AMP CAPITAL INVESTORS CROWN BIDCO LIMITED

ANNUAL REPORT AND INDEPENDENT AUDITOR'S REPORT
AS AT 31 DECEMBER 2020

Board of Directors
Adam James Petrie
Philip Pacey (resigned 30 November 2020)
Graeme Ferguson (appointed 1 December 2020)

Investment Manager
AMP Capital Investors (UK) Limited
Level 6, Berkeley Square House
Berkeley Square
London
W1J 6BZ

Administrator
MUFG Alternative Fund Services (Jersey) Limited
1st Floor, 2 Hill Street
St Helier
Jersey JE1 4FS

Custodian
Mitsubishi UFJ Investor Services & Banking
(Luxembourg) S.A.
287-289, Route d'Arlon
L-1150 Luxembourg
Grand Duchy of Luxembourg

The International Stock Exchange Listing Sponsor
Carey Olsen Corporate Finance Limited
47 Esplanade
St Helier
Jersey JE1 0BD

Independent Auditor
Ernst & Young S.A.
35E avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal Advisers
Allen & Overy LLP
One Bishops Square
London E1 6AD

Company Registration Number
11296348 (England and Wales)

The Directors submit their strategic report for the year ended 31 December 2020.

Introduction
The Company was incorporated on 6 April 2018. On 26 June 2018, the Company purchased 49% of London Luton Airport ("LLA").

Principal Activity and Review of Business
The principal business activity of the Company is to act as the holding company of the 49% stake in LLA. LLA is the fifth largest airport in the UK. Located 29 miles north of London, the airport is operated under a concession agreement with Luton Borough Council.

LLA has a large catchment area of 23 million people living within a two-hour drive. The airport operates from a single terminal and runway. In 2020, LLA flew 5.473 million passengers and generated £91.2 million. The airport generates its revenue from aeronautical activities, commercial, car parking and rental activities. LLA primarily serves the European short-haul leisure market with its main airlines, easyJet and Wizz Air and Ryanair.

Financial Highlights
The key financial highlights of the Company are as follows:

	Year ended 31 December 2020 GBP	**Year ended 31 December 2019 GBP**
Income	3,829,125	49,302,718
Total comprehensive (loss)/income for the year	(89,698,804)	45,500,404
Total balance sheet	323,171,572	409,051,581

Risks associated with the business
The principal risks associated with the Company are inherently linked to the principal risks of LLA being safety and security, environmental and noise management, changes in demand, industrial relations and Brexit, together with liquidity, credit and financial instruments risks.

Safety and Security Risk
Drone activity and sightings over airfields have been issues of national interest, with the UK Government agencies including the Department for Transport and the Ministry of Defence involved in monitoring the situation. LLA works closely with government agencies and the police on security measures.

Environmental and Noise Risk
With an increasing focus on Environmental, Social and Governance (ESG) matters, LLA is taking action to reduce its environmental footprint including through the use of environmental management systems and energy management systems which allow it to identify, manage, monitor and control environmental and energy issues.

Airlines at LLA are now committing to the early introduction of the new generation of quieter "neo-type" aircraft, which will reduce the airport's noise impact.

Changes in demand
Long-term changes in passenger demand for services out of LLA could adversely impact operational and financial performance of the airport.

Industrial relations
Industrial action by LLA employees affecting critical services or industrial action within key suppliers (e.g. air traffic controllers) or key clients (e.g. airlines) of the airport could adversely impact the operational and financial performance of the airport.

COVID-19
The COVID-19 pandemic continues to result in authorities taking numerous measures to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter in place orders, and limitations on business activity.

Credit Risk
The Company's principal financial assets are bank balances and cash together with financial assets. The Company has no significant credit risk.

Liquidity Risk
In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the Company uses long term debt finance. The interest-bearing loan payable relates to 8% unsecured loan notes is payable on 26 June 2027.

Approved on behalf of the Board

Director:

Date: 6 July 2021

The Directors submit their report and the audited financial statements of AMP Capital Investors Crown Bidco Limited (the "Company") for the year ended 31 December 2020.

Incorporation
The Company was incorporated as a private company in the United Kingdom on 6 April 2018 with registration number 11296348.

On 18 September 2018, Unsecured Loan Notes issued by the Company amounting to GBP 46,383,972, bearing a fixed interest rate of 8% and maturing in 2027, were listed on The International Stock Exchange.

Principal Activity
The Company holds 49% of the shares in London Luton Airport, the fifth largest airport in the United Kingdom.

Results and Dividends
The results for the year are set out on page 6. There was no dividend paid during the year (2019: GBP 18,389,320). No final year dividend is being recommended by the board.

Going Concern
The financial statements have been prepared by assuming that the Company will continue as a going concern. AMP Capital Investors (European Infrastructure No. 5) S.à r.l., an indirect shareholder of the Company, has subscribed to a facility agreement on 1 March 2021. Furthermore, the GIF II structure has uncalled commitments of USD 1,201,449,324. Due to the above, the Company does not rely on potential proceeds from LLA to continue as a going concern. Consequently, there is currently no condition that raise substantial doubt about the Company's ability to continue as going concern. The financial statements as of 31 December 2020 of the Company have therefore been drawn up using the going concern assumption.

COVID-19
The COVID-19 pandemic to result in authorities taking numerous measures to contain the spread and impact of COVID-19, such as travel bans and restrictions, quarantines, shelter in place orders, and limitations on business activity, including closures. These measures may continue to, among other things, severely restrict global economic activity, which can disrupt supply chains, lower asset valuations, significantly increase unemployment and underemployment levels, decrease liquidity in markets for certain securities and cause significant volatility and disruption in the financial markets.

Towards the end of the first quarter of 2020 the pandemic began to impact the Company's underlying assets. While global financial markets have recovered to varying degrees since then, the effects of the pandemic are ongoing, and such impact may continue in future quarters if conditions persist or worsen. Should current economic conditions persist or deteriorate, there may be an ongoing adverse effect on our business, including our operations and financial condition, as a result of government-imposed restrictions, laws and regulations.

The extent to which COVID-19, and the related global economic crisis, affect the Company business, results of operations and financial condition, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and any recovery period following the vaccination campaign, future actions taken by governmental authorities, central banks and other third parties (including new financial regulation and other regulatory reform) in response to the pandemic.

Directors
The Directors of the Company, who held office during the year and up to the date of signing the Financial Statements, are shown on page 1.

Independent Auditor
Ernst & Young S.A. was appointed as auditor of the Company and have expressed their willingness to continue in office.

Directors' indemnities
The Directors have each entered into individual deeds of indemnity with AMP Group Holdings Limited which indemnify the Directors to the maximum extent permitted by law. Each such provision constitutes a 'qualifying third-party indemnity provision' for the purposes of the Companies Act 2006. These provisions are in force for the benefit of the Directors at the date of this report, and during the financial year to which this report relates.

Political donations
No political donations were made during the year (2019: GBP Nil).

Management of risk
Risk related disclosures which would otherwise be required to be disclosed in the Directors Report can be found in the Strategic Report.

Research and Development Activities
The Company does not undertake formal research and development activities.

Directors' Responsibilities
The Directors is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards and applicable law. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and appropriate;
- state whether applicable accounting standards have been followed; 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 applicable law. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Company's operations expose it to a variety of risks related to financial instruments that include the effect of credit risk, liquidity risk and market risk as disclosed in Note 13 to the financial statements in detail. The Company has implemented policies that require appropriate identification, measurement and monitoring of such risks. The Company's investment guidelines has set out its overall business strategy, tolerance for risk and risk management philosophy. The Directors are responsible for identifying and controlling risks and for implement risk policies.

Directors' Responsibilities (continued)
So far as each of the Directors is aware, at the time this report is approved:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors confirm compliance with the above requirements in preparing the financial statements.

Approved on behalf of the Board

Director

Date: 6 July 2021

Ernst & Young
Société anonyme

35E, Avenue John F. Kennedy
L-1855 Luxembourg

Tel: +352 42 124 1

www.ey.com/en_lu

B.P. 780
L-2017 Luxembourg

R.C.S. Luxembourg B 47 771
TVA LU 16063074

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Independent auditor's report

To the Board of Directors of
AMP Capital Investors Crown Bidco Limited
3rd Floor, 11-12 James's Square
SW1Y 4LB – London
United Kingdom

Opinion

We have audited the financial statements of AMP Capital Investors Crown Bidco Limited (the "Company"), which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 to the financial statements which indicates that the independent auditor of London Luton Airport Holdings III ("LLA Parent"), which is an indirect investment of the Company, highlights in an additional paragraph of its audit report dated on 19 February 2021 that the ability of London Luton Group ("LLA") comprising London Luton Airport Operations Limited, London Luton Airport Group Limited, London Luton Airport Holdings I Limited, London Luton Airport Holdings II Limited and London Luton Airport Holdings III Limited to continue as a going concern is dependent on the lender not calling in the amount owing should LLA and LLA Parent breach its financial covenants. According to the independent auditor of LLA, these events and conditions constitute a material uncertainty that may cast significant doubt on LLA and LLA Parent's ability to continue as a going concern. LLA is currently in discussions with the lenders for loan covenant test waivers for 2021. We also draw attention to the Note 2.1 – Going concern to the financial statements that this is not impacting the going concern assumption used when drawing up the financial statements of the Company as of 31 December 2020. Our opinion is not modified in respect of these matters.

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Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Strategic Report and in the Directors' report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the Board of Directors determines 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 Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" 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 a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

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As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Ernst & Young

Ernst & Young

Luxembourg, 6 July 2021

AMP CAPITAL INVESTORS CROWN BIDCO LIMITED
Statement of Comprehensive Income
For the Year Ended 31 December 2020

	Note	Year ended 31 December 2020 GBP	Year ended 31 December 2019 GBP
Income			
Dividend income	3	-	10,192,000
Loan interest income	5	3,823,788	3,710,718
Unrealised gain on financial assets at fair value through profit or loss	3	-	35,400,000
Realised foreign exchange gain		408	-
Other income		4,929	-
Total Income		3,829,125	49,302,718
Expenses			
Unrealised loss on financial assets at fair value through profit or loss	3	(89,623,788)	-
Loan interest expense	10	(3,809,443)	(3,710,718)
Accounting fees	7	(4,648)	(8,100)
Audit fees		(37,222)	(21,303)
Professional fees		(26,710)	(1,200)
Other expenses		(1,366)	(1,705)
Unrealised foreign exchange loss		(24,752)	(59,288)
Total Expenses		(93,527,929)	(3,802,314)
(Loss)/Profit for the financial year before tax		(89,698,804)	45,500,404
Tax expense	12	**-**	**-**
(Loss)/Profit for the financial year after tax		**(89,698,804)**	**45,500,404**
Other comprehensive income		**-**	**-**
Total Comprehensive (Loss)/Income for the Year		**(89,698,804)**	**45,500,404**

These financial statements were approved by the Board of Directors and signed on its behalf by:

Director

Date: 6 July 2021

The accompanying notes and the attached financial statements of the Company are an integral part of these financial statements

AMP CAPITAL INVESTORS CROWN BIDCO LIMITED
Statement of Financial Position
As at 31 December 2020

	Note	31 December 2020 GBP	31 December 2019 GBP
ASSETS			
Current Assets			
Cash and cash equivalents	8	196,123	251,430
Receivable	6	4,944,893	1,145,807
Total Current Assets		**5,141,016**	**1,397,237**
Non-Current Assets			
Financial assets at fair value through profit or loss	3	271,646,584	361,270,372
Loans receivable	5	46,383,972	46,383,972
Total Non-Current Assets		**318,030,556**	**407,654,344**
TOTAL ASSETS		**323,171,572**	**409,051,581**
EQUITY AND LIABILITIES			
Equity			
Share capital	9	3,140,736	3,140,736
Share premium	9	310,932,840	310,932,840
Retained earnings		(41,470,858)	48,227,946
Total Equity		**272,602,718**	**362,301,522**
Non-Current Liabilities			
Loans payable	10	46,383,972	46,383,972
Total Non-Current Liabilities		**46,383,972**	**46,383,972**
Current Liabilities			
Other payables	11	4,184,882	366,087
Total Current Liabilities		**4,184,882**	**366,087**
Total Liabilities		**50,568,854**	**46,750,059**
TOTAL EQUITY AND LIABILITIES		**323,171,572**	**409,051,581**

These financial statements were approved by the Board of Directors and signed on its behalf by:

Director

Date: 6 July 2021

The accompanying notes and the attached financial statements of the Company are an integral part of these financial statements

	Share Capital GBP	Share Premium GBP	Retained Earnings GBP	Total GBP
Balance at 1 January 2019	3,140,736	310,932,840	21,116,862	335,190,438
Profit for the year	-	-	45,500,404	45,500,404
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	45,500,404	45,500,404
Dividends paid during the year	-	-	(18,389,320)	(18,389,320)
Balance at 31 December 2019	**3,140,736**	**310,932,840**	**48,227,946**	**362,301,522**
Balance at 1 January 2020	3,140,736	310,932,840	48,227,946	362,301,522
Loss for the year	-	-	(89,698,804)	(89,698,804)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(89,698,804)	(89,698,804)
Balance at 31 December 2020	**3,140,736**	**310,932,840**	**(41,470,858)**	**272,602,718**

The accompanying notes and the attached financial statements of the Company are an integral part of these financial statements

	Note	Year ended 31 December 2020 GBP	Year ended 31 December 2019 GBP
Cash flows from operating activities:			
External expenses paid		(61,250)	(25,652)
Short term loan to related parties - advances made		(178,000)	(800,151)
Short term loan to related parties - reimbursements		178,000	-
Short term loan from related parties - advances received	11	5,535	-
Net Cash Outflow from Operating Activities		(55,715)	(825,803)
Cash flows from investing activities:			
Dividend income received		-	10,192,000
Loan interest received		-	3,710,718
Net Cash Inflow from Investing Activities		-	13,902,718
Cash flows from financing activities:			
Loan interest paid		-	(5,286,502)
Dividends paid to shareholders		-	(18,389,320)
Net Cash Outflow from Financing Activities		-	(23,675,822)
Net decrease in cash and cash equivalents		(55,715)	(10,598,907)
Cash and cash equivalents at the beginning of the year		251,430	10,909,625
Effect of exchange rate on cash and cash equivalents		408	(59,288)
Cash and cash equivalents at the end of the year	8	**196,123**	**251,430**

1. Organisation

AMP Capital Investors Crown Bidco Limited (the "Company") is a private company incorporated in the United Kingdom on 6 April 2018. On 12 April 2019, the Company's registered office changed from 4th Floor, Berkely Square House, Berkeley Square, London, United Kingdom, W1J 6BX to 3rd Floor, 11-12 James's Square, London SW1Y 4LB.

The financial statements were authorised for issue by the Directors on 6 July 2021.

2. Significant Accounting Policies

2.1 Basis of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss ("FVPL"). In accordance with paragraph 18 of IAS 28 *Investments in Associates and Joint Ventures,* the Company elected to measure its investment in associate at FVPL in accordance with IFRS 9 *Financial Instruments* ("IFRS 9") (see Note 2.2).

The financial statements are presented in British Pounds (GBP). The Company's financial year starts on 1 January and ends on 31 December of each year.

Going Concern

The financial statements have been prepared by assuming that the Company will continue as a going concern. AMP Capital Investors (European Infrastructure No. 5) S.à r.l., an indirect shareholder of the Company, has subscribed to a facility agreement on 1 March 2021. Furthermore, the GIF II structure has uncalled commitments of USD 1,201,449,324. Due to the above, the Company does not rely on potential proceeds from LLA to continue as a going concern. Consequently, there is currently no condition that raise substantial doubt about the Company's ability to continue as going concern. The financial statements as of 31 December 2020 of the Company have therefore been drawn up using the going concern assumption.

New and amended standards and interpretations

The Company applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

2. Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

New and amended standards and interpretations (continued)

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Company.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

This amendment had no impact on the financial statements of the Company as the Company does not have any leases.

Standards issued but not yet effective

There are certain standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company intends to adopt applicable standards when they become effective. However, none of these standards is expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

2. Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

Standards issued but not yet effective (continued)

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Company

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments is not applicable to the Company.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The amendments are not expected to have a material impact on the Company.

2. Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)
Standards issued but not yet effective (continued)
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
The changes in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The amendments are effective for annual reporting periods beginning on or after 1 January 2021. The amendments are not expected to have a material impact on the Company.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date
The final amendments, issued by the IASB on January 23, 2020, in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the Company.

Amendments to IAS 8 Accounting policies, Changes in Accounting
Estimates and Errors: Definition of Accounting Estimates

The International Accounting Standards Board (IASB) has published 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the Company.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The International Accounting Standards Board (IASB) has published 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The amendments are not expected to have a material impact on the Company.

Significant accounting judgements and estimates
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

2. Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)
Significant accounting judgements and estimates (continued)
(i) Use of estimates, judgements and assumptions
The making of judgements, estimates and assumptions is a necessary part of the financial reporting process and these judgements, estimates and assumptions can have a significant effect on the reported amounts in the financial statements. Estimates and assumptions are determined based on information available at the time of preparing the financial statements and actual results may differ from these estimates and assumptions. Had different estimates and assumptions been adopted, this may have had a significant impact on the financial statements. Significant accounting judgements, estimates and assumptions are re-evaluated at each reporting date in the light of historical experience and changes to reasonable expectations of future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(ii) Fair value of investments not quoted in an active market
The fair value of securities that are not quoted in an active market is determined by using widely accepted valuation techniques to determine fair values for financial instruments. These techniques include using exchange traded prices, market comparables, suitable indices, valuation of the sum of the parts on refinance and the discounted cash flow model. The models used to determine fair values are validated and periodically reviewed by the Directors. The inputs in the discounted cash flow models include unobservable inputs which are the projected cash flows of the relevant portfolio company and the risk premium for liquidity and credit risk that are incorporated into the discount rate. However, the discount rates used for valuing unlisted securities are determined based on available market information for other entities operating in the same industry for which market performance is observable (see Note 4).

The Directors use models to adjust the observed performance to reflect the actual debt/equity financing structure of the specific investment or additional fair value adjustments.

2.2 Financial instruments
(i) Classification
In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets measured at fair value through profit or loss ("FVPL")
A financial asset is measured at fair value through profit or loss if:
- Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category:
- *Equity instruments*: Included within equity instruments is the investment in associate.
  - Investment in associate: An associate is an entity over which an investor has significant influence, being the power to participate in the financial and operating policy decisions of the investee (but no control or joint control). In accordance with the exemption in paragraph 18 of IAS 28 *Investments in Associates and Joint Ventures*, the Company does not account for its investment in associate using the equity method. Instead, the Company has elected to measure its investment in associate at FVPL in accordance with IFRS 9.

2. Significant Accounting Policies (continued)

2.2 Financial instruments (continued)

(i) Classification (continued)

The Company does not have any debt instruments or equity instruments measured at fair value through OCI. Therefore, the policy above does not further discuss such classification.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. As at 31 December 2020, the Company includes its cash, loans and interest receivable in this category.

Financial liabilities measured at FVPL

A financial liability is measured at FVPL if it meets the definition of held for trading or designated at initial recognition as measured at FVPL.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at FVPL. The Company classified its loans payable, loan interest payable and other payables in this category.

(ii) Recognition

The Company recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

(iii) Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at FVPL, at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Subsequent changes in the fair value of the financial instruments at FVPL are recognised in the Statement of Comprehensive Income.

Debt instruments, other than those classified as at FVPL, are measured at amortised cost using the effective interest rate (the "EIR") method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

2. Significant Accounting Policies (continued)

2.2 Financial instruments (continued)

(iv) Subsequent measurement (continued)

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Directors estimate cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Impairment

The Company records an allowance for Expected Credit Losses ("ECLs") for all loans and other debt financial assets not held at FVPL. ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("12mECL").

The 12mECL is the portion of LTECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Overview of the ECL principles

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECL.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECL.
- Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECL.

For debt instruments at amortised cost, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Significant Accounting Policies (continued)

2.2 Financial instruments (continued)
(iv) Subsequent measurement (continued)
Calculation of ECL
The Company calculates ECL based on four probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:
- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan. It is usually expressed as a percentage of the EAD.

(v) Derecognition
A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:
- Transferred substantially all of the risks and rewards of the asset; or
- Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset as at the end of the reporting period.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

(vi) Fair value estimation
Ordinarily, the Company's valuation model technique for its assets follows the methodology of AMP Capital Asset Valuation Policy, which uses a range of widely accepted valuation techniques to determine fair values for equity and debt instruments. These techniques include using traded prices, market comparables, suitable indices, valuation of the sum of the parts on refinance and the discounted cash flow model.

External valuation experts value all the investments, except for the recent acquisition kept at cost or valued using roll-forward Internal Rate of Return. The impact of COVID-19 has been taken into account in all the valuations.

2. Significant Accounting Policies (continued)

2.3 Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured and presented using the currency of the primary environment in which it operates (the "functional currency"). This is the British Pounds (GBP), which is based on the principal investment which is denominated in GBP.

(ii) Foreign exchange translation

Assets and liabilities denominated in foreign currencies are translated into GBP at the exchange rates ruling at the reporting date. Transactions in foreign currencies are translated into GBP at the exchange rates ruling at the dates of the transactions. Gains and losses on foreign exchange transactions are recognised in the Statement of Comprehensive Income in determining the result for the year ended 31 December 2020.

2.4 Offsetting financial instruments

The Company is eligible to present net on the Statement of Financial Position certain financial assets and liabilities. As at 31 December 2020, the Company did not hold any financial assets or liabilities, balances due to brokers or cash collateral that are subject to offsetting under IFRS. Therefore the quantitative disclosures required under IFRS 7 are not presented in the financial statements.

2.5 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include deposits held at call with a bank or financial institution with an original maturity date of three months or less. Cash and cash equivalents also include highly liquid investments which are readily convertible to cash on hand at the Directors' option and which the Directors use in their day to day management of the Company's cash requirements. The carrying value of cash and cash equivalents approximates its fair value.

2.6 Payables and accrued expenses

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. Payables are measured at amortised cost. Amounts are generally paid within 30 to 60 days of being recognised as payables. Given the short-term nature of most payables, their carrying amounts approximate their fair values.

2.7 Professional expenses

Professional expenses are costs incurred on a regular basis for fees paid to regulatory bodies and fees paid to agents for carrying out the duties on behalf of the Company for regulatory and compliance purposes. These costs are immediately recognised in the Statement of Comprehensive Income as an expense.

2.8 Current and deferred taxation

Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the end of the reporting period, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2.9 Share capital

In accordance with IAS 32, all the shares have been classified as equity as no cash obligation for principal nor for coupon or dividends exists.

3. Financial Assets at Fair Value through Profit or Loss

	2020 GBP	2019 GBP
Equity instruments		
Investment in associate	271,646,584	361,270,372
Total financial assets at fair value through profit or loss	**271,646,584**	**361,270,372**
Unrealised (loss)/gain on financial assets at fair value through profit or loss	(89,623,788)	35,400,000
Net change in fair value	**(89,623,788)**	**35,400,000**

On 26 June 2018, the Company completed the acquisition of 49% of the shares in London Luton Airport Holdings III Limited, represented by 48,314,000 shares.

The Company holds an interest in the entity below. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Ownership		Nature of relationship	Measurement method	Fair value	
	2020	2019			2020	2019
	%	%			GBP	GBP
London Luton Airport Holdings III Limited	49	49	Associate[1]	FVPL	271,646,584	361,270,372

[1]London Luton Airport Holdings III Limited is a private company incorporated and domiciled in the United Kingdom on 11 November 2013. Its principal activity is the operation and management of London Luton Airport. There is no restriction of distributions and no share commitments between London Luton Airport Holdings III Limited and its holdings entities.

The independent auditor of London Luton Airport Holdings III ("LLA Parent"), which is an indirect investment of the Company, raised the opinion on 19 February 2021 that the ability of London Luton Group ("LLA") comprising London Luton Airport Operations Limited, London Luton Airport Group Limited, London Luton Airport Holdings I Limited, London Luton Airport Holdings II Limited and London Luton Airport Holdings III Limited to continue as a going concern is dependent on the lender not calling in the amount owing should LLA and LLA Parent breach its financial covenants.

The Directors of the Company has assessed the impact of this matter when drawing up the financial statements of the Company as of 31 December 2020 and noted no issue that the financial statements as of 31 December 2020 of the Company are drawn up on a going concern basis.

During the year, the Company did not receive any dividend income (2019: GBP 10,192,000).

4. Fair Value of Financial Instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

4. Fair Value of Financial Instruments (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes observable requires significant judgement by the Board of Directors. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table shows financial instruments recognised at fair value:

	Fair Value as of 31 December 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets	**GBP**	**GBP**	**GBP**	**GBP**
Equity instruments				
Investment in London Luton Airport	-	-	271,646,584	271,646,584
	-	-	**271,646,584**	**271,646,584**

	Fair Value as of 31 December 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets	**GBP**	**GBP**	**GBP**	**GBP**
Equity instruments				
Investment in London Luton Airport	-	-	361,270,372	361,270,372
	-	-	**361,270,372**	**361,270,372**

There were no transfers into or out of Level 3 during the year ended 31 December 2020.

The following table shows a reconciliation of all movements in the fair value of financial assets categorised with Level 3 between the beginning and the end of the reporting period.

	2020	**2019**
	GBP	**GBP**
Balance at the beginning of year	361,270,372	325,870,372
Purchases		-
Change in unrealised (loss)/gain	(89,623,788)	35,400,000
Balance at the end of year	**271,646,584**	**361,270,372**
Total gains and losses for the year included in profit or loss for assets held at the end of the reporting period	**(89,623,788)**	**35,400,000**

The Company's holding is classified as Level 3 and consists of equity investments. The Investment Manager takes into account all aspects of the underlying investment's position when valuing the instrument using net present value and of estimated future cash flows. The Investment Manager also considers other liquidity, credit and market risk factors and adjusts the valuation accordingly as fair value. See sensitivity analysis included in Note 13.

Due to the lack of observable inputs, the assumptions made by the Board of Directors of the Company may significantly impact the resulting fair value and therefore the results of operations. Given the complexity and the number of assumptions used in the valuation model, the Board of Directors of the Company integrates a large part of market data available on the sector and uses the financial information obtained directly from the asset in order to determine any impacts it may have on the accounts.

4. Fair Value of Financial Instruments (continued)

In accordance with AMP Capital's Valuation Policy, the independent valuer has completed an independent valuation of AMP Capital's managed investment in Luton Airport, as at 31 December 2020. In response to the continued impact of COVID-19, the cash flow forecasts used for the December 2020 valuation have been adjusted. This has included a revision to passenger volumes; and an update to 2021 cash flows to reflect the board approved budget.- Based on discussions with independent valuers, we understand that the approach adopted on the passenger recovery is broadly consistent with assumptions adopted by other market participants in their valuation of privately owned airports and it leads to a fair value unrealized adjustment of GBP 89 million.

The valuation model is built using two main approaches:

- income approach as primary approach, discounting cash flows to equity at an appropriate cost of equity derived using CAPM.
- Market approach to cross-check DCF valuation as secondary approach.

5. Loans Receivable

	2020	**2019**
	GBP	**GBP**
Interest-bearing loan receivable	46,383,972	46,383,972
	46,383,972	**46,383,972**

The interest-bearing loan receivable relates to 8% unsecured loan notes due on 25 November 2023 issued by London Luton Airport Holdings II Limited. During the year ended 31 December 2020, the Company recognised an interest income of GBP 3,823,788 (2019: GBP 3,710,718), GBP 4,169,444 (2019: GBP 345,656) remained outstanding at the end of the year. The loan interest is currently being compounded (Note 6). The fair value of the loan is GBP 58,576,336.

Due to the airport sector being severely being hit by the Covid-19 pandemic, a significant increase in the credit risk occurred. Consequently, the loan has been transferred from Stage 1 to Stage 2. For further details, please refer to Note 13.

6. Receivable

	2020	**2019**
	GBP	**GBP**
Interest-income (Note 5)	4,169,444	345,656
Short-term loan to AMP Capital Investors (European Infrastructure No. 5) S.à r.l.	775,449	800,151
	4,944,893	**1,145,807**

7. Fees and Expenses

Accounting Fees
MUFG Alternative Fund Services (Jersey) Limited and MUFG Fund Services (Ireland) Limited (the "Administrators") have been appointed to provide administration services to the Company. The Administrators receive, out of the assets of the Company, a fixed administration fee of USD 6,000 per annum.

During the year ended 31 December 2020, accounting fees amounted to GBP 4,648 (2019: GBP 8,100).

Transaction costs
Transaction costs are expenses incurred in relation to the acquisition of the investment measured at FVPL, such as legal fees, tax advisory fee and other transaction fees. Transaction costs incurred during the year ended 31 December 2020 amounted to GBP Nil (2019: GBP Nil).

8. Cash and Cash Equivalents

The Company's cash and cash equivalents are held by Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. ("MUFG"). The Company is exposed to credit risk to the extent of cash and cash equivalents held by MUFG at any given point in time.

	2020	**2019**
	GBP	**GBP**
Cash at bank	196,123	251,430
	196,123	**251,430**

9. Share Capital and Share Premium

Authorised, issued and fully paid

	Share capital GBP	Share premium GBP	Total GBP
314,073,576 ordinary shares at GBP 0.01 each	3,140,736	310,932,840	314,073,576
Balance as at 31 December 2020	**3,140,736**	**310,932,840**	**314,073,576**
314,073,576 ordinary shares at GBP 0.01 each	3,140,736	310,932,840	314,073,576
Balance as at 31 December 2019	**3,140,736**	**310,932,840**	**314,073,576**

The ordinary shares have attached to them full voting, dividend and capital distribution (including winding up) rights.

10. Loans Payable

	2020 GBP	2019 GBP
Interest bearing loan payable	46,383,972	46,383,972
	46,383,972	**46,383,972**

The interest-bearing loan payable relates to 8% unsecured loan notes payable on 26 June 2027. These loan notes were listed on The International Stock Exchange in the Channel Islands on 18 September 2018.

The loan interest is currently being compounded. During the year ended 31 December 2020, the Company recognised an interest expense of GBP 3,809,443 (2019: GBP 3,710,718) GBP 4,155,099 (2019: GBP 345,656) remained outstanding at the end of the reporting period (see Note 11).

The fair value of the loan is GBP 73,440,926.

11. Other Payables

	2020 GBP	2019 GBP
Loan interest payable (Note 10)	4,155,099	345,656
Accounting fee payable	1,097	9,813
Short-term loan to GIF II US Aggregator LP	5,121	-
Audit fee payable	23,565	10,618
	4,184,882	**366,087**

12. Taxation

The Company is tax resident in the UK.

The Company's income tax expense for the year ended 31 December 2020 is GBP Nil (2019: GBP Nil).

The reconciliation of tax expense to the accounting profit multiplied by the tax rate for 2020 is as follows:

	2020 GBP	2019 GBP
(Loss)/Profit for the financial year before tax	(89,398,804)	45,500,404
Tax at the current tax rate of 19%	(16,985,773)	8,645,077
Effect of non-taxable income	(726,520)	(9,367,516)
Effect of non-deductible expenses	17,712,293	722,439
Total tax expense	**-**	**-**

13. Risk Associated with Financial Instruments

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The Company is exposed to market risk (which includes currency risk, interest rate risk and other price risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

The Directors are ultimately responsible for identifying and controlling risk. The Company's assets and liabilities comprise financial instruments which include:

- Investments. These are held in-line with the Company's investment objectives and policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its investment activities;
- Financial liabilities whose value is derived from the Companys' total liabilities.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Company are as follows.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes interest rate risk and foreign currency risk. Price movements are influenced by, among other things, changing supply and demand relationships, monetary and exchange control programs, policies of governments, political and economic events, and policies and emotions of the marketplace.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines and holding an exit strategy for unacceptable market situation.

The Company's income and operating cash flows are substantially independent of changes in market interest rates and the investments are not classified as held for sale therefore, short term fair value variances do not constitute a fundamental risk for the Company.

To manage the market price risk, the Directors will review the performance of the portfolio company on a regular basis and will be in contact with the management of the portfolio company for business and operational matters. The valuation techniques are further discussed in Note 2 and Note 4.

The maximum risk resulting from these financial instruments is determined by the realisable value of the financial instruments which is disclosed in Note 3 and Note 4. The Company's overall positions are managed by the Investment Manager and are monitored on a quarterly basis by the Directors.

13. Risk Associated with Financial Instruments (continued)

Market risk (continued)
Interest rate risk
Interest rate risk is the risk that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's exposure to the risk of changes in market interest rates risk relates primarily to the Company's cash and cash equivalents. In the Directors' opinion, interest rate risk is minimal.

The table below summarises the Company's exposure to interest rate risk. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

31 December 2020	**Up to 3 months GBP**	**Fixed interest GBP**	**Non-interest Bearing GBP**	**Total GBP**
Assets				
Financial assets at FVPL				
Equity instruments	-	-	271,646,584	271,646,584
Loans receivable	-	46,383,972	-	46,383,972
Short term loan receivable	-	-	775,449	775,449
Interest receivable	-	-	4,169,444	4,169,444
Cash and cash equivalents	196,123	-	-	196,123
Total assets	**196,123**	**46,383,972**	**276,591,477**	**323,171,572**
Liabilities				
Loans payable	-	(46,383,972)	-	(46,383,972)
Other liabilities	-	-	(4,184,882)	(4,184,882)
Total liabilities	**-**	**(46,383,972)**	**(4,184,882)**	**(50,568,854)**

31 December 2019	**Up to 3 months GBP**	**Fixed interest GBP**	**Non-interest Bearing GBP**	**Total GBP**
Assets				
Financial assets at FVPL				
Equity instruments	-	-	361,270,372	361,270,372
Loans receivable	-	46,383,972	-	46,383,972
Short term loan receivable	-	-	800,151	800,151
Interest receivable	-	-	345,656	345,656
Cash and cash equivalents	251,430	-	-	251,430
Total assets	**251,430**	**46,383,972**	**362,416,179**	**409,051,581**
Liabilities				
Loans payable	-	(46,383,972)	-	(46,383,972)
Other liabilities	-	-	(366,087)	(366,087)
Total liabilities	**-**	**(46,383,972)**	**(366,087)**	**(46,750,059)**

Foreign exchange risk
Foreign exchange risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to foreign exchange rates vis-à-vis the functional currency (GBP).

The Company holds monetary liabilities denominated in currencies other than the functional currency. It is therefore exposed to foreign exchange risk, as the value of the financial instruments denominated in other currencies will fluctuate due to the changes in foreign exchange rates. The Investment Manager is responsible for managing the net position of the monetary positions in each foreign currency by using currency derivatives including but not limited to external forward currency contracts and cross currency swaps. In accordance with the Company's policy, the Investment Manager monitors the Company's currency position, including monetary items, on a monthly basis.

13. Risk Associated with Financial Instruments (continued)

Market risk (continued)

Foreign exchange risk (continued)

The principal exchange rates to the GBP used in the preparation of the financial statements are as follows:

	2020	2019
USD	0.73	0.75
EUR	0.90	0.89

As at 31 December 2020 and 2019, the Company had the following exposure to foreign currency. The amounts disclosed are the contractual undiscounted cash flows translated into GBP.

	2020 EUR	2020 USD	2019 EUR	2019 USD
Liabilities				
Other payables	23,565	6,218	10,618	9,813
Net exposure	**23,565**	**6,218**	**10,618**	**9,813**

The Company's exposure to foreign exchange risk as at 31 December 2020 is not material. Hence, a sensitivity analysis has not been prepared.

Price risk

Price risk is the risk that the fair value of the Company's investments in the Underlying Funds fluctuates as a result of changes in the values of the Underlying Funds' assets. To manage the market price risk, the General Partner will review the performance of the portfolio companies on a regular basis and will be in contact with the management of the portfolio companies for business and operational matters. The impact of market price risk is not easily quantifiable as fair value of unquoted investments is derived using multiple techniques. The valuation techniques are further discussed in Note 2 and Note 4.

Underlying Investment of the Company	**Key valuation input**	**Impact on Net Asset Value 31 December 2020**	
		Decrease of 25bps **GBP**	Increase of 25bps **GBP**
Luton Airport	Discount rate	5,000,000	(5,500,000)

Underlying Investment of the Company	**Key valuation input**	**Impact on Net Asset Value 31 December 2020**	
		Increase of 5% **GBP**	Decrease of 5% **GBP**
Luton Airport	Dividend	15,800,000	(16,400,000)

Underlying Investment of the Company	**Key valuation input**	**Impact on Net Asset Value 31 December 2019**	
		Decrease of 5bps **GBP**	Increase of 5bps **GBP**
Luton Airport	Discount rate	1,288,000	(1,295,000)

Underlying Investment of the Company	**Key valuation input**	**Impact on Net Asset Value 31 December 2019**	
		Low range of multiple **GBP**	High range of multiple **GBP**
Luton Airport	PAX impact (corresponds to number of passengers)	(40,300,000)	56,700,000

13. Risk Associated with Financial Instruments (continued)

Credit risk
Credit risk is the risk that a counterparty will be unable to meet a commitment it has entered into with the Company. The Company may be adversely impacted by an increase in its credit exposure related to investing, financing, and other activities. The Company is exposed to the potential for credit-related losses that can occur as a result of an individual, counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships, commitments and other transactions. These exposures may arise, for example, from a decline in the financial condition of a counterparty. As the Company's credit exposure increases, it could have an adverse effect on the Company's business and profitability if material unexpected credit losses occur.

It is the Company's policy to enter into financial arrangements with reputable counterparties.

The Investment Manager's policy is to closely monitor the creditworthiness of the Company's counterparties (e.g., custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

Financial assets subject to IFRS 9's impairment requirements
The Company's financial assets subject to the ECL model within IFRS 9 are its loans receivable, short-term receivables and cash. At 31 December 2020, the total of loans, other receivables and cash was GBP 51,524,988 (2019: GBP 47,781,209) on which no loss allowance was provided.

As per 31 December 2020 ECL has been computed according to Note 2 resulting in lifetime ECL of GBP 95,522. This amount is not material compared to the total amount of shareholder loans. ECL is derived by the formula below: ECL = probability of default (PD) x loss given default (LGD) x exposure of default (EAD) and therefore has not been accounted for.

The ECL for cash and cash equivalents is not material and consequently not disclosed.

Financial assets not subject to IFRS 9's impairment requirements
Equity instruments designated at fair value through profit and loss are not subject to impairment assessment.

The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligation as at year end, is the carrying of the financial assets as set out below.

	2020 GBP	**2019 GBP**
Loans receivable	46,383,972	46,383,972
Cash and cash equivalents	196,123	251,430
Receivables	4,944,893	1,145,807
Total	**51,524,988**	**47,781,209**

The Company has no significant concentration of credit risk. Cash transactions are limited to financial institutions with credit rating of AA or higher, as rated by Standard & Poor or Moody's. The Company assesses all counterparties for credit risk before contracting with them.

13. Risk Associated with Financial Instruments (continued)

Liquidity risk

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company may obtain short term funding from related parties in order to meet liquidity requirements.

The Company's financial instruments include investment in unlisted equity investment which are not traded in an organised public market and which may be illiquid. As a result the Company may not be able to promptly liquidate its investment at an amount closer to its liquidity requirements or to respond to specific events such as deterioration in the credit worthiness of any particular issuer. It may be impracticable to assess the exposure to risk in such circumstances.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	1 to 3 months GBP	3 to 12 months GBP	1 to 5 years GBP	More than 5 years GBP	Total GBP
At 31 December 2020					
Loans payable	-	-	-	46,383,972	46,383,972
Interest payable	-	3,710,718	14,842,871	5,510,162	24,063,751
Accrued expenses	-	4,184,882	-	-	4,184,882
Total financial liabilities	**-**	**7,895,600**	**14,842,871**	**51,894,134**	**74,632,605**

	1 to 3 months GBP	3 to 12 months GBP	1 to 5 years GBP	More than 5 years GBP	Total GBP
At 31 December 2019					
Loans payable	-	-	-	46,383,972	46,383,972
Interest payable	-	3,710,718	14,842,871	9,220,879	27,774,468
Accrued expenses	-	366,087	-	-	366,087
Total financial liabilities	**-**	**4,076,805**	**14,842,871**	**55,604,851**	**74,524,527**

Capital risk management

The capital of the Company is represented by the share capital, share premium and retained earnings. The Company's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company. In order to maintain or adjust the capital structure, the Directors may call from or distribute funds to the shareholders. The Directors monitor capital on the basis of the total equity.

14. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Directors are a related party of the Company, being responsible for the financial and operating decisions of the Company. The Directors have no holding in the Company and no remuneration was paid to the Directors for the year ended 31 December 2020 (2019: GBP Nil).

AMP Capital Investors (UK) Limited (the "Investment Manager") has been appointed as Investment Manager to the Company. The appointment of the Investment Manager shall be without charge to the Company.

The Company's immediate parent company is AMP Capital Investors Crown Midco Limited being the holder of 100% of the Company's issued shares. The Directors believe that there is no ultimate controlling party as there is no one entity which holds a controlling interest in the Company.

AMP Capital Investors (UK) Limited (the "Manager") was appointed as Manager to the Company. The General Partner and/or the Manager shall pay all ordinary overheads, legal, regulatory and administrative expenses incurred by the General Partner or the Manager in connection with maintaining and operating their respective offices (including salaries, rent, equipment and other expenses) to the extent not borne or reimbursed by a Portfolio Company but not including any Company Expenses or Organizational Expenses.

The Company has made a short term loan to AMP Capital Investors (European Infrastructure No. 5) S.à r.l., the balance outstanding as at 31 December 2020 was GBP 775,449 (2019: GBP 800,151).

The Company has received a short term loan to GIF II US Aggregator LP, the balance outstanding as at 31 December 2020 was GBP 5,121 (2019: GBP Nil).

15. Operating segment

The Company operates in one operating segment being the holding of the investment in London Luton Airport. No dedicated management reporting information is presented for the Company to a chief decision maker; only the annual financial statements are presented to the management of the Company in analysing its performance.

16. Events after the reporting period

Since 31 December 2020 there have been no matters or circumstances not otherwise dealt with in the financial statements that have significantly affected or may significantly affect the Company.