource in our operation but we cannot ignore the strategic risks presented by external factors such as geopolitical stability and the war in Ukraine, the growing cost of living crisis here in the UK, and the relative insecurity of energy and fuel supplies. We are monitoring these and other risks closely to ensure we are ready for any further disruption we might face in due course.

Climate change

With climate change the defining issue of our time, it is particularly notable that MAG has been named a Financial Times European Climate Leader for 2021 and 2022, recognising our longstanding commitment to decarbonise our business and the wider aviation industry.

Over the last 12 months we have continued to demonstrate our commitment to delivering our five-year CSR Strategy – "Working together for a brighter future". Despite the challenges of the pandemic, the Group has made progress towards decarbonising our business and the wider aviation industry, ensured that education and training resources remained accessible, and provided support to our local communities when they needed it most.

Throughout this year, we have maintained our focus on building a sustainable future for our business. We remain committed to decarbonising aviation and are on track to achieve our goal of net zero for our operations by 2038 ahead of the Governments 2050 goal.

MAG continues to meet the 'comprehensive' standard for disclosures established by the Global Reporting Initiative, including the publication of a new climate data compendium. This report has also been enhanced, responding to recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD), demonstrating the focus MAG places on the risks posed by climate change and ensuring MAG's strategic and CSR reporting reflect the changes to environmental, social and governance (ESG) needs of investors. The Task Force on Climate-Related Finance Disclosure can be found on pages 75 and 76 in the Manchester Airports Holdings Limited annual report.

Our mature understanding of physical climate risks directly informs asset standards and infrastructure planning. Further work to consider the financial implications of climate change will position MAG well as economies more generally decarbonise.

Principal risks and uncertainties

The key risks faced by the Company are aligned with those of Manchester Airports Holdings Limited. The key risks for the Company are COVID-19, Brexit and Climate change. For more details of these risks, and how they are managed please refer to pages 69 to 74 of the strategic report in the annual report and accounts for Manchester Airports Holdings Limited. The directors have not identified any other significant risks for the Company.

Key performance indicators ('KPIs')

Management have identified the relevant key performance indicators for the Company to be profit before taxation. For the group consolidated key performance indicators please refer to the strategic report in the annual report and accounts for Manchester Airports Holdings Limited. The directors have not used any additional KPIs for the Company.

Airport Services International Limited achieved the following results against KPIs in the period:

	2022	**2021**
	£'000	**£'000**
Loss before taxation	**(6,624)**	(15)

Directors' report *(continued)*

Directors

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

J Bramall

M Jones (appointed 4 March 2022)

K O'Toole (resigned 24 February 2022)

B Miller (resigned 24 February 2022)

Research and development

The Company did not incur any research and development expenditure during the year (2021: nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2021: nil).

Financial risk management

The Company's activities expose it to a variety of financial risks. The Company's funding, liquidity and exposure to interest rate risks are managed by the Group's treasury function.

Treasury operations are conducted within a framework of policies, which are approved and subsequently monitored by the Board. These include guidelines on funding, interest rate risk management and counterparty risk management.

For more details of the management of these risks please refer to note 26 on page 144 of the annual report and accounts for Manchester Airports Holdings Limited. The directors have not identified any additional risks specific to this Company.

Going concern

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

The directors have prepared a going concern assessment for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account the ongoing impact of COVID-19, the Company will have sufficient funds, through funding from its ultimate parent company, Manchester Airports Holdings Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Manchester Airports Holdings Limited 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 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. Under the severe but plausible downside scenario, the leverage test in March 2023 would be expected to breach the Group's covenant terms when tested. In such an event MAG would engage with its secured creditors in order to look to obtain further covenant waivers or amendments. In making this assessment, the Directors have considered the latest forecast position taking account of current economic assumptions including consumer spending, inflation, energy prices and the mini budget announced by the UK government on 23 September 2022.

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 which 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.

Directors' report *(continued)*

Dividend

A dividend of £nil (2021: £nil) was declared and paid in the year.

Post balance sheet event

Subsequent to the year end, on 27 May 2022 the Group completed the refinancing of its revolving credit and liquidity facilities ('RCF' and 'LF'), details of which can be found in note 11 to the financial statements.

By order of the Board

J Bramall
Director
7 December 2022

6th Floor
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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

For the year ending 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Income statement and other comprehensive income

for the year ended 31 March 2022

	Note	2022 £000	2021 £000
Revenue		-	-
Operating costs	2	-	(15)
Operating loss before adjusted items		-	(15)
Impairment of investment in subsidiary	2	(6,624)	-
Loss before taxation		(6,624)	(15)
Taxation		-	-
Loss for the financial year		(6,624)	(15)
Other comprehensive income for the year net of tax		-	-
Total comprehensive expense for the year		(6,624)	(15)

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

The notes on pages 9 to 15 form an integral part of these financial statements.

Statement of financial position

at 31 March 2022

	Note	**2022** **£000**	**2022** **£000**	2021 £000	2021 £000
Non-current assets					
Investments	*4*		**7,006**		9,170
			7,006		9,170
Current assets					
Trade and other receivables	*5*	**69**		145	
Current liabilities					
Trade and other payables	*6*	**-**		(6,527)	
Net current liabilities			**69**		(6,382)
Net assets			**7,075**		2,788
Capital & Reserves					
Called up share capital	*7*		**-**		-
Share premium	*8*		**15,684**		4,773
Retained earnings	*8*		**(8,609)**		(1,985)
Shareholders' funds			**7,075**		2,788

The notes on pages 9 to 15 form an integral part of these financial statements.

- For the year ending 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.
- The directors have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for:
  i. ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, and
  ii. preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the Company.

These financial statements of Airport Services International Limited, registered number 11415904, were approved by the board of directors on 7 December 2022 and were signed on its behalf by:

J Bramall
Director

Statement of changes in equity

at 31 March 2022

	Called up share capital £000	Share premium £000	Retained earnings £000	Total shareholders' funds £000
At 1 April 2021	-	4,773	(1,985)	2,788
Total comprehensive expense for the year				
Loss for the year	-	-	(6,624)	(6,624)
Total comprehensive expense for the year	**-**	**-**	**(6,624)**	**(6,624)**
Transactions with owners recorded directly in equity				
Issue of shares at premium	-	10,911	-	10,911
At 31 March 2022	**-**	**15,684**	**(8,609)**	**7,075**

	Called up share capital £000	Share premium £000	Retained earnings £000	Total shareholders' funds £000
At 1 April 2020	-	-	(1,970)	(1,970)
Total comprehensive expense for the year				
Loss for the year	-	-	(15)	(15)
Total comprehensive expense for the year	**-**	**-**	**(15)**	**(15)**
Transactions with owners recorded directly in equity	-	4,773	-	4,773
At 31 March 2021	**-**	**4,773**	**(1,985)**	**2,788**

The notes on pages 9 to 15 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 incorporated, domiciled and registered in England and Wales in the UK.Company. The registered number is 11415904 and the registered address is 6th Floor, Olympic House, Manchester Airport, Manchester, M90 1QX.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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

The Company's ultimate parent undertaking, Manchester Airports Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Manchester Airports Holdings Limited, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, are available to the public, and may be obtained from Olympic House, Manchester Airport, M90 1QX.

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

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

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern and basis of preparation

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

The directors have prepared a going concern assessment for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account the ongoing impact of COVID-19, the Company will have sufficient funds, through funding from its ultimate parent company, Manchester Airports Holdings Limited, to meet its liabilities as they fall due for that period.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.2 Going concern and basis of preparation (continued)

Those forecasts are dependent on Manchester Airports Holdings Limited 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 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. Under the severe but plausible downside scenario, the leverage test in March 2023 would be expected to breach the Group's covenant terms when tested. In such an event MAG would engage with its secured creditors in order to look to obtain further covenant waivers or amendments. In making this assessment, the Directors have considered the latest forecast position taking account of current economic assumptions including consumer spending, inflation, energy prices and the mini budget announced by the UK government on 23 September 2022.

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 which 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.

1.4 Basic financial instruments

Trade and other receivables/payables

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

1.5 Provisions

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

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.5 Provisions (continued)

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.

1.6 Investments

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

1.7 Critical accounting estimates and judgements

In preparing these Financial Statements the Company has made estimates and judgements that impact the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may, however, differ from the estimates calculated, and management believe that the going concern and investment categories contain the more significant judgements impacting these financial statements.

COVID-19 has had a significant impact upon the Company accounting estimates & judgements as at the reporting date. The Company has had to consider this impact in presenting the financial statements to this report. The critical accounting estimate area of the impairment of the Company's investment assets is detailed below:

Judgements

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

Going concern

The directors have prepared a going concern assessment for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account the ongoing impact of COVID-19, the Company will have sufficient funds, through funding from its ultimate parent company, Manchester Airports Holdings Limited, to meet its liabilities as they fall due for that period.

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. Under the severe but plausible downside scenario, the leverage test in March 2023 would be expected to breach the Group's covenant terms when tested. In such an event MAG would engage with its secured creditors in order to look to obtain further covenant waivers or amendments. In making this assessment, the Directors have considered the latest forecast position taking account of current economic assumptions including consumer spending, inflation, energy prices and the mini budget announced by the UK government on 23 September 2022.

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 which 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.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.8 Impairment

Financial assets (including trade and other receivables)

A financial asset not carried at fair value through the income statement is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss relating to a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between an asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the income statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit').

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised relating to cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements *(continued)*

2 Notes to the income statement

Loss before taxation is stated after charging:	**2022**	2021
	£000	£000
Impairment of investment in subsidiary (see note 4)	**6,624**	-

Auditor's remuneration

For the year ending 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and therefore there is no audit fee applicable in the year. The proportion of the consolidated fee applicable to the Company in 2021 was £3,000.

3 Remuneration of directors

C Cornish, K O'Toole and J Bramall were directors of Manchester Airports Holdings Limited during the year, and their aggregate remuneration is disclosed in that company's consolidated financial statements. B Miller was also a director of Airport Services International Limited during the year, but not a director in Manchester Airports Holdings Limited. The proportion of their aggregate remuneration applicable to the Company based on services provided is £1,000 (2021: £1 000).

4 Investments

	Shares in subsidiary undertakings
	£'000
Cost and net book value	
At 1 April 2021	9,170
Additions in the year	4,460
	13,630
Provisions	
Impairment of investment in subsidiary	(6,624)
	(6,624)
At 31March 2022	**7,006**

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage and class of shares held
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
CAVU Ecommerce (EMEA) Limited (formerly 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.

Notes to the financial statements *(continued)*

4 Investments *(continued)*

Impairment of investment in subsidiary

At 31 March 2022, a direct subsidiary of the Company, Simmerdown Limited ('Simmerdown'), impaired its investment in its trading subsidiary SkyParkSecure Limited ('SPS'), as a result of the trade and trade and assets being transferred to another group undertaking, CAVU Ecommerce (EMEA) Limited. As a result of this change, management believe that the carrying value of the Company's investment in Simmerdown exceeds the recoverable amount, and is impaired by £6,630,000 to £nil.

Additions in the year

Additions in the year relate to investments in subsidiary undertakings Agency of the North Limited (£3,104,000) and Simmerdown Limited (£1,356,000).

5 Trade and other receivables

	2022	2021
	£000	£000
Amounts owed by group undertakings	**69**	145
	69	145

Amounts owed by group undertakings of £69,000 (2021: £145,000) are unsecured, interest-free and repayable on demand.

6 Trade and other payables

	2022	2021
	£000	£000
Amounts owed to group undertakings	**-**	6,527
	-	6,527

Amounts owed to group undertakings of £nil (2021: £6,527,000) are unsecured, interest-free and repayable on demand.

7 Called up share capital

	2022	2021
	£000	£000
Issued, called up and fully paid		
Ordinary shares of £1 each	**-**	-
	-	-

At 31 March 2021 the Company had 101 shares in issue.

On 28 March 2022 a further £1 share was issued to CAVU Group Limited, which attracted a share premium of £10,911,000.

At 31 March 2022 the Company had 102 shares in issue.

8 Reserves

2022	**Share premium £000**	**Retained Earnings £000**	**Total £000**
At 1 April 2021	4,773	(1,985)	2,788
Share issue in the year	10,911	-	10,911
Loss for the year after taxation	-	(6,624)	(6,624)
At 31 March 2022	**15,684**	**(8,609)**	**7,075**

Notes to the financial statements *(continued)*

8 Reserves *(continiued)*

2021	Share premium £000	Retained Earnings £000	Total £000
At 1 April 2020	-	(1,970)	(1,970)
Loss for the year after taxation	-	(15)	(15)
Share issue in the year	4,773	-	4,773
At 31 March 2021	**4,773**	**(1,985)**	**(1,985)**

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

The Company is a subsidiary undertaking of CAVU Group 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.

10 Contingent liabilities

Under the Common Terms Agreement signed on 14 February 2014, the Company and a number of its fellow subsidiaries have entered into a security agreement with the Group's bondholders and banks. The bonds and bank loans are secured by a fixed and floating charge over substantially all of the Group's assets. The total amount outstanding under this agreement at 31 March 2021 is £1,921.2m (2021: £1,920.8m).

11 Post balance sheet events

Subsequent to the year end, on 27 May 2022 the Group completed the refinancing of its revolving credit and liquidity facilities ('RCF' and 'LF'), comprising a £500m revolving credit facility and £90m in standby liquidity facilities, each with a five year term, maturing in May 2027, with optional extensions. The liquidity facility is sized to cover 12 months interest on secured debt and is a 364-day revolving facility with a five year term on each annual renewal. The facilities replace similar facilities that were due to mature in June 2023. These new facilities ensure sufficient headroom throughout the business plan period to ensure compliance with the Group's internal treasury policy. Both the RCF and LF are held within fellow group undertaking Manchester Airport Group Finance Limited, and drawings from the facility are transferred within the Group in line with the Group's internal treasury policy.