Registered Number: 09672022

LIVERPOOL AIRPORT (INTERMEDIATE) NO.1 LIMITED

GROUP ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

COMPANY INFORMATION

Directors	S M Clunie R E Hough CBE T M Power S Underwood J P Whittaker J P A Burke
Registered Office	Venus Building 1 Old Park Lane Traffordcity Manchester M41 7HA
Registered number	09672022 (England and Wales)
Auditor	Deloitte LLP Statutory Auditor Manchester M4 4AH

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

INTRODUCTION

Liverpool Airport (Intermediate) No.1 Limited ("the Parent" or "the Company") is a private company limited by shares, incorporated and domiciled in the United Kingdom. The Group includes all companies which are wholly owned subsidiaries of Liverpool Airport (Intermediate) No.1 Limited.

The principal activities of the Group during the year were the ownership and operation of a key regional airport, airport development, the provision of ancillary aviation services and provision of cleaning services. The activities of each company within the Group are detailed below.

Liverpool Airport (Intermediate) No.1 Limited

Liverpool Airport (Intermediate) No.1 Limited is a holding company and did not trade in the year.

Liverpool Airport (Intermediate) No.2 Limited

Liverpool Airport (Intermediate) No.2 Limited is a Group financing company.

Snowball 2.5 Limited

Snowball 2.5 Limited is a Group financing company.

Snowball 2.75 Limited

Snowball 2.75 Limited is an intermediate holding company and did not trade in the year.

Liverpool Airport (Intermediate) No.3 Limited

Liverpool Airport (Intermediate) No.3 Limited is a Group financing company.

Liverpool Airport Limited

Liverpool Airport Limited trades as Liverpool John Lennon Airport ("LJLA") and is a key regional airport which predominantly provides connectivity between the Northwest of England and Europe.

LJLA focuses on delivering a "Faster, Easier, Friendlier" experience and focuses on passenger experience through short security process time, arrivals services and wayfinding. Building upon this, the current development programme is focused on enhancing the terminal experience, including the diversification of the retail offer.

LJLA generates revenue from aircraft, passenger handling, general aviation and charter flights. It also generates income through its commercial activities such as retail, car parking and property.

Air Traffic Control Services Limited

Air Traffic Control Services Limited (ATCSL) is a wholly owned subsidiary of Liverpool Airport Limited which holds a European Air Navigation Service Providers (ANSP) certificate allowing the provision of air traffic services to any airport within the UK and European Union.

ATCSL currently provides services to two regional UK airports ranging from fully out-sourced air traffic services to resourcing consultancy. ATCSL also generates income through the provision of consultancy on wind farm mitigation solutions.

Liverpool Airport Services Limited

Liverpool Airport Services Limited is a wholly owned subsidiary of Liverpool Airport Limited which provides specialist cleaning services.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

INTRODUCTION (continued)

Liverpool Airport Hotel Car Park Limited

Liverpool Airport Hotel Car Park Limited is a dormant subsidiary undertaking.

BUSINESS REVIEW

The results for the Group are presented in the consolidated financial statements. All results relate to continuing operations.

The business has faced another challenging year to 31 March 2022 due to the continuing adverse impacts on the aviation industry. Passenger numbers and flight movements have improved from the previous year but are still significantly reduced compared to pre-pandemic level across the two airports that are supported. Passenger numbers of 1.6m (2021: 0.5m) were handled by Liverpool John Lennon Airport during the year. This has led to an improvement in Group revenue from prior year to £18.4m (2021: £10.3m) and cost of sales increased by £1.0m to £13.1m (2021: £12.1m). Operating loss reduced to £3.9m (2021: £9.2m).

The Group made a loss after tax of £12.4m (2021: loss of £16.1m) for the year. The loss is due to the reduction in operational activity in the year due to the pandemic. As a result, the Group's net liabilities have increased to £68.6m (2021: £56.2m).

The impact on performance during the last year is a direct result of the global travel restrictions imposed by different authorities in the interest of public health and safety. Since last summer, the pace of the Group's recovery has generally been more dynamic than for larger airports and hubs, thanks to domestic travel remaining largely unrestricted and the quicker progress made in easing restrictions on intra-EU level. This has remained the case over January to March 2022, despite the downward impact of the Omicron variant. The business is in a strong position to return to growth as travel resumes.

The Group was in receipt of a grant of £5.6m (2021: £3.2m), of which £1.2m related to the Coronavirus Job Retention Scheme and £4.4m (2021: £nil) received under the Airport and Ground Operations Support Scheme (AGOSS). The income is recognised in other operating income in the financial statements.

FUTURE DEVELOPMENTS

The directors do not expect any significant change for the Company. The Group continues to focus on providing a high-quality, cost-effective service to low cost and charter airlines. The business is focused on improving the passenger experience and improvements in non-aero revenue ensuring that there continues to be adequate capacity to meet the growth in demand and creating the platform for profitable returns in the future. Costs are continually being managed as the industry recovers from the pandemic.

FINANCIAL KEY PERFORMANCE INDICATORS

Management considers the main key financial performance indicators for this business to be revenue growth, operating loss, and net liabilities, which are referred to in the business review section of this report.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

Management considers the main non-financial key performance indicators for this business to be the development of the aviation industry itself. The business also looks at the passenger numbers and year on year change, number of delayed and cancelled flights, average security queue time and customer satisfaction in terms of number of complaints, and other matters.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The Company does not generate cash flow through trading activity and therefore relies upon the repatriation of cash from its subsidiary undertakings to provide a return to its shareholders.

The Company's risks and uncertainties are deemed to be the same as for other Group companies, all related to the aviation industry in which the Group operates. The risks and uncertainties below are considered to have the most significant effect on the Group's business, financial results, and prospects. The list is not intended to be exhaustive.

The Group carries out detailed risk assessments to ensure that risks are assessed and, to the extent possible, mitigated.

The cost of security provision, arising from the need to protect our national air borders, continues to increase. It should be highlighted that the cost resulting from having these more stringent security measures maintained at our airports cannot in all cases be recovered from airlines or passengers. However the airport has utilised the Airport and Ground Operations Support Scheme (AGOSS) which has helped contribute to essential operating costs such as security and policing of the airport during the pandemic.

Other risks and uncertainties include the following:

- The UK's exit from the European Union has affected many industries and trade areas and will continue to do so. The aviation sector has seen many changes, but many rules and operations remain unchanged. The airport continues to monitor any changes to EU / UK aviation regulations to ensure that the current open skies regime remains in place.
- On 1 October 2021 it became mandatory for EU visitors to the UK to enter using a valid passport, with ID cards becoming obsolete. This led to a backlog of passport requests, mainly in Eastern European countries which impacted en-route performance for a number of months.
- The ongoing challenges posed by the pandemic further emphasise the importance of national authorities ensuring that immigration procedures and requirements are provided in a timely, reliable and consistent manner across all information systems and platforms, to maintain confidence and trust and to further facilitate international mobility.
- The recent increase in living costs, which may impact spending choices
- Growing structural cost pressure on the industry (economic regulation, airport policing and security costs), which is exacerbated by rising inflation.
- Impact to consumer appetite for travel caused by terror attacks in recent years.
- Airport competition has reached new levels. Airports face more financial pressures by airlines when they decide where to deploy their aircrafts and which routes to operate.

The risks and potential impact of climate change are considered as follows:

- Adverse weather conditions - ongoing monitoring of weather patterns and future forecasts to plan operational mitigations are required to manage this risk.
- Regulation and taxation - there is a risk that potential regulations or taxation may be introduced by the UK government to reduce traffic in order to achieve the UK target of zero emissions by 2050. Mitigations can be found in the Group environment strategy.

GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

SECTION 172 REPORTING

During the financial year the directors have complied with their duty to have regard to the matters in Section 172 (1) (a) - (f) of the Companies Act 2006. The directors believe they have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members.

PRINCIPAL DECISIONS

The directors consider key stakeholders to be those who hold an interest in the organisation and are affected by the organisation's actions, objectives, and policies. Key stakeholders include employees, business partners and the community. In making decisions, the directors assess the long-term impact on the business and its stakeholders and the desirability to maintain a reputation for high standards of business conduct. The principal decisions are those that are material to the members and all other key stakeholders of business. Recently this has included the Group refinancing of debt and the operational changes as a result of COVID-19, both of which are discussed in the going Note 2 - Accounting policies.

The Group engages with each of its stakeholders through the directors at the appropriate level of detail and frequency depending on their specific requirements ad level of influence of interest. The directors use a variety of methods to do this, as detailed below.

EMPLOYEES

The directors place considerable value on the involvement of the Group's employees and has continued to keep them informed and involved in business decisions which will affect them as employees. Examples of this include a weekly newsletter to all staff and an annual employee survey.

ENVIRONMENT AND THE COMMUNITY

The directors are conscious of the Group's ongoing obligation to balance the potential environmental impacts of operating a regional airport with the social and economic benefits an airport brings to the city and the region it serves.

The Group continues to work hard to minimise the environmental impact of its operation at a local and global level and is also working to reduce the impact of noise on the local environment and our carbon emissions on the wider environment. A holistic approach to sustainability is embraced, putting it at the heart of new investment decisions whether this is through large new projects or refurbishing existing properties to give both economic benefit and environmental dividends for the longer term. Good environmental practices and performance are promoted across the airport community to reduce environmental risk at all levels. Examples of this include regular community forums and ongoing engagement with the public on all planning applications.

BUSINESS PARTNERS

The directors put the Group into arrangements which are viable and fair for the benefit of both the organisation and its business partners (airport visitors, customers and suppliers, etc). The success of the airport is linked to the engagement of business partners across the airport and the directors recognise this and strive to maintain good working relationships through loyalty, regular communications and involvement. This message is also relayed to the Group's employees who are involved with the partners as part of ongoing business operations. The Group's partners include large international businesses and several local organisations, which will help to benefit the community in which the airport operates. In the absence of dispute, supplier payments are settled promptly in line with their terms of payment.

GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

BUSINESS PARTNERS (continued)

It expects the same in return from its customers. Due diligence is performed on all business partners.

THE NEED TO ACT FAIRLY AS MEMBERS OF THE GROUP

The executive management team provides updates to the directors and shareholders through regular communication and board meetings. The directors involve all shareholders in key decision making, examples of this include commercial negotiations, operational issues and company financing.

The policy of the Group's shareholders is to maximise growth and returns. The directors are achieving this by maximising revenue, reducing costs, implementing operational efficiencies, whilst providing the best possible passenger experience to customers and being an employer of choice. The Group is funded using external and shareholder borrowings. The borrowings have covenants attached which are carefully monitored on a continuous basis.

APPROVED AND SIGNED ON BEHALF OF THE BOARD

R E Hough

R E Hough CBE
Director
Date: 14 March 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements of Liverpool Airport (Intermediate) No1. Limited ("the Company") and the Group for the year ended 31 March 2022.

The directors have complied with section 414C(11) of the Companies Act 2006 by including certain disclosures required by section 416(4) within the Strategic Report, including information relating to the Group's financial performance and future business developments.

Disclosures in respect of Section 172 (1) of the Companies Act 2006 are provided in the Strategic Report and in further detail below, including employee interests, environment and the community.

GROUP RESULTS

The results for the financial year are shown in the financial statements and supporting notes.

The Group's result for the financial year was a loss of £12.4m (2021: loss of £16.1m).

DIVIDENDS

The directors do not recommend payment of a dividend for the financial year (2021: £nil).

DIRECTORS

The directors who have held office during the financial year and until the date of signing the financial statements are as follows:

S M Clunie
R E Hough CBE
T M Power
S Underwood
J P Whittaker
J P A Burke

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Company has net assets of £30.8m (2021: £30.9m). The Group has net liabilities of £68.6m (2021: £56.2m).

Going concern has been assessed on a Group basis for Liverpool Airport (Intermediate) No.1 Limited and its subsidiary undertakings ("the Group"). In considering the ability of the Group to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of the Group's consolidated forecasts, the continuing availability of its facilities and its strategic and contingent plans. These forecasts show that sufficient resources remain available to the business for the next twelve months.

Based on current plans for the coming year, recovery from the global COVID-19 pandemic for the aviation industry as a whole and the Group in particular remains positive. Passenger numbers for the period April 2022 to January 2023 were 3.2 million versus 4.3 million for the period April 2019 to January 2020, representing a 75% recovery. The airport also initiated the important new Lufthansa service to Frankfurt and its onward global connections.

In the previous year, the Group carried out a refinancing of existing debt, which is held within Liverpool Airport (Intermediate) No.3 Limited and Snowball 2.5 Limited. This £30m senior debt owed to the Liverpool City Region Combined Authority was due to expire on 31 March 2023 and an extension was agreed on 9 March 2023 for a further 12 months.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

GOING CONCERN (continued)

The directors have prepared base case cash flow projections for the 12 months to March 2024, which show that the Group continues to maintain adequate liquidity with sufficient headroom on its cash testing covenants. The directors also prepared projections based on a downside sensitivity which assumed cost inflation across the board but zero passenger growth. This downside sensitivity also shows that the Group continues to maintain adequate liquidity with sufficient headroom on its interest cover covenants.

Whilst the directors consider that there is a degree of subjectivity involved in their assumptions, they have a reasonable expectation that the parent company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to several financial risks, including credit risk and liquidity risk. Details of these risks including how they are managed are detailed below.

Price risk
Price risk relating to the value of the Company's investments is managed through regular review of the business operations and commercial contracts, in order to ensure the best results and performance are being achieved.

Foreign Currency and Interest risk
The Company has no exposure to foreign currency risk. Interest risk is managed through refinancing of existing debt at fixed interest rates, with the aim to refinance in the next few years again under more favourable terms.

Credit risk
Credit risk, being the risk that a counterparty will not meet its obligations and lead to a financial loss, is managed through regular review of debts from all customers. Any debts where there is exposure to credit risk have been provided for as part of the bad debt provision. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Liquidity risk
The Company prepares cash flow projections and sensitivity analysis on a regular basis to ensure that it maintains sufficient cash and credit facilities to meet its liquidity requirements.

EMPLOYEE INVOLVEMENT

The Group's employment strategies are regularly reviewed and updated by the Board of Directors. The strategy is linked to business needs and has been designed to deliver the growth and development of our business and our people. Our employment policies are designed to provide equal opportunities irrespective of age, disability, ethnicity, gender, gender reassignment, marital status and civil partnership, nationality, pregnancy and maternity, race, religion and belief and sexual orientation.

The Group has positive working relationships with the trade unions, in particular the GMB and Unite unions. The Group works in partnership with the trade unions to successfully resolve any conflict and works together to try and achieve corporate objectives and goals.

The Group delivers a robust, wide ranging training programme, by utilising a network of in-house subject matter experts. All employees, whether part-time or full-time, temporary or permanent, are treated fairly and equally. The Company selects employees for employment, promotion, training or other matters affecting their employment on the basis of aptitude and ability. A key aim of the business is to promote from within and the Group's succession plans have been developed to assist with internal progression.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

EMPLOYEE INVOLVEMENT (continued)

All employees are assisted and encouraged to develop to their full potential so that their combined talents and resources of the team are fully utilised to maximise the efficiency of the organisation. Liverpool Airport Limited has been recognised by Investors In People with a Gold Award in 2022.

The directors ensure that employees can participate and engage in the business. Consultation takes place with employees or their representatives at all levels, with the aim of ensuring their views are taken fully into account when making strategic decisions. This is achieved through regular committee meetings which involve members from different areas of the organisation, team-to-manager feedback, employee engagement surveys, and team conference calls where employees have opportunities to provide feedback and ask questions to the senior leadership team. The directors continue to focus on improving communications with all employees. Business briefings are cascaded through the organisation to communicate key business and operational issues; this includes the ongoing impact of COVID-19.

The directors believe the People Strategy plays an important role in the success of the business in shaping the culture and working environment for employees. The values include creating success through creativity, working as one team to achieve business success, being responsible by putting health and safety of customers and colleagues first, and being proud by going the extra mile and celebrating success.

EMPLOYMENT OF DISABLED PERSONS

It is the policy of the Group to give full and fair consideration to applications for employment received from disabled persons. Within the limitations of their abilities, they are given the same opportunities for training, career development and promotion as are available to other Group employees and if necessary, retraining is given to an employee who becomes disabled whilst in the Company's employment.

Carbon Reduction Commitment (CRC)
During the financial year ended 31 March 2019, the Group had a duty under the CRC to record and report the annual CO2 emissions of the airport's operations. The total CRC eligible CO2 emissions for the Group was 4,480 tonnes, which was a reduction on the previous year. The CRC Energy Efficiency Scheme (Revocation and Savings) Order 2018 came into force on 1 October 2018. Therefore, the final compliance year was the financial year ended 31 March 2019.

Streamlined Energy Carbon Reporting (SECR)
From 1 April 2019 onwards, SECR requires many companies formerly within the scope of the CRC to report energy consumption and energy efficiency actions.

There is no mandatory requirement for the Company to report under SECR. However, independent verification on all sources of greenhouse gas emissions and energy usage and additional disclosure have been made below on a voluntary basis for the current reporting year.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Streamlined Energy Carbon Reporting (SECR) (continued)

SECR reporting data for the financial year is shown below:

	2022 Tonnes	2021 Tonnes
Breakdown of the total gross CO2e:		
Direct emissions from business activities	**883**	569
from combustion of gas, gas oil, diesel, kerosene, LPG, fuel for transport services, and vehicles where the Company purchases the fuel		
Indirect emissions	**1,196**	1,048
from electricity purchased for own use, including for the purposes of Transport		
Total gross CO2e	**2,079**	1,617

	2022 kWh	2021 kWh
Breakdown of energy consumption used to calculate emissions:		
Gas	**3,961,238**	2,484,766
Gas oil	**308,827**	151,542
Diesel	**265,925**	246,732
Kerosene and LPG	**33,914**	58,014
Company fuel and mileage	**28,424**	2,682
Electricity	**5,634,787**	4,495,566
Total energy consumption used to calculate emissions	**10,233,115**	7,439,302

	2022 CO2e/PAX	2021 CO2e/PAX
Intensity ratio		
Kg CO2e/Passenger	**1.27**	3.00

Reporting boundary and methodology

As part of the independent assessment, data was gathered from various sources such as meter readings, fuel usage, mileage, and fuel cards. This was then categorised into two scopes.

Scope 1 includes all direct emissions from the activities of the Company and other activities under its control, including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2 includes all indirect emissions from electricity purchased and used by the Company. Also included are the generation or consumption of heat or steam. Emissions are created during the production of the energy and eventually used by the Company.

By using the latest figures provided by the Department for Business, Energy, and Industrial Strategy (BEIS) and the Department for Environment, Food and Rural Affairs (DEFRA), the usable data has been converted into tonnes of Carbon Dioxide equivalent (tonnes of CO2e).

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Reporting boundary and methodology (continued)

The intensity measure variable used the total kilograms of carbon dioxide equivalent emitted per passenger number. This is a longstanding metric used by the Company over a number of years and provides the best comparison across time to determine the energy performance of the site and how that varies with the number of people choosing to fly via this airport and is a standard of measurement across the aviation industry.

Energy efficiency actions

Over the last two years, the airport has instigated plans for a 3 MWp renewable onsite generation project that is currently being considered by the Local Planning Authority. Once it is approved by the Local Planning Authority, the desire is to have onsite renewable energy generation installed as soon as possible.

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors confirm that:

- so far as each director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware.
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

POST BALANCE SHEET EVENTS

Since the balance sheet date, the Group received a total of £6.4m capital injection. On 20 June 2022, the Group received £3.8m for the subscription of shares split evenly £1.9m from Peel and £1.9m from Ancala. On 27 July 2022, the Group received a further £2.6m of which £1.3m from Peel and £1.3m from Ancala. These monies will be used to fund capital expenditure.

3.8million shares (at £1 nominal value) and then a further 2.6million shares (at £1 nominal value) were allocated to Peel and Ancala. No shares were allocated to Liverpool City Council, so the Council shareholding has been diluted.

Previously Peel and Ancala each held 45% of the share capital of the airport and Liverpool City Council the remaining 10%. The new shareholdings are now 47.1% Peel, 47.1% Ancala and 5.8% for Liverpool City Council.

In September 2022 Doncaster Sheffield Airport ("DSA") announced that a strategic review of its operations was taking place which ultimately led to the closure of DSA on 18 November 2022.

DSA was one of the three regional UK airports that the Group provided services to during the year. Upon the operational closure of DSA airport, the Group entered into a new standby services agreement with Doncaster Sheffield Airport Limited through to March 2024 which will see the Group being on standby to provide air traffic support and consultancy services during this period. The Group will seek a long term replacement for DSA once this standby services agreement ends in March 2024.

The £30m senior debt facility held with the Liverpool City Region Combined Authority was due to expire on 31 March 2023 and an extension was agreed on 9 March 2023 for a further 12 months.

AUDITOR

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

APPROVED AND SIGNED ON BEHALF OF THE BOARD

R E Hough

R E Hough CBE
Director
Date: 14 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVERPOOL AIRPORT (INTERMEDIATE) NO.1 LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 MARCH 2022

Report on the audit of the financial satements

Opinion

In our opinion the financial statements of Liverpool Airport (Intermediate) No.1 Limited (the "Parent Company") and its subsidiries (the "Group"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of change in equity;
- the consolidated cash flow statement;
- the notes to the consolidated cash flow statements 1 to 3; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVERPOOL AIRPORT (INTERMEDIATE) NO.1 LIMITED AND ITS SUBSIDIARIES (continued) FOR THE YEAR ENDED 31 MARCH 2022

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation and Civil Aviation Authority; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVERPOOL AIRPORT (INTERMEDIATE) NO.1 LIMITED AND ITS SUBSIDIARIES (continued) FOR THE YEAR ENDED 31 MARCH 2022

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)
As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it is described below:

- Revenue recognition specified to completeness in relation to terms of contracts, such as, changing passenger rates, passenger numbers, up-front payments and minimum guarantees. There is a risk that revenue is not being recognised in line with these agreements; and the point that revenue is recognised for one-off items. This has been assessed through review of all significant contracts and assessment of invoices being raised in line with these terms.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006, we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVERPOOL AIRPORT (INTERMEDIATE) NO.1 LIMITED AND ITS SUBSIDIARIES (continued) FOR THE YEAR ENDED 31 MARCH 2022

Use of our report

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.

Rachel Argyle

Rachel Argyle (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

Date: 14 March 2023

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED MARCH 2022

	Notes	2022 £'000	2021 £'000
TURNOVER	4	**18,384**	10,255
Cost of sales		**(13,074)**	(12,056)
GROSS PROFIT/LOSS		**5,310**	(1,801)
Administrative expenses		**(14,893)**	(9,913)
		(9,583)	(11,714)
Other operating income	9	**5,646**	3,194
Exceptional operating expenses	10	**-**	(673)
OPERATING LOSS	5	**(3,937)**	(9,193)
Interest receivable and similar income	11	**-**	1
Interest payable and similar expenses	12	**(8,502)**	(6,955)
LOSS BEFORE TAXATION		**(12,439)**	(16,147)
Tax credit on the loss for the financial year	13	**3**	6
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		**(12,436)**	(16,141)

All items in the above statement derive from continuing operations.

The notes on pages 23 to 39 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible fixed assets	14	**44,128**	46,485
CURRENT ASSETS			
Stock	17	**84**	41
Debtors	18	**3,859**	3,961
Cash at bank and in hand		**3,312**	5,479
		7,255	9,481
CREDITORS			
Amounts falling due within one year	19	**(44,544)**	(12,676)
Provisions	20	**(375)**	-
NET CURRENT LIABILITIES		**(37,664)**	(3,195)
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,464**	43,290
CREDITORS			
Amounts falling due after one year	22	**(75,080)**	(99,470)
NET LIABILITIES		**(68,616)**	(56,180)
CAPITAL AND RESERVES			
Called up share capital	24	**8,903**	8,903
Share premium	25	**228**	228
Capital contribution reserve	25	**304**	304
Other reserves	25	**19,671**	19,671
Retained earnings	25	**(97,722)**	(85,286)
SHAREHOLDERS FUNDS		**(68,616)**	(56,180)

The notes on pages 23 to 39 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 14 March 2023 and were signed on its behalf by:

R E Hough

R E Hough CBE
Director

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Investments	15	**25,483**	25,483
Loans to Group undertakings	16	**5,421**	5,421
		30,904	30,904
CREDITORS			
Amounts falling due within one year	19	**(55)**	(32)
NET CURRENT LIABILITIES		**(55)**	(32)
TOTAL ASSETS LESS CURRENT LIABILITIES		**30,849**	30,872
CREDITORS			
Amounts falling due after one year	22	**-**	-
NET ASSETS		**30,849**	30,872
CAPITAL AND RESERVES			
Called up share capital	24	**8,903**	8,903
Share premium	25	**228**	228
Other reserves	25	**19,671**	19,671
Retained earnings	25	**2,047**	2,070
SHAREHOLDERS FUNDS		**30,849**	30,872
Company's (loss)/profit for the financial year		**(23)**	888

The notes on pages 23 to 39 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 14 March 2023 and were signed on its behalf by:

R E Hough

R E Hough CBE
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share Capital £'000	Share Premium £'000	Capital Contribution reserve £'000	Other reserves £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 April 2020	8,903	228	304	19,671	(69,145)	(40,039)
Changes in equity						
Total comprehensive loss for the financial year	-	-	-	-	(16,141)	(16,141)
Balance at 31 March 2021	8,903	228	304	19,671	(85,286)	(56,180)
Changes in equity						
Transfer between reserves	-	-	-	-	-	-
Total comprehensive loss for for the financial year	-	-	-	-	(12,436)	(12,436)
Balance at 31 March 2022	8,903	228	304	19,671	(97,722)	(68,616)

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share Capital £'000	Share Premium £'000	Other reserves £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 April 2020	8,903	228	19,671	1,182	29,984
Changes in equity					
Total comprehensive income for the financial year	-	-	-	888	888
Balance at 31 March 2021	8,903	228	19,671	2,070	30,872
Changes in equity					
Transfer between reserves	-	-	-	-	-
Total comprehensive loss for the financial year	-	-	-	(23)	(23)
Balance at 31 March 2022	8,903	228	19,671	2,047	30,849

The notes on pages 23 to 39 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Cash inflows/(outflows) from operating activities	1	1,156	(3,687)
Net cash inflows/(outflows) from operating activities		1,156	(3,687)
Cash flows used in investing activities			
Purchase of tangible fixed assets		(1,601)	(1,667)
Sale of tangible fixed assets		-	22
Net cash outflows from investing activities		(1,601)	(1,644)
Cash flows used in financing activities			
Bank interest paid		(1,722)	(1,774)
Bank fees		-	(45)
Refinancing activities		-	5,655
Facility arrangement		-	(525)
Rolling credit facility drawdown		-	1,100
Finance lease rental payment		-	(21)
Net cash (outflows)/inflows from financing activities		(1,722)	4,390
Decrease in cash and cash equivalents		(2,167)	(942)
Cash and cash equivalents at beginning of the financial year		5,479	6,421
Cash and cash equivalents at end of the financial year		3,312	5,479

The notes on page 22 form an integral part of this cashflow statement.

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH FLOWS FROM OPERATING ACTIVITIES

	2022 £'000	2021 £'000
Loss before taxation	**(12,439)**	(16,147)
Depreciation charge for the year	**3,958**	3,862
Profit on disposal of fixed assets	-	(2)
Amortisation of deferred grant	**(1,295)**	(1,295)
Finance costs	**8,302**	6,955
Loan amortisation	**200**	-
Finance Income	-	(1)
(Increase)/Decrease in stock	**(43)**	34
Decrease in trade and other debtors	**102**	841
Increase in trade and other creditors	**2,443**	2,064
Non-current deferred income movement	**(72)**	-
Cash inflows/(outflows) from operating activities	**1,156**	(3,687)

2. CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Cash at bank and in hand	**3,312**	5,479

3. ANALYSIS OF CHANGES IN NET DEBT

	At 01/04/21 £'000	Cashflow £'000	Non Cash £'000	At 31/03/22 £'000
Net Cash				
Cash at bank and in hand	5,479	(2,167)	-	**3,312**
Debts				
Debts falling due within 1 year	-	-	(29,800)	**(29,800)**
Debts falling due after 1 year	(85,383)	-	23,020	**(62,363)**
	(85,383)	-	(6,780)	**(92,163)**
Total	**(79,904)**	**(2,167)**	**(6,780)**	**(88,851)**

Non-cash movements in the year relate to arrangement fees, changes in ageing and accrued interest on the loan notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

Liverpool Airport (Intermediate) No.1 Limited ("the Parent" or "the Company") and its subsidiaries are a group of private companies, limited by shares registered, and incorporated in England and Wales. Its registered office is located at Venus Building, 1 Old Park Lane, Traffordcity, Manchester, M41 7HA.

The Group includes all companies which are wholly owned subsidiaries of Liverpool Airport (Intermediate) No.1 Limited.

The nature of the Group's operation and its principal activities are the ownership and operations of a key regional airport, airport development, the provision of ancillary aviation services and cleaning services.

The presentation currency of the financial statements is the Pound Sterling (£). This is also the functional currency of the primary economic environment in which the Company operates.

The income statement and balance sheet derived from continuing operations during the financial year.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements contain information on Liverpool Airport (Intermediate) No.1 Limited and its subsidiaries. The Company financial statements include information about the parent company as a single entity and the consolidated financial statements include information about the Group.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the *Companies Act 2006. The financial statements have been prepared under the historical cost convention.* It also requires the Company's management to exercise judgement in applying its accounting policies.

The following principal accounting policies have been applied consistently to all periods presented in these financial statements.

Basis of consolidation

The Company is deemed to control all subsidiary undertakings by virtue of holding 100% shares in Group companies, either directly or indirectly, and holding full voting power.

In preparing consolidated financial statements, Group members assets, liabilities, equity, income and expenses have been combined. The parent's investment in the subsidiary is eliminated, along with a related amount in equity in each subsidiary. Intragroup transactions and balances are eliminated in full, along with any profit and losses resulting from intragroup transactions recognised in assets.

Subsidiaries are consolidated from the date of acquisition, up to the date the parent ceases to control the subsidiary. Group reconstructions are accounted for under merger accounting.

All Group members have uniform accounting policies and reporting year end dates.

Going concern

The financial statements have been prepared on a going concern basis.

Going concern has been assessed on a Group basis for Liverpool Airport (Intermediate) No.1 Limited and its subsidiary undertakings ("the Group"). In considering the ability of the Group to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

Going concern (continued)

an understanding of the Group's consolidated forecasts, the continuing availability of its facilities and its strategic and contingent plans. These forecasts show that sufficient resources remain available to the business for the next twelve months.

Based on current plans for the coming year, recovery from the global COVID-19 pandemic for the aviation industry as a whole and the Group in particular remains positive. Passenger numbers for the period April 2022 to January 2023 were 3.2 million versus 4.3 million for the period April 2019 to January 2020, representing a 75% recovery. The airport also initiated the important new Lufthansa service to Frankfurt and its onward global connections.

In the previous year, the Group carried out a refinancing of existing debt, which is held within Liverpool Airport (Intermediate) No.3 Limited and Snowball 2.5 Limited. This £30m senior debt owed to the Liverpool City Region Combined Authority was due to expire on 31 March 2023 and an extension was agreed on 9 March 2023 for a further 12 months.

The directors have prepared cash flow projections for the period ended 31 March 2023, which show that the Group is capable of continuing to operate within its available bank facilities and will continue to adhere to cash testing covenants.

Whilst the directors consider that there is a degree of subjectivity involved in their assumptions, they have a reasonable expectation that the parent company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

FRS 102 - Reduced disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 102.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

Related party exemption

The Company has taken advantage of exemption, under section 33 of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

Transactions between group entities have been eliminated on consolidation are not disclosed within the financial statements.

Government grants

Government grants are recognised on the accruals basis and are measured at the fair value of the asset expected to be received. Grants relating to revenue expenditure are recognised over the period in which the related costs are recognised. Grants relating to capital expenditure are recognised over the expected

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

Government grants (continued)

useful life of the asset. In circumstances where the grant income is deferred, the asset is recognised, and the income deferred and included within creditors. The income is recognised in other operating income in the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenues were derived from aircraft and passenger handling charges and income from commercial activities, particularly retail and car parking as well as property and general aviation.

Airport, cleaning and air traffic income represents the amounts receivable in respect of facilities and services provided during the financial year. Property rental income and the appropriate allocation of rental premiums are accounted for on a straight-line basis over the lease term.

Interest receivable and interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Land	Not depreciated
Freehold buildings	10 to 50 years
Runways, apron, lighting and car parks	5 to 100 years
Other assets (include plant and machinery, fixtures and fittings, motor vehicles and computer equipment)	5 to 50 years

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

Impairment of tangible fixed assets

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised and taken to the statement of comprehensive income unless they arise on a previously revalued fixed asset. Impairment losses are allocated to individual assets within an income-generating unit by cost.

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

Investments

Investments are stated at cost less provision for any impairment in value.

Impairment of investments

The carrying value of investments are reviewed at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stock is valued using first-in, first-out method. Provisions are made for obsolete, slow moving and defective items where necessary.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

<u>(i) Financial assets and liabilities</u>
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:
(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

<u>(ii) Investments</u>
In the company balance sheet, investments in subsidiaries are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

<u>(iii) Equity instruments</u>
Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

<u>(iv) Derivative financial instruments</u>
The Company uses derivative financial instruments to reduce exposure to interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(v) Fair value measurement
The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account 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 balance sheet date, and any adjustment to tax payable in respect of previous years.

During the Group financial statement consolidation, current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a new basis or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

During the Group financial statement consolidation, deferred tax assets and liabilities are only offset if:
- the Group has a legally enforceable right to set off current tax assets against current tax liabilities and;
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of transactions.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate. Corporation tax deductions are allowable in the period in which the contributions are paid over the to the scheme provider.

Exceptional items

Exceptional items include material income or costs that arise from events or transactions that fall outside of the ordinary activities and are not expected to recur.

In accordance with Section 5 of FRS 102, additional information regarding the nature and amounts is disclosed in the notes, these items are also presented separately on the face of the Income Statement.

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors do not consider there are any critical accounting judgements or key sources of estimation uncertainty.

The following are the critical judgements and sources of estimation uncertainty that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below.

Revenue Recognition

The Group and its undertakings have entered into a number of long-term contracts in previous years. Revenue has been recognised when the Group member has a contractual entitlement to receive revenue and the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue is appropriate.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

4. TURNOVER

	2022 £'000	2021 £'000
Aeronautical	4,489	1,911
Car park	5,251	2,176
Concessionary	4,029	1,440
Air Traffic Control	2,525	2,273
Other revenue	2,090	2,455
	18,384	10,255

All turnover relates to continuing activities. Group turnover relates to activities wholly undertaken in the UK.

5. OPERATING LOSS

The loss for the financial year is stated after charging/(crediting):

	2022 £'000	2021 £'000
Depreciation charged on fixed assets	3,958	3,862
Profit on disposal of fixed assets	-	(2)
Amortisation of capital grants	(1,295)	(1,295)
Other operating income (see note 9)	(5,646)	(3,194)

6. EMPLOYEES

Staff costs for the Group were as follows:

	2022 £'000	2021 £'000
Wages and salaries	10,948	11,576
Social security costs	951	732
Other pension costs	449	525
	12,348	12,833

The figures in the above table exclude furlough income received from the government in relation to the Coronavirus Job Retention Scheme ("CJRS"). The figures in the corresponding note in the prior year accounts included CJRS income.

The average monthly number of employees, including directors for the Group, during the year was as follows:

	2022 No	2021 No
Operational and maintenance	206	243
Administration and management	29	35
	235	278

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

6. EMPLOYEES (continued)

The Group operates a defined contribution pension scheme for the benefit of its employees and directors. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year are as disclosed above. There was a balance of £95,086 (2021: £76,611) outstanding at the year end.

The Company has no employees during the financial year.

7. DIRECTORS' EMOLUMENTS

The directors of the Company received no salary, fees or other benefits in respect of their performance of their duties and services to the Company. Other than the one director disclosed below, their remuneration is borne by the organisations they are employed by, which is outside of this group.

Remuneration was paid in the Group to one statutory director of Liverpool Airport Limited who is not a director of Liverpool Airport (Intermediate) No. 1 Limited and is as follows:

	2022	2021
	£'000	£'000
Directors' emoluments	20	-
Social security costs	3	-
Other pension costs	2	-
	25	-

During the year the retirement benefits were accruing to 1 director (2021: 0) in respect of defined contribution pension schemes.

8. AUDITOR'S REMUNERATION

	2022	2021
	£'000	£'000
Audit fees for company	5	5
Audit fees for subsidiaries	95	80
Taxation services	35	31
	135	116

9. OTHER OPERATING INCOME

	2022	2021
	£'000	£'000
Coronavirus Job Retention Scheme (CJRS) income	1,243	3,194
Airport and Ground Operations Support Scheme (AGOSS) grant	4,403	-
	5,646	3,194

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

9. OTHER OPERATING INCOME (continued)

The Coronavirus Job Retention Scheme (CJRS) was a mechanism introduced by the government which enables all UK employers to access support to continue paying part of employees' salaries to avoid redundancies as a result of the pandemic COVID-19. The scheme expired on 30 September 2021.

The Airport and Ground Operations Support Scheme (AGOSS) was a mechanism set up to support commercial airports and ground handlers in England in recognition of their fixed costs and the impacts of COVID-19 on their revenue. The scheme expired on 31 December 2021.

10. EXCEPTIONAL OPERATING EXPENSES

	2022 £'000	2021 £'000
Restructuring costs	-	673

During the previous year, the Group incurred some redundancy and administration costs as part of a restructure undertaken. There were no restructuring costs in the current year.

11. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £'000	2021 £'000
Bank and deposit interest	-	1

12. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £'000	2021 £'000
Bank loan interest	1,722	4,565
Loan note interest	6,580	2,248
Debt arrangement fee amortisation	200	125
Hire purchase interest	-	17
	8,502	6,955

Following the refinancing and restructure in 2020, the terms of the intercompany loans changed and are now interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

13. TAXATION

Analysis of tax credit

The tax credit on loss for the year was as follows:

	2022 £'000	2021 £'000
Current tax		
Corporation tax payable	-	-
Deferred tax		
Effect of changes in tax rates	(3)	(6)
Total tax credit for the financial year	(3)	(6)

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £'000	2021 £'000
Loss before tax	(12,439)	(16,147)
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	(2,363)	(3,068)
Effects of:		
Expenses not deductible for tax purposes	548	682
Income not taxable for tax purposes	(56)	(247)
Effect of changes in tax rates	(3)	(6)
Transfer pricing adjustments	1,250	881
Deferred tax not provided	621	1,752
Total tax credit for the financial year	(3)	(6)

Factors that may affect future tax charges

It was announced in the 2021 Budget that the UK tax rate will increase to 25% for companies with taxable profits in excess of £250,000 (effective from 1 April 2023).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

14. TANGIBLE FIXED ASSETS

Group	Freehold Property	Runways and Apron	Plant and machinery	Fixtures and fittings	Motor Vehicle	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COST							
At 1 April 2021	109,903	61,071	40,374	2,927	4,762	1,368	220,405
Additions	384	16	288	515	7	391	1,601
Disposals	-	-	-	-	-	-	-
At 31 March 2022	110,287	61,087	40,662	3,442	4,769	1,759	222,006
DEPRECIATION							
At 1 April 2021	84,995	50,306	32,355	1,859	3,877	528	173,920
Charge for year	1,656	539	1,105	319	89	250	3,958
On disposals	-	-	-	-	-	-	-
At 31 March 2022	86,651	50,845	33,460	2,178	3,966	778	177,878
NET BOOK VALUE							
At 31 March 2022	23,636	10,242	7,202	1,264	803	981	44,128
At 31 March 2021	24,908	10,765	8,019	1,068	885	840	46,485

Included in Freehold Property is freehold land of £3.8m (2021: £3.8m) which is not depreciated.

The Company has no tangible fixed assets, they are all owned by a subsidiary undertaking.

15. FIXED ASSET INVESTMENTS

	2022	2021
	£'000	£'000
Share in Group undertakings		
Cost and Net Book Value	25,483	25,483

Associates of the Company as at 31 March 2022 and the Company's percentage of shares and class of shares are set out below.

Company	Country of Incorporation	Principal Activity	% Holding
Liverpool Airport (Intermediate) No.2 Limited*	UK	Group financing	Ordinary 100%
Liverpool Airport (Intermediate) No.3 Limited	UK	Intermediate holding	Ordinary 100%
Snowball 2.5 Limited	UK	Intermediate holding	Ordinary 100%
Snowball 2.75 Limited	UK	Intermediate holding	Ordinary 100%
Liverpool Airport Limited	UK	Operator of airport	Ordinary 100%
Air Traffic Control Services Limited	UK	Air traffic services	Ordinary 100%
Liverpool Airport Services Limited	UK	Cleaning services	Ordinary 100%
Liverpool Airport Hotel Car Park Limited	UK	Dormant	Ordinary 100%

Investment held directly by Liverpool Airport (Intermediate) No.1 Limited is marked with an *.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

15. FIXED ASSET INVESTMENTS (continued)

Dormant subsidiary exemption

The Group has taken advantage of exemption, under section 394A exemption from preparing individual accounts and section 448A exemption from filing individual accounts for the dormant subsidiary. The directors of the Group are exempt from the requirement to deliver a copy of individual accounts for Liverpool Airport Hotel Car Park Limited (Registered Number: 06253490).

16. LOAN TO GROUP UNDERTAKINGS

	2022	2021
	£'000	£'000
Company		
Loans owed by Group undertakings	5,421	5,421

Amounts owed by Group undertakings are a long term asset and not intended to be recalled within the next twelve months although they are legally payable on demand and carry no interest.

17. STOCK

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Stock	84	41	-	-

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	3,062	623	-	-
Other debtors	1	9	-	-
Amounts owed by related parties	43	161	-	-
Corporation tax	12	12	-	-
Deferred tax asset	13	10	-	-
VAT receivable	34	194	-	-
Prepayments and accrued income	694	2,952	-	-
	3,859	3,961	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Trade creditors	**5,208**	2,627	-	-
Amounts owed to Group undertakings	-	-	**55**	32
Amounts owed to related parties	**2,510**	2,555	-	-
Loans	**29,800**	-	-	-
Social security and other taxes	**262**	247	-	-
Accruals and deferred income	**5,068**	3,369	-	-
Deferred government grants	**1,295**	3,497	-	-
Other creditors	**401**	381	-	-
	44,544	**12,676**	**55**	32

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand. Amounts owed to related parties are on an arm's length basis and cash settlement is expected under the ordinary course of business.

20. PROVISIONS

	2022	2021
	£'000	£'000
Provisions for fire safety and cladding	**375**	-

The provision in the year of £375,000 relates to estimated costs of required fire safety and cladding related works on the multi-storey car park.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

21. CURRRENT AND DEFERRED TAX

	2022	2021
	£'000	£'000
Current assets - Group		
Corporation tax	**12**	12

	Provided		Unprovided	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deferred tax assets - Group				
Accelerated capital allowances	-	-	**1,239**	1,589
Short term timing differences	**13**	10	**215**	307
Losses	-	-	**8,905**	5,320
	13	10	**10,359**	7,216

In accordance with FRS102, the deferred tax asset of £10.4m (2021: £7.2m) has not been recognised in respect of accelerated capital allowances, timing differences and losses as the directors believe that there is insufficient evidence that the asset will be recovered in the foreseeable future.

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

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Loans	**62,363**	85,383	-	-
Accruals and deferred income	**5,947**	6,023	-	-
Deferred government grants	**6,770**	8,064	-	-
	75,080	99,470	-	-

Refer to note 23 below for further information.

23. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year	**29,800**	-	-	-
Amounts falling due between two and five years	**34,228**	59,864	-	-
Amounts falling due in more than five years	**28,135**	25,519	-	-
	92,163	85,383	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

23. LOANS (continued)

The long term loan of £29.8m relates to a loan of £30.0m less £0.2m arrangement fees which are amortised over the loan terms. The loan is secured by a debenture giving a fixed charge over all land and other fixed assets and a floating charge over all other assets of the Group. The £30m loan was due to expire on 31 March 2023 and an extension was granted on XX March 2023 for a further 12 months. The facility previously allowed for a further £4m liquidity tranche to be drawn, this was never utilised at any stage and expired on 30 September 2022.

On 29 September 2020, the Company listed 12.5% fixed rate unsecured notes of £28.0m on the International Stock Exchange with a maturity date of 14 August 2024. The balance above includes an accumulated accrued interest of £6.2m (2021: £2.3m).

On 18 September 2019, a subsidiary listed 10% fixed rate unsecured notes of £22.0m on the International Stock Exchange with a maturity date of 18 September 2044. The balance above includes an accumulated accrued interest of £6.1m (2021: £3.5m).

24. CALLED UP SHARE CAPITAL

	2022 £'000	2021 £'000
8,902,204 (2021: 8,902,204) Ordinary shares of £1 each	**8,903**	8,903

25. RESERVES

	Group		Company	
	2022 **£'000**	**2021** **£'000**	**2022** **£'000**	**2021** **£'000**
Share premium	**228**	228	**228**	228
Capital contribution reserve	**304**	304	**-**	-
Other reserves	**19,671**	19,671	**19,671**	19,671
Retained earnings	**(97,722)**	(85,286)	**2,048**	2,070
	(77,519)	(65,083)	**21,947**	21,969

26. RELATED PARTY DISCLOSURES

The Group has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33, "Related Party Disclosures" not to disclose transactions with other wholly owned entities of the Group headed by Liverpool Airport (Intermediate) No.1 Limited on the grounds that all companies within the group are wholly owned subsidiaries of Liverpool Airport (Intermediate) No.1 Limited.

Transactions with the associated undertaking, Doncaster Sheffield Airport Limited, were sales of £2,659,987 (2021: £2,173,000). Amounts owed from Doncaster Sheffield Airport Limited were £2,400 (2021: £4,800) at the end of the financial year and amounts owed to Doncaster Sheffield Airport Limited were £132,293 (2021: £177,642) at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

26. RELATED PARTY DISCLOSURES (continued)

Transactions with the associated undertaking, Peel Advertising Limited, were sales of £23,333 (2021: £140,000). Amounts owed from Peel Advertising Limited were £nil (2021: £112,000) at the end of the financial year.

Transactions with the associated undertaking, Peel Leisure Operations No.1 Limited, were sales of £175,978 (2021: £116,000). Amounts owed from Peel Leisure Operations No.1 Limited were £41,069 (2021: £44,516) at the end of the financial year.

Transactions with the associated undertaking, Peel NRE Solar PV, were costs of £110,000 (2021: nil) which were fully paid by the year end.

Amounts owed to Liverpool City Council were £2,377,880 (2021: £2,377,880) at the end of the financial year.

27. POST BALANCE SHEET EVENTS

Since the balance sheet date, the Group received a total of £6.4m capital injection. On 20 June 2022, the Group received £3.8m for the subscription of shares split evenly £1.9m from Peel and £1.9m from Ancala. On 27 July 2022, the Group received a further £2.6m of which £1.3m from Peel and £1.3m from Ancala. These monies will be used to fund capital expenditure.

3.8million shares (at £1 nominal value) and then a further 2.6million shares (at £1 nominal value) were allocated to Peel and Ancala. No shares were allocated to Liverpool City Council, so the Council shareholding has been diluted.

Previously Peel and Ancala each held 45% of the share capital of the airport and Liverpool City Council the remaining 10%. The new shareholdings are now 47.1% Peel, 47.1% Ancala and 5.8% for Liverpool City Council.

On 18 November 2022 Doncaster Sheffield Airport (DSA) closed following a strategic review of its operations. DSA was one of the three regional UK airports that ATCSL provided services to during the year. Upon closure of DSA airport, the Group entered into a new standby services agreement through to March 2024 which will see the Group being on standby to provide air traffic support and consultancy during this period. The Group will seek a long term replacement for DSA once this standby services agreement ends in March 2024.

The £30m senior debt facility held with the Liverpool City Region Combined Authority was due to expire on 31 March 2023 and an extension was agreed on 9 March 2023 for a further 12 months.

28. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

Liverpool Airport (Intermediate) No.1 Limited is the ultimate parent of the Group. These financial statements are the largest set of Group financial statements in which the Company results are consolidated, copies of which can be obtained from Companies House. It is registered at the same address as shown on the Company Information page.

Liverpool Airport (Intermediate) No.1 Limited is jointly controlled by Peel Investments LJLA (IOM) Limited and Snowball Holdings Bidco Limited who each own 45% of the share capital. Liverpool City Council retains a 10% minority shareholding. Following the share issue outlined in note 27 – post balance sheet events, the new shareholdings are now 47.1% Peel, 47.1% Ancala and 5.8% for Liverpool City Council.