

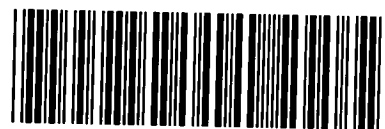
Worknorth Limited

Directors' report and financial statements

Registered number 1793483

Year ended 31 March 2018

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Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	3
Independent auditor's report to the members of Worknorth Limited	4
Income statement and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes	9

Directors' report

The directors present their directors' report and audited financial statements of the Company for the year ended 31 March 2018.

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 activities

The Company did not trade throughout the year ended 31 March 2018, and management do not plan for the Company to recommence trade in the future.

Business review

The results for the year are set out on page 6. At 31 March 2018 the Company had net liabilities of £1,750,000 (2017: £1,750,000).

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. MAG is confident that the UK Government and the EU recognise the need to provide continuity for aviation and the importance of a transitional period after the UK leaves the EU in March 2019. In particular, MAG welcomes the commitment from both sides to putting in place a framework to enable air services to be maintained post Brexit. Maintaining the current liberal regime in the long term, alongside other agreements with other countries, must be a priority of the Government, to help ensure that the recent successful growth of aviation continues into the future.

MAG's resilient foundations, healthy financial position and the fundamental strengths of MAG's airports, will ensure that the Company is well placed to respond to any challenges that may be felt by the UK economy in the future, and the directors continue to take a positive long-term view of the Company's prospects.

Principal risks and uncertainties

The key risks faced by the Company are aligned with those of Manchester Airports Holdings Limited (the 'Group'). For more details of these risks 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')

The key performance indicators for the Company are aligned with those of Manchester Airports Holdings Limited. For more details of these KPIs 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.

Directors

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

C Cornish
K O'Toole
N Thompson

Going concern

The financial statements have not been prepared on a going concern basis as the Company's trading activities have ceased. As the directors do not intend to acquire a replacement trade they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Proposed dividend

The directors do not recommend the payment of a dividend for the year ended 31 March 2018 (2017: £nil).

Disclosure of information to auditor

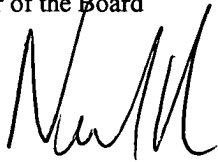
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make themselves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

Directors' report *(continued)*

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).

By order of the Board



N Thompson
Director

21 December 2018

6th Floor
Olympic House
Manchester Airport
Manchester
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 (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 Worknorth Limited

Opinion

We have audited the financial statements of Worknorth Limited for the year ended 31 March 2018, which comprise the income statement and other comprehensive income, statement of financial position and statement of changes in equity, and related notes, including the accounting policies in note 1. These financial statements have not been prepared on the going concern basis as discussed 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 2018 and of its result 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.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Worknorth 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 3, 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/auditorresponsibilities.

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.



Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

21 December 2018

Income statement and other comprehensive income
for the year ended 31 March 2018

	<i>Note</i>	2018 £000	2017 £000
Revenue		-	-
Operating costs	2	-	(334)
Loss before taxation	2-3	-	(334)
Tax on loss	4	-	-
Loss for the financial year		-	(334)
Other comprehensive income for the year net of tax		-	-
Total comprehensive expense for the year		-	(334)

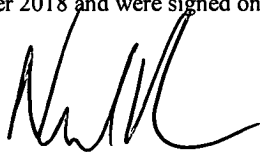
The notes on pages 9 to 13 form an integral part of these financial statements.

Statement of financial position
at 31 March 2018

	<i>Note</i>	2018 £000	2018 £000	2017 £000	2017 £000
Current assets					
Trade and other receivables		-		-	
		<hr/>		<hr/>	
Current liabilities					
Trade and other payables	5	(1,750)		(1,750)	
		<hr/>		<hr/>	
Net current liabilities			(1,750)		(1,750)
			<hr/>		<hr/>
Total assets less current liabilities			(1,750)		(1,750)
Trade and other payables falling due after more than one year			-		-
			<hr/>		<hr/>
Net liabilities			(1,750)		(1,750)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	6		1,424		1,424
Retained earnings	7		(3,174)		(3,174)
			<hr/>		<hr/>
Shareholders' deficit			(1,750)		(1,750)
			<hr/>		<hr/>

The notes on pages 9 to 13 form an integral part of these financial statements.

These financial statements of Worknorth Limited, registered number 1793483, were approved by the board of directors on 21 December 2018 and were signed on its behalf by:



N Thompson
Director

Statement of changes in equity
for the year ended 31 March 2018

2018	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
Balance at 1 April 2017	1,424	(3,174)	(1,750)
Total comprehensive expense for the year			
Profit for the year	-	-	-
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	1,424	(3,174)	(1,750)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
2017	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
Balance at 1 April 2016	1,424	(2,840)	(1,416)
Total comprehensive income for the year			
Loss for the year	-	(334)	(334)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(334)	(334)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	1,424	(3,174)	(1,750)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 13 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Worknorth Limited (the 'Company') is a company limited by shares and incorporated and domiciled in the UK.

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') as issued in August 2014. The amendments to FRS 102 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.

These financial statements have been prepared by the directors on a break up basis on the assumption that the Company will no longer continue to trade. On the break up basis, no adjustments were required to reduce the value of assets to their recoverable amount. Furthermore, assets and liabilities are not distinguished between current and non-current on the statement of financial position.

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 are 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 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 below 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 Functional currency

The Company's functional and presentational currency is pounds sterling.

1.3 Intercompany balances

Intercompany balances are recognised initially at transaction price and including 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 intercompany 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.

Notes (continued)

1 Accounting policies (continued)

1.4 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.

1.5 Going concern

Since the previous year-end, 31 March 2017, the directors have not prepared the financial statements on a going concern basis, due to a cease in trade. No adjustments were necessary to the amounts at which the remaining net liabilities are included in these financial statements.

1.6 Taxation

Tax on the profit or loss for the year comprises current or 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 financial statement date, and any adjustment to tax payable relating to previous years.

Notes (continued)

2 Notes to the income statement

2018
£000

2017
£000

Loss before taxation is stated after charging:

Write-off of amounts owed by other non-trading group undertakings	-	334
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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 £500 (2017: £500).

3 Remuneration of directors

C Cornish, K O'Toole 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 (2017: £100).

4 Taxation

Total tax expense recognised in the income statement and other comprehensive income

	2018 £000	2018 £000	2017 £000	2017 £000
<i>UK corporation tax</i>				
Current tax on expense for the year	-	-	-	-
Adjustments in respect of prior years	-	-	-	-
Total current tax	-	-	-	-

Total tax expense recognised in the income statement, other comprehensive income and equity

	2018 Current tax £000	2018 Deferred tax £000	2018 Total tax £000	2017 Current tax £000	2017 Deferred tax £000	2017 Total tax £000
Recognised in income statement	-	-	-	-	-	-
Total tax	-	-	-	-	-	-

Notes (continued)

4 Taxation (continued)

Reconciliation of effective tax rate

	2018 £000	2017 £000
<i>Current tax reconciliation</i>		
Loss for the year	-	(334)
Total tax expense	-	-
	<hr/>	<hr/>
Loss before tax	-	(334)
	<hr/>	<hr/>
Loss before tax multiplied by the standard rate of corporation tax of 19% (2017: 20%)	-	67
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	(67)
	<hr/>	<hr/>
Total tax expense included in the income statement	-	-
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future current and total tax charges

The Finance Bill 2016 was substantively enacted on 6 September 2016 and included a reduction in the rate of corporation tax to 17% from 1 April 2020.

5 Trade and other payables falling due within one year

	2018 £000	2017 £000
1,000,000 Redeemable non-cumulative participating preference shares of £1 each	1,000	1,000
750,000 'A' Redeemable cumulative participating 7% preference shares of £1 each	750	750
	<hr/>	<hr/>
	1,750	1,750
	<hr/> <hr/>	<hr/> <hr/>

The preference shares were redeemable at par on or before 1 January 2015. The holders of the 'A' preference shares have waived their right to past and future dividends and have confirmed they will not call in for repayment for at least 12 months after the year end.

Notes (continued)

6 Called up share capital

	2018 £000	2017 £000
<i>Issued, called up and fully paid</i>		
510 'A' Ordinary shares of £1 each	1	1
490 'B' Ordinary shares of £1 each	-	-
1,423,000 Deferred shares of £1 each	1,423	1,423
	<hr/>	<hr/>
	1,424	1,424
	<hr/>	<hr/>

7 Reserves

	Retained earnings £000
At 1 April 2017	(3,174)
Profit for the year	-
	<hr/>
At 31 March 2018	(3,174)
	<hr/>

8 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 bankers. 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 2018 is £1095.3m (2017: £937.1m).

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

The Company is a subsidiary undertaking of Worknorth II Limited. Worknorth II Limited has a 98% interest in the ordinary shares of the Company. 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.