

Anka Borrower Limited
Annual report
for the year ended 31 December 2016



Anka Borrower Limited

Annual report for the year ended 31 December 2016

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Directors and advisers

Directors

H R Meissner
M J P Jacqz
S Springett (resigned 3 November 2016)

Company secretary

SISEC Limited

Registered office

21 Holborn Viaduct
London
United Kingdom
EC1A 2DY

Solicitors

Pinsent Masons Belfast LLP
The Soloist
1 Lanyon Place
Belfast
County Antrim
BT1 3LP

Bankers

Ulster Bank Limited Plc
11-16 Donegall Square East
Belfast
BT1 5UB

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Strategic report for the year ended 31 December 2016**Principal activity**

The Company's principal activity during the year was that of a holding Company. The principal activities of the Company's subsidiary undertakings were that of a holdings Companies, with the exception of Belfast City Airport Limited whose principal activity was handling the arrival and departure of flights to and from Belfast City Airport.

Review of business and future developments

The directors consider the performance of the Company during the year and its financial position at 31 December 2016 to be as expected. The Company will seek every opportunity to improve the performance of the business.

Performance

The directors are committed to long term creation of shareholder value while respecting the environmental aspects of the operation. The strategy adopted to achieve this objective is as follows:

- to increase sales revenue through new and existing route development along with exploring all opportunities for non-aviation revenues;
- to reduce all overhead and operating costs where appropriate;
- to invest in the provision of facilities; and
- to seek to adopt best environmental practice where appropriate.

Principle risks and uncertainties

Performance in this sector is affected by general economic conditions, world terrorism, political instability and environmental conditions.

Key performance indicators

The Company's key performance indicators are as follows:

	2016 £'000	2015 £'000
Turnover	-	-
Operating loss*	(139,724)	(7)

* This is reported after impairment charges of £139,714,000 (£105,672,000 against investments in subsidiary undertakings and £34,042,000 against amount owed by Group undertakings)

Strategic report for the year ended 31 December 2016

Environmental

The Company recognises its corporate responsibilities in carrying out its operations while minimising environmental impacts. The directors seek to:

- adopt best practice;
- comply with all applicable environmental legislation; and
- reduce waste wherever possible.

Health and safety

The Company is committed to achieving the highest practicable standards in health and safety management and to strive to make both operational and administration areas a safe environment for employees, passengers and other staff working at the airport.


Human resources

The Company is an equal opportunity employer, and its policy is to appoint persons on the basis of merit and capability without regard to religious belief, political opinion, sex, marital status, race or colour. It is The Company's policy to offer equal opportunity to disabled persons applying for vacancies, having regard to their aptitudes and abilities in relation to the jobs for which they apply. When an employee becomes disabled every effort is made to ensure continuity of employment. In all instances consideration is given to the provision of appropriate training facilities.

The Company encourages the involvement of employees in its affairs by participation in regular briefings. By these means employees are regularly informed on the progress of the Company, and their views sought on matters which affect them as employees.

The Group takes its responsibility to the community seriously and continues as a leader in Corporate Responsibility.

On behalf of the Board



M Jacqz
Director
26 April 2017

Directors' report for the year ended 31 December 2016

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2016.

Information on the company's business review, future developments, key performance indicators, principal risks, financial risks and employee involvement is included in the strategic report and is included in this report by cross reference.

Results and dividends

The loss for the financial year is £139,724,000 (2015: £7,000). The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors who served during the year, and up to the date of approval of the financial statements, are shown on page 1.

Political donations

No donations were made for political purposes during the year (2015: £nil).

Going concern

The Company has net liabilities of £33,868,000 as at 31 December 2016. In addition on 21 December 2016 the Company's ultimate parent undertaking, Eiser Infrastructure Partners LLP, agreed to sell its portfolio to 3i Investment Plc, which included the Company's parent undertaking, Anka Holdings Limited and its subsidiary undertakings. Whilst the directors have no reason to believe that 3i Investment Plc would not continue to run the Group on a going concern basis and no reason to believe that they would seek repayment of on demand group balances, we are not aware of 3i Investment Plc specific intentions for the group once the purchase is completed. This material uncertainty may cast significant doubt on the Group's and the Company's ability to continue as a going concern. However in light of the cash flow forecasts and the directors' expectations regarding the intentions of 3i Investment Plc the Company's financial statements have been prepared on a going concern basis.

Financial risk management

The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the board.

Liquidity risk

The Company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions.

Interest rate risk

The Company has interest bearing liabilities. Interest bearing liabilities relate to unsecured loan notes. The unsecured loan notes are at a fixed interest rate. The Company has a policy of maintaining the majority of debt at fixed rate to ensure certainty of future interest cash flows.

Directors' report for the year ended 31 December 2016

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual 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 United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 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.

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.

Statement of disclosure of information to auditors


So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- they 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 to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment as auditors will be proposed at the Annual General Meeting.

On behalf of the Board


M Jacqz
Director
26 April 2017

Independent auditors' report to the members of Anka Borrower Limited

Report on the Company financial statements

Our opinion

In our opinion, Anka Borrower Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the company's ability to continue as a going concern. The company relies upon the financial support of other group undertakings and, in the event that these group undertakings withdraw their support following the disposal of the company and no new finance is made available by the new owners, the company would not be in a position to settle those liabilities. These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account for the year then ended
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Independent auditors' report to the members of Anka Borrower Limited

Opinion on other matter 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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:


- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

Independent auditors' report to the members of Anka Borrower Limited

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Brenda Heenan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast

26 April 2017

Profit and loss account for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Turnover	5	-	-
Administrative expenses		(139,724)	(7)
Operating loss before exceptional items		(10)	(7)
Exceptional items	6	(139,714)	-
Operating loss	6	(139,724)	(7)
Loss on ordinary activities before taxation		(139,724)	(7)
Tax on loss on ordinary activities	8	-	-
Loss for the financial year		(139,724)	(7)

All amounts relate to continuing operations.

The Company has no other items of comprehensive income and so no statement of other comprehensive income has been presented.

The notes on pages 12 to 20 form part of these financial statements.

Balance sheet as at 31 December 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Investments	9	-	105,672
		-	105,672
Current assets			
Debtors	10	48,269	82,281
Cash at bank and in hand		3,001	3,032
		51,270	85,313
Creditors: amounts falling due within one year	11	(13)	(4)
Net current assets		51,257	85,309
Total assets less current liabilities		51,257	190,981
Creditors: amounts falling due after more than one year	12	(85,125)	(85,125)
Net (liabilities)/assets		(33,868)	105,856
Capital and reserves			
Called up share capital	15	51,139	51,139
Share premium account		14,000	14,000
Profit and loss account		(99,007)	40,717
Total shareholders' (deficit)/funds		(33,868)	105,856

The notes on pages 13 to 21 are an integral part of these financial statements.

The financial statements on pages 9 to 21 were authorised for issue by the board of directors and were signed on its behalf by:



M Jacqz
Director

26 April 2017

Statement of changes in equity for the year ended 31 December 2016

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 1 January 2015	50,139	-	40,724	90,863
Loss for the financial year	-	-	(7)	(7)
Total comprehensive expense for the year	-	-	(7)	(7)
Total transactions with owners recognised directly in equity	1,000	14,000	-	15,000
Balance as at 31 December 2015	51,139	14,000	40,717	105,856

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' funds/(deficit) £'000
Balance as at 1 January 2016	51,139	14,000	40,717	105,856
Loss for the financial year	-	-	(139,724)	(139,724)
Total comprehensive expense for the year	-	-	(139,724)	(139,724)
Arising on the issue of share capital	-	-	-	-
Total transactions with owners recognised directly in equity	-	-	-	-
Balance as at 31 December 2016	51,139	14,000	(99,007)	(33,868)

Cash flow statement for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Net cash generated from operating activities	16	(31)	(5)
Cash flow from investing activities			
Investment in subsidiary undertaking		-	(15,000)
Amounts advanced to subsidiary undertakings		-	(15,000)
Net cash used in investing activities		-	(30,000)
Cash flow from financing activities			
Issue of share capital		-	15,000
Amounts advanced by Group undertakings		-	18,000
Net cash generated from financing activities		-	33,000
Net (decrease)/ increase in cash in the year		(31)	2,995
Cash at bank and in hand at the beginning of the year		3,032	37
Cash at bank and in hand at the end of the year		3,001	3,032

Notes to the financial statements for the year ended 31 December 2016

1 General information

Anka Borrower Limited ('the Company') operates in aviation, handling the arrival and departure of flights to and from Belfast City Airport, concessions, car park revenues and property rentals.

The Company is a private Company limited by shares and is incorporated in the United Kingdom. The address of its registered office is 21 Holborn Viaduct, London, United Kingdom, EC21A 2DY.

2 Statement of compliance

The Company and Company financial statements of Anka Borrower Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006

3 Accounting policies

The principal accounting policies applied in the preparation of these and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

Going concern

The Company has net liabilities of £33,868,000 as at 31 December 2016. In addition on 21 December 2016 the Company's ultimate parent undertaking, Eiser Infrastructure Partners LLP, agreed to sell its portfolio to 3i Investment Plc, which included the Company's parent undertaking, Anka Holdings Limited and its subsidiary undertakings. Whilst the directors have no reason to believe that 3i Investment Plc would not continue to run the Group on a going concern basis and no reason to believe that they would seek repayment of on demand group balances, we are not aware of 3i Investment Plc specific intentions for the group once the purchase is completed. This material uncertainty may cast significant doubt on the Group's and the Company's ability to continue as a going concern. However in light of the cash flow forecasts and the directors' expectations regarding the intentions of 3i Investment Plc the Company's financial statements have been prepared on a going concern basis.

Notes to the financial statements for the year ended 31 December 2016**3 Accounting policies (continued)****Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the financial statements for the year ended 31 December 2016**3 Accounting policies (continued)****Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Investments

Investment in subsidiary undertakings are held at cost less accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Provisions and contingencies*(i) Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Notes to the financial statements for the year ended 31 December 2016**3 Accounting policies (continued)****Provisions and contingencies**

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances and are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group Companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements for the year ended 31 December 2016**3 Accounting policies (continued)****Financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

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

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company financial statements.

4 Critical accounting judgements and estimation uncertainty

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4 Critical accounting judgements and estimation uncertainty**(a) Critical judgements in applying the company's accounting policies**

There are no critical judgements in applying the company's accounting policies.

(b) Key accounting estimates and assumptions

There are no critical accounting estimates or judgements.

5 Turnover

All of the Company's activities are carried out in the United Kingdom.

Notes to the financial statements for the year ended 31 December 2016

6 Operating loss

Operating loss is stated after charging:

	2016 £'000	2015 £'000
Fees payable to the Company's auditor for the audit of the financial statements	1	1
Fees payable to the Company's auditor for taxation services	1	1
Total amount payable to the Company's auditor and its associates	2	2
Impairment charge against investments in subsidiary undertakings	105,672	-
Impairment charge against amounts due from subsidiary undertakings	34,042	-
	139,714	-

7 Employee and directors

The Company had no employees other than directors (2015: nil). The directors were not remunerated for their services to the Company (2015: £nil).

8 Tax on loss on ordinary activities**(a) Tax expense included in profit or loss**

The Company has no current or deferred tax charge for the year (2015: £nil).

(b) Reconciliation of tax charge

Tax assessed for the year is higher (2015: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20% (2015: 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Loss on ordinary activities before tax	(139,724)	(7)
Loss on ordinary activities before tax at 20% (2015: 20.25%)	(27,945)	(1)
Effects of:	-	-
Expenses not tax deductible	27,943	-
Group relief not paid	2	1
Tax charge for the year	-	-

(c) Tax rate changes

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation Tax rate which decreased from 21% to 20% from 1 April 2015. Accordingly the company's taxable profits are taxed at a rate of 20% during the year.

Further reductions to the UK Corporation Tax rate were substantively enacted as part of the Finance Act 2016. These reduce the main rate of tax to 19% from 1 April 2017 and to 17% from 1 April 2020. The deferred tax assets and liabilities reflect these rates.

Notes to the financial statements for the year ended 31 December 2016

9 Investments

Cost	Investments in subsidiary undertakings £'000
At 1 January 2016 and at 31 December 2016	105,672
Accumulated impairment	
At 1 January 2016	-
Impairment charge	105,672
At 31 December 2016	105,672
Net book amount	
At 31 December 2016	-
At 31 December 2015	105,672

On 21 December 2016 the group's owners entered an agreement to sell all of the companies within the Anka group to 3i Investment Plc. As a result of this an impairment review was undertaken on the company's investment in its subsidiary undertakings. The impairment review was carried out on the basis of comparing carrying value of the company's investment to fair value less costs to sell. The fair value less costs to sell was determined based on the agreed selling price of the Anka group and there were no key estimates/judgements made in this determination.

As a result the company booked an impairment charge of £139,714,000 (£105,672,000 against its investment in its subsidiary undertakings and a provision against amounts due from group undertakings of £34,042,000).

10 Debtors

	2016 £'000	2015 £'000
Amounts owed by Group undertakings	48,268	82,280
Prepayments and accrued income	1	1
	48,269	82,281

Amounts owed by Group undertaking are repayable on demand and bear interest at 12.15%. During the year ended 31 December 2016, the Company waived the right to receive interest.

11 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to Group undertakings	12	3
Accruals and deferred income	1	1
	13	4

Amounts owed to Group undertaking are repayable on demand and bear interest at 12%. Interest payable for the year ended 31 December 2016 was waived in full.

Notes to the financial statements for the year ended 31 December 2016

12 Creditors: amounts falling due after more than one year

	2016	2015
	£'000	£'000
Unsecured loan notes	85,125	85,125

During the year ended 31 December 2016, the loan note holder, EISER Infrastructure Limited, waived the right to receive interest from the date of issue of the loan notes.

13 Deferred tax

A deferred tax asset of £nil (2015: £1,000) has not been recognised as it is not considered to be recoverable in the foreseeable future. The deferred tax asset will be recognised when its recoverability is considered to be more likely than not.

14 Financial instruments

The Company has the following financial instruments:

	2016	2015
	£'000	£'000
Financial assets measured at amortised cost		
- Cash at bank and at hand	3,001	3,032
- Amounts owed by Group undertakings	48,268	82,280
	51,269	85,312

	2016	2015
	£'000	£'000
Financial liabilities measured at amortised cost		
- Amounts owed to Group undertakings	12	3
- Accruals	1	1
- Unsecured loan notes	85,125	85,125
	85,138	85,129

15 Called up share capital

	2016	2015
	£	£
Allotted and fully paid		
51,139,000 (2015: 51,139,000) ordinary shares of £1 each	51,139	51,139
	51,139	51,139

Notes to the financial statements for the year ended 31 December 2016

16 Notes to the cash flow statement

	2016 £'000	2015 £'000
Loss for the financial year	(139,724)	(7)
Impairment charge	139,714	-
Movement in debtors	(30)	-
Movement in creditors	9	2
Cash outflow from operating activities	(31)	(5)

17 Related party transactions

Under FRS 102 the Company is exempt from disclosing related party transactions as they are with other Companies that are wholly owned within the Company.

18 Ultimate controlling party

The immediate parent undertaking is Anka Holdings Limited. The ultimate controlling party is EISER Infrastructure Partners LLP, a Company incorporated in England and Wales.

EISER Infrastructure Partners LLP acts as attorney on behalf of EISER Global Infrastructure Fund ("the Fund"). The Fund consists of five English Partnerships: EISER Infrastructure Capital Equity Partners 1-A, EISER Infrastructure Capital Equity Partners 1-B, EISER Infrastructure Capital Equity Partners 1-C, EISER Infrastructure Capital Equity Partners 1-D and EISER Infrastructure Co-Investment Partners 1, L.P. (the "Partnerships") as Limited Partnerships in the Fund under the Limited Partnerships Act 1907.

The only Group of undertakings for which Group financial statements are drawn up and of which the Company is a member is Anka Holdings Limited.

19 Subsidiary undertakings

The Company's subsidiary undertakings are:

Name	Country of incorporation	Principal activity	%	Share ownership
				Class
Anka Finance Limited	21 Holborn Viaduct, London, England	Holding Company	100	Ordinary shares of £1 each
Anka Acquisition Limited (*)	21 Holborn Viaduct, London, England	Holding Company	100	Ordinary shares of £1 each
Belfast City Airport Limited (*)	Sydenham Bypass, Belfast, Northern Ireland	Airport Handler	100	Ordinary shares of £1 each

(*) held indirectly