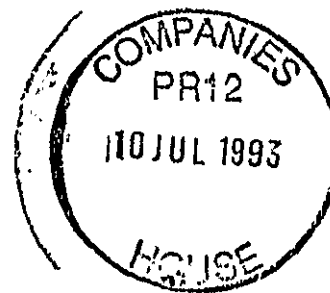


REPORT AND ACCOUNTS

Birmingham International Airport plc

FOR THE PERIOD
1 APRIL 1992 TO 31 MARCH 1993



Company No. 2078273

BIRMINGHAM INTERNATIONAL AIRPORT PLC

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors during the period were as follows:

Sir Stanley Yapp, (Chairman)
D.G. Lewis, OBE, (Deputy Chairman)
R.R. Taylor, OBE DL, (Managing Director)
B. Summers
S.H. Greenwood
A.V. Watson
R.S. Badham, (Resigned 22 July 1992)
J.D. Berry
P. Bradley, (Appointed 27 May 1992. Resigned 26 May 1993)
D M Caunt, (Appointed 27 May 1992. Resigned 22 July 1992)
F.J. Chapman
R.J.H. Collins, (Appointed 27 May 1993)
F.J. Grattidge, (Resigned 24 March 1993)
F. S. Hunt, (Resigned 27 May 1992. Reappointed 22 July 1992)
M.S. Jaspal, (Resigned 27 May 1992)
B.D. John, (Resigned 27 May 1992)
S.S. Josan
F. Mitchell
R Swatman, (Appointed 26 May 1993)

The composition of the Board of directors is in compliance with the Company's Articles of Association; four directors being employees of the Company (R.R. Taylor, B. Summers, A.V. Watson and S.H. Greenwood) with the remainder being nominated by the Company's Shareholders.

No director holds any interest in the share capital of the Company or any of its subsidiaries.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

Over the last year the Group has reviewed and consolidated its employment policies to provide equal opportunities irrespective of sex, race, religion, age or marital status. It is the Group's policy to give full and fair consideration to applications for employment made by disabled persons and where practicable, provision is made for their special needs. The opportunities available for training and promotion of employees apply equally to disabled persons. If existing employees become disabled every effort is made to ensure their continued employment.

EMPLOYEE CONTRIBUTION

The Group recognises the key role of its employees in the delivery of its objectives. Employee contribution is, therefore, one of the factors identified as critical to the achievement of the Company's Mission to become "the best regional airport in Europe". As a result of this a People Plan has now been prepared to support and complement our Business Plan through the development and involvement of our workforce.

BIRMINGHAM INTERNATIONAL AIRPORT PLC

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1993.

RESULTS AND DIVIDENDS

The Group profit for the year after taxation amounted to £3.776 million. This enables the dividend on the £5.283 million 6³/₄% Preference Shares to be paid. The directors propose a final dividend of 32p per ordinary share, giving a total for the year of 332p per ordinary share, taking the total dividends for the period to £9.127 million. The directors propose that £0.679 million of retained profit be appropriated to a capital development reserve and that the balance of £0.341 million be retained.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the operation and management of Birmingham International Airport and the provision of facilities and services associated therewith. A review of the activities and prospects of the Group is given on pages * to *.

FUTURE DEVELOPMENTS

In April 1993 the Company announced two studies into the long term development of the Airport, an airfield capability study and a terminal capacity study. The former will examine the need for runway and taxiway development in order to accommodate the anticipated demands placed on them by the forecast growth in volume. The latter will address terminal capacity demands arising from such growth and will incorporate other transport infrastructure development requirements.

In the shorter term, the Company is examining options to increase both airside passenger lounge capacity and baggage reclaim facilities.

FIXED ASSETS

Movements in the fixed assets of the Group, since 1 April 1992 are set out in note 9 on page * .

MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the directors, the market value of the Group's properties exceeds their net book value.

BIRMINGHAM INTERNATIONAL AIRPORT PLC

DIRECTORS' REPORT

EMPLOYEE CONTRIBUTION (continued)

Customer satisfaction continues to be a key measure of employee contribution. It is only through harnessing our employees' commitment and potential, that we are able to deliver the levels of service excellence to which we aspire. Thus, the development of communication and training strategies by consultation with our employees and their representatives is an essential element of our People Plan.

In addition, we will seek to increase levels of productivity and efficiency through the constant review of processes, structures and resources in order to contain costs and increase ownership of service quality at all levels within the organisation.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the Company purchased and maintained liability insurance for its directors and senior officers, as permitted by section 310 (3) of the Companies Act 1985.

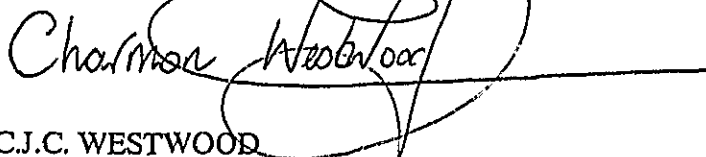
POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Group made charitable contributions totalling £19,000. No contributions have been made for political purposes.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

ON BEHALF OF THE BOARD

A handwritten signature in dark ink, appearing to read 'C.J.C. Westwood', is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

C.J.C. WESTWOOD
Company Secretary

26 May 1993

BIRMINGHAM INTERNATIONAL AIRPORT PLC

REPORT OF THE AUDITOR

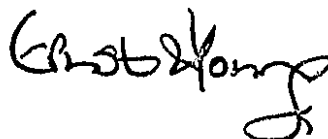
To The Members of Birmingham International Airport plc.

We have audited the accounts on the attached pages in accordance with Auditing Standards.

In our opinion, the accounts give a true and fair view of the state of affairs of the Company and of the Group at 31 March 1993 and of the profit and cashflows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

We also report on the schedule overleaf, in accordance with the requirements of the Accounts Conditions issued by the Civil Aviation Authority under Section 41(1) of the Airports Act 1986. In our opinion, the schedule presents fairly the information set forth thereon and is in accordance with the requirements of the Accounts Conditions.

**ERNST & YOUNG
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
BIRMINGHAM**



26 May 1993

BIRMINGHAM INTERNATIONAL AIRPORT PLC

ECONOMIC REGULATION

The Company is subject to economic regulation under the Airport's Act 1986 which requires the Airport to hold permission from the Civil Aviation Authority to levy airport charges.

From 1 April 1988 the operational activities are required to be allocated between airport charges levied in connection with the landing, parking and taking-off of aircraft (including passenger related charges) and other operational income.

All revenue and costs arising from non-operational activities, such as items where the income is not primarily from airport users, is required to be shown in a separate category.

The following have been quantified by means of apportioning the use of the Airport's accommodation and services.

AIRPORT OPERATIONAL ACTIVITIES	£000	£000
AIRPORT CHARGES:		
Revenue	28,309	
Costs	28,167	
		142
OTHER INCOME:		
Revenue	18,549	
Costs	15,186	3,363
NON OPERATIONAL ACTIVITIES		
The Company has no such activities under the Act.		-
Company profit for the period		3,505

Unless specified elsewhere in these notes, the Company received no preferential treatment or financial support from any associated person or organisation during the period of these accounts.

BIRMINGHAM INTERNATIONAL AIRPORT PLC

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31 March 1993

	<u>Notes</u>	<u>Group</u> <u>1993</u> £000	<u>Company</u> <u>1992</u> £000
TURNOVER	2	46,858	43,012
Operating costs		40,335	37,818
NET OPERATING PROFIT	3	6,523	5,194
Interest receivable		1,337	360
Interest payable	6	(2,832)	(1,212)
Income less losses from interests in associated undertakings		(252)	-
Preference dividends from associated undertakings		300	202
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,076	4,544
Taxation	7	1,300	1,900
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	3b	3,776	2,644
RETAINED PROFIT BROUGHT FORWARD		6,371	7,514
		10,147	10,158
Dividends	8	9,127	1,624
		1,020	8,534
APPROPRIATION TO CAPITAL DEVELOPMENT RESERVE	18	679	608
RETAINED PROFIT CARRIED FORWARD		341	7,926
		=====	=====
EARNINGS PER SHARE		130p	86.6p

The notes on pages * to * form part of these accounts

* For page numbers see printed report.

BIRMINGHAM INTERNATIONAL AIRPORT PLC

GROUP BALANCE SHEET at 31 March 1993

	<u>Notes</u>	<u>Group</u> <u>1993</u> <u>£000</u>	<u>Company</u> <u>1992</u> <u>£000</u>
FIXED ASSETS			
Tangible assets	9	102,035	100,506
Investments	10	9,059	9,660
CURRENT ASSETS			
Stocks		316	350
Debtors	11	8,840	7,328
Cash at bank and in hand	12a	12,500	12,828
		<u>21,656</u>	<u>20,506</u>
CREDITORS			
Amounts falling due within one year	13	20,584	11,140
NET CURRENT ASSETS		<u>1,072</u>	<u>9,366</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>112,166</u>	<u>119,532</u>
CREDITORS			
Amounts falling due after more than one year	14	25,561	26,035
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation liability	15	95	73
Land Compensation Act claims	16	386	394
		<u>26,042</u>	<u>26,502</u>
		<u>86,124</u>	<u>93,030</u>
CAPITAL AND RESERVES			
Share capital	17	7,925	7,925
Share premium		46,834	46,834
Capital reserve		28,193	28,193
Capital development reserve	18	2,831	2,152
Profit and loss account		341	7,926
		<u>86,124</u>	<u>93,030</u>

SIR STANLEY YAPP, Chairman

STEPHEN GREENWOOD, Finance Director

26 May 1993

The notes on pages *to * form part of these accounts

BIRMINGHAM INTERNATIONAL AIRPORT PLC

COMPANY BALANCE SHEET at 31 March 1993

	Notes	1993 £000	1992 £000
FIXED ASSETS			
Tangible assets	9	100,462	100,506
Investments	10	10,616	9,660
CURRENT ASSETS			
Stocks		316	350
Debtors	11	8,840	7,328
Cash at bank and in hand	12a	12,500	12,828
		<u>21,656</u>	<u>20,506</u>
CREDITORS			
Amounts falling due within one year	13	20,584	11,140
NET CURRENT ASSETS		<u>1,072</u>	<u>9,366</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>112,150</u>	<u>119,532</u>
CREDITORS			
Amounts falling due after more than one year	14	25,561	26,035
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation liability	15	95	73
Land Compensation Act claims	16	386	394
		<u>26,042</u>	<u>26,502</u>
		<u>86,108</u>	<u>93,030</u>
		=====	=====
CAPITAL AND RESERVES			
Share capital	17	7,925	7,925
Share premium		46,834	46,834
Capital reserve		28,193	28,193
Capital development reserve	18	2,831	2,152
Profit and loss account	18	325	7,926
		<u>86,108</u>	<u>93,030</u>
		=====	=====

SIR STANLEY YAPP, Chairman

STEPHEN GREENWOOD, Finance Director

26 May 1993

The notes on pages * to * form part of these accounts

BIRMINGHAM INTERNATIONAL AIRPORT PLC

GROUP CASH FLOW STATEMENT For the year ended 31 March 1993

	<u>Notes</u>	<u>Group</u> <u>1993</u> <u>£000</u>	<u>Company</u> <u>1992</u> <u>£000</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	3c	12,969	12,757
RETURNS ON INVESTMENT AND SERVING OF FINANCE			
Dividends paid		(1,624)	(2,047)
Interest paid		(1,973)	(1,046)
Interest received		1,263	576
Finance lease interest paid		(147)	(208)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(2,481)	(2,725)
TAXATION			
UK Corporation Tax paid		(914)	(3,842)
INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(9,127)	(10,291)
Land Compensation Act payments		(8)	(39)
Proceeds of disposal of fixed assets		3	9
Investments in associates		(1,416)	(1,979)
Long term deposits		-	(6,000)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(10,548)	(18,300)
NET CASH OUTFLOW BEFORE FINANCING		(974)	(12,110)
FINANCING			
Principal repayments of finance lease obligations		482	445
New loans		-	(17,000)
(Decrease)/increase in cash and cash equivalents	12b	(1,456)	4,445
		<u>(974)</u>	<u>(12,110)</u>

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

1. ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

BASIS OF CONSOLIDATION

The Group accounts consolidate the accounts of Birmingham International Airport plc and its subsidiary undertaking drawn up to 31 March 1993. No profit and loss account is presented for Birmingham International Airport plc as permitted by section 230 of the Companies Act 1985. As this year is the first year of the consolidation, the 1992 comparative figures show the Company position. Undertakings, other than subsidiary undertakings, in which the Group has an investment representing not less than 20% of the voting rights and over which it exerts significant influence are treated as associated undertakings. The Group accounts include the appropriate share of these undertakings' results and reserves based on audited accounts to 31 March 1993.

DEPRECIATION

Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life. The principal useful lives are as follows:

Buildings	between 5 and 40 years
Other works	between 7 and 30 years
Runways and aprons	between 10 and 25 years
Plant and equipment	between 2 and 25 years
Motor vehicles	between 4 and 10 years

STORES

Stores of consumable items are valued at the lower of purchase cost and estimated realisable value.

DEFERRED TAXATION

Deferred taxation is provided, using the liability method, on all timing differences to the extent that they are expected to reverse in the foreseeable future, calculated at the rate at which it is estimated that tax will be payable. Advance Corporation Tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

LEASING COMMITMENTS

Assets obtained under finance lease contracts are capitalised in the balance sheet and are depreciated over the shorter of the primary lease period or their useful lives. The interest element of such contracts is charged to the profit and loss account over the period of the lease in proportion to the outstanding balance of repayments.

Rentals paid under operating leases are charged to income on a straight line basis over the lease period.

Payments under contract hire agreements are charged to the Profit and Loss account as incurred.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

PENSIONS

The expected cost of pensions in respect of the defined benefit pension scheme in which the Company participates is charged to the profit and loss account so as to spread the cost of pensions over the remaining service lives of the members of the scheme. The pension cost is assessed in accordance with the advice of independent qualified actuaries. As in previous years, the charge to the profit and loss account was the actual amount of contributions made by the Company to the scheme. This currently represents the best estimate of regular pension cost as defined by SSAP 24 (see note 23).

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax. Turnover, profit before tax and loss and net assets all relate to the principal activity of the operation and management of Birmingham International Airport.

	<u>Group</u> <u>1993</u> <u>£000</u>	<u>Company</u> <u>1992</u> <u>£000</u>
Gross Aeronautical Income	34,361	30,410
Less: collected on behalf of Euro-Hub (Birmingham) Limited	4,127	2,475
	<u>30,234</u>	<u>27,935</u>
Commercial Income and Recharges	16,624	15,077
	<u>46,858</u>	<u>43,012</u>

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

3. NET OPERATING PROFIT

	<u>Group</u> <u>1993</u> <u>£000</u>	<u>Company</u> <u>1992</u> <u>£000</u>
a) The operating profit for the year is stated after charging/ (crediting)		
Auditors' remuneration		
Audit services	31	33
Non-audit services	44	39
Depreciation:		
Owned assets	6,567	6,133
Assets held under finance leases	305	331
Non-cash consideration in investments	210	158
Operating lease rentals		
Plant and equipment	384	345
Rents	(2,467)	(2,095)
Concessions	(8,632)	(8,203)

b) The profit dealt with in the accounts of the parent company was £3.505 million.

c) *Reconciliation of operating profit to net cash inflow from operating activities*

	<u>Group</u> <u>1993</u> <u>£000</u>	<u>Company</u> <u>1992</u> <u>£000</u>
Operating profit	6,271	5,194
Income less losses from interests in associated undertakings	252	-
	<u>6,523</u>	<u>5,194</u>
Depreciation	7,082	6,622
Loss on disposals	635	847
Deferred income	(250)	(24)
Bad debt provision	(90)	(36)
Decrease/(increase) in stocks	34	(3)
(Increase)/decrease in debtors & prepayments	(1,041)	317
Decrease/(increase) in creditors & accruals	76	(160)
Net cash inflow from operating activities	<u>12,969</u>	<u>12,757</u>

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

4. DIRECTORS' EMOLUMENTS

	<u>Group</u> <u>1993</u> £000	<u>Company</u> <u>1992</u> £000
Emoluments (including pension contributions)	257	197
Emoluments of the Chairman, excluding pension contributions	<u>6</u>	<u>5</u>
Emoluments of the highest paid director, excluding pension contributions	<u>81</u>	<u>75</u>

The Chairman ceased to receive emoluments with effect from 11 February 1993.

Directors' emoluments, excluding pension contributions, fell within the following ranges

	Number	Number
£NIL	13	12
£5,000 - £10,000	1	2
£40,000 - £45,000	-	1
£45,000 - £50,000	1	-
£50,000 - £55,000	1	-
£55,000 - £60,000	-	1
£60,000 - £65,000	1	-
£75,000 - £80,000	-	1
£80,000 - £85,000	1	-

5. STAFF COSTS

	<u>Group</u> <u>1993</u> £000	<u>Company</u> <u>1992</u> £000
Wages and salaries	11,999	10,815
Social security costs	944	879
Other pension costs	332	331
	<u>13,275</u>	<u>12,025</u>

The average weekly number of employees during the period comprised

	Number	Number
Operations and security	396	376
Engineering	87	79
Terminal services	95	100
Support services	110	98
	<u>688</u>	<u>653</u>

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

6.	INTEREST PAYABLE	<u>Group</u>	<u>Company</u>
		<u>1993</u> £000	<u>1992</u> £000
	Charges under finance leases	222	241
	Land Compensation Act claims	24	32
	Bank loans, overdrafts and other loans		
	Repayable within five years	1,973	327
	Repayable after five years	613	612
		<u>2,832</u>	<u>1,212</u>
7.	TAXATION	<u>Group</u>	<u>Company</u>
		<u>1993</u> £000	<u>1992</u> £000
	Based on profit for the year		
	Corporation tax at 33%	2,300	1,900
	Corporation tax overprovided in previous years	(1,000)	-
		<u>1,300</u>	<u>1,900</u>
8.	DIVIDENDS - COMPANY	<u>1993</u>	<u>1992</u>
		<u>£000</u>	<u>£000</u>
	Ordinary - Paid at 300p per share (1992: 26p per share)	7,926	423
	- Proposed at 32p per share	845	845
	Preference - Paid	356	356
		<u>9,127</u>	<u>1,624</u>

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

9. TANGIBLE FIXED ASSETS - GROUP

	<u>Land and buildings</u>				Assets in the course of construction	
	<u>Freehold</u>	<u>Long</u>	<u>Other</u>	<u>Plant and</u>		<u>Total</u>
	<u>£000</u>	<u>Leasehold</u>	<u>Works</u>	<u>Equipment</u>	<u>£000</u>	<u>£000</u>
Cost						
At 1 April 1992	99,794	300	23,574	35,187	2,335	161,190
Additions	1,735	-	13	594	6,697	9,039
WIP Capitalised	1,766	-	296	5,325	(7,387)	-
Disposals	(1,039)	-	(4)	(904)	-	(1,947)
At 31 March 1993	102,256	300	23,879	40,202	1,645	168,282
Depreciation						
At 1 April 1992	30,052	-	11,797	18,835	-	60,684
Provided during the year	3,083	-	810	2,979	-	6,872
Disposals	(622)	-	(4)	(683)	-	(1,309)
At 31 March 1993	32,513	-	12,603	21,131	-	66,247
Net book value						
31 March 1993	69,743	300	11,276	19,071	1,645	102,035
31 March 1992	69,742	300	11,777	16,352	2,335	100,506
Included in net book value are the following amounts for assets acquired under finance leases						
31 March 1993	879	-	-	1,315	-	2,194
31 March 1992	933	-	-	1,566	-	2,499

£875,781 of the disposals at cost relates to assets demolished in the course of upgrading the passenger terminal in the year. It is the Airport's policy to recognise such events as and when they arise in the normal course of maintaining the comfort and safety of passengers and the efficiency of operations.

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

9. TANGIBLE FIXED ASSETS - COMPANY

	<u>Land and buildings</u>				Assets in the course of construction	
	<u>Freehold</u>	<u>Long</u>	<u>Other</u>	<u>Plant and</u>		<u>Total</u>
	<u>£000</u>	<u>Leaschold</u>	<u>Works</u>	<u>Equipment</u>	<u>£000</u>	<u>£000</u>
Cost						
At 1 April 1992	99,794	300	23,574	35,187	2,335	161,190
Additions	162	-	13	594	6,697	7,456
WIP Capitalised	1,766	-	296	5,325	(7,387)	-
Disposals	(1,039)	-	(4)	(904)	-	(1,947)
At 31 March 1993	100,683	300	23,879	40,202	1,645	166,709
Depreciation						
At 1 April 1992	30,052	-	11,797	18,835	-	60,684
Provided during the year	3,083	-	810	2,979	-	6,872
Disposals	(622)	-	(4)	(683)	-	(1,309)
At 31 March 1993	32,513	-	12,603	21,131	-	66,247
Net book value						
31 March 1993	68,170	300	11,276	19,071	1,645	100,462
31 March 1992	69,742	300	11,777	16,352	2,335	100,506

Included in net book value are the following amounts for assets acquired under finance leases

31 March 1993	879	-	-	1,315	-	2,194
31 March 1992	933	-	-	1,566	-	2,499

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

10. INVESTMENTS - SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

<u>Name of Company</u>	<u>Incorporation and Operation</u>	<u>Proportion Holding</u>	<u>Year Held</u>	<u>Nature of End</u>	<u>Business</u>
SUBSIDIARY UNDERTAKING					
First Castle Developments Limited ('FCD')	England 25/1/93	Ordinary Shares	100%	31/3/93	Property Holding Company
ASSOCIATED UNDERTAKINGS					
Euro-Hub (Birmingham) Limited ('EHB')	England	Ordinary Shares	25%	31/3/93	Terminal Building Operation
		Preference Shares	28.5%		
Airline Maintenance Birmingham Limited ('AMB')	England	Ordinary Shares	50%	31/3/93	Aircraft Main- tenance
Birmingham Airport Developments Limited ('BADL')	England	Ordinary Shares	50%	5/4/93	Site Develop- ment

There were no material transactions in the books of Birmingham Airport Developments Limited between 31 March 1993 and 5 April 1993.

GROUP ASSOCIATED UNDERTAKINGS

	<u>Share of Net Tangible Assets</u> £000
At 1 April 1992	8,105
Share of retained profits less losses of associated undertakings	(252)
Loan injections	1,416
Depreciation of non cash consideration	(210)
Net book value at 31 March 1993	<u>9,059</u> =====

BIRMINGHAM INTERNATIONAL AIRPORT PLC

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

10. INVESTMENTS

COMPANY	<u>FCD</u> <u>£000</u>	<u>EHB</u> <u>£000</u>	<u>BAD</u> <u>£000</u>	<u>AMB</u> <u>£000</u>	<u>TOTAL</u> <u>£000</u>
Total Investment					
Share capital	-	6,025	-	-	6,025
Loans	1,573	-	1,272	-	2,845
Other cash consideration	-	270	-	-	270
	<u>1,573</u>	<u>6,295</u>	<u>1,272</u>	<u>-</u>	<u>9,140</u>
Non cash Consideration	-	1,476	-	-	1,476
Investment 31 March 1993	<u>1,573</u>	<u>7,771</u>	<u>1,272</u>	<u>-</u>	<u>10,616</u>
Investment 31 March 1992	<u>NIL</u>	<u>7,981</u>	<u>1,514</u>	<u>165</u>	<u>9,660</u>
	=====	=====	=====	=====	=====

First Castle Developments Ltd was acquired for £2 as a subsidiary on 31 March 1993. No statutory accounts have been prepared for this company, as its first accounting reference period will end on 31 March 1994.

11. DEBTORS

	<u>Group & Company</u>	
	<u>1993</u>	<u>1992</u>
	<u>£000</u>	<u>£000</u>
Trade debtors	2,978	3,383
Other debtors	278	125
ACT (recoverable after more than one year)	40	55
Prepayments and accrued income	5,544	3,765
	<u>8,840</u>	<u>7,328</u>

Accrued income includes dividends due from Associates amounting to £502,469 (1992: £519,467)

12a. CASH AT BANK AND IN HAND

	<u>Group & Company</u>	
	<u>1993</u>	<u>1992</u>
	<u>£000</u>	<u>£000</u>
Short term deposits	6,500	1,672
Cash at bank and in hand	-	5,156
	<u>6,500</u>	<u>6,828</u>
Long Term Deposits	6,000	6,000
	<u>12,500</u>	<u>12,828</u>

12b. MOVEMENT IN CASH AND CASH EQUIVALENTS IN THE GROUP BALANCE SHEET

	<u>Change in Year</u>	
	<u>1993</u>	<u>1992</u>
	<u>£000</u>	<u>£000</u>
(Decrease)/increase in cash and cash equivalents including overdrafts	(1,456)	4,445

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

13. CREDITORS: amounts falling due within one year	Group & Company	
	<u>1993</u> £000	<u>1992</u> £000
Bank Overdraft	1,128	-
Obligations under finance leases	493	430
Trade creditors	1,352	1,240
Corporation tax	2,683	2,334
Other taxes and Social Security Costs	324	528
Deferred income	916	782
Accruals	5,340	4,981
Dividends	8,348	845
	<u>20,584</u>	<u>11,140</u>

14. CREDITORS: amounts falling due after more than one year	Group & Company	
	<u>1993</u> £000	<u>1992</u> £000
Bank Loans (unsecured)	17,000	17,000
Other loans	5,986	5,986
Obligations under finance leases	1,519	1,969
Deferred Income	1,056	1,080
	<u>25,561</u>	<u>26,035</u>

The bank loans match the approvals by the Department of Transport for capital expenditure from 1987/88 to 1992/93 and are wholly repayable within 4 years.

The other loan is from Birmingham District Council on behalf of the shareholding districts and was used to finance capital expenditure during 1988/89. Interest is payable at 10¼% per annum. The 15 year loan is repayable on 31 March 2004.

15. DEFERRED TAXATION	Group & Company			
	<u>Provided</u> <u>1993</u> £000	<u>Unprovided</u> <u>1993</u> £000	<u>Provided</u> <u>1992</u> £000	<u>Unprovided</u> <u>1992</u> £000
Capital allowances in advance of depreciation	533	1,437	470	2,958
Other timing differences	(233)	-	(170)	-
	<u>300</u>	<u>1,437</u>	<u>300</u>	<u>2,958</u>
ACT recoverable	(205)	-	(227)	-
	<u>95</u>	<u>1,437</u>	<u>73</u>	<u>2,958</u>

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

16. LAND COMPENSATION ACT

The Company is required to pay, in relation to major developments, compensation to property owners under the terms of the Land Compensation Act 1973.

	Group & Company	
	<u>1993</u>	<u>1992</u>
	£000	£000
At 1 April 1992	394	433
Payments during the year	(8)	(39)
At 31 March 1993	<u>386</u>	<u>394</u>

17. SHARE CAPITAL

	Group & Company	
	<u>1993</u>	<u>1992</u>
	£000	£000
Authorised, allotted, called up and fully paid		
2,641,800 Ordinary shares of £1 each	2,642	2,642
5,283,600 6 3/4% Cumulative preference shares of £1 each	5,283	5,283
	<u>7,925</u>	<u>7,925</u>

18. RESERVES

	Company Profit & Loss Account	Group & Company Capital Development Reserve
	<u>1993</u>	<u>1993</u>
	£'000	£000
At 1 April 1992	7,926	2,152
Appropriation during period	-	500
Accrued Interest on accumulated fund	-	179
Result for year	(7,601)	-
Balance at 31 March 1993	<u>325</u>	<u>2,831</u>

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

19. CAPITAL COMMITMENTS

	Group & Company	
	1993	1992
	£000	£000
Amounts contracted but not provided for in the accounts	2,573	3,793
Amounts authorised by the directors but not contracted	<u>601</u>	<u>1,745</u>

20. LEASE COMMITMENTS

	Group & Company	
	1993	1992
	£000	£000
a. Finance lease obligations		
Amounts payable		
Within one year	493	430
In the second to fifth years inclusive	1,208	1,369
After five years	311	600
	<u>2,012</u>	<u>2,399</u>
b. Non-cancellable operating leases		
Annual commitments under leases which expire	£000	£000
Within one year	42	22
In the second to fifth years inclusive	268	308
	<u>310</u>	<u>330</u>

21. CONTINGENT LIABILITIES

The Group has no contingent liabilities.

22. NOISE INSULATION GRANT SCHEME

The Company operates a noise insulation grant scheme for domestic dwellings within defined areas around the Airport. The Company estimates that the future liability under the scheme for the next twelve months amounts to approximately £660,000 (1992: £750,000). The total future commitment under the current schemes at 31 March 1993 amounts to approximately £2.2 million payable over the period 1993/94 to 1995/96.

BIRMINGHAM INTERNATIONAL AIRPORT PLC

NOTES TO THE ACCOUNTS at 31 March 1993

23. PENSION COMMITMENTS

The Company operates a defined benefit pension scheme for permanent employees. The Company is an "admitted body" participant in the West Midlands Metropolitan Authorities Superannuation Fund ("the Fund") administered by Wolverhampton Metropolitan Borough Council. The scheme is operated in accordance with the regulations of the Local Government Superannuation Scheme under the Superannuation Act 1972 as amended.

The scheme is funded by contributions based on pension costs determined by the Fund's independent qualified actuary based on triennial valuations using the projected unit method and are charged to the profit and loss account so as to spread the cost of pensions over members' working lives. The level of contributions in 1992/93 was determined by the Actuary following the triennial valuation as at the 31 March 1989.

The market value of the Fund's investments at 31 March 1993 was £2.1 billion. The main actuarial assumptions applied to the valuation were that the rate of return on investments would be 1.5% per annum more than the rate of salary increase and 3.5% more than the rate of pension increase.