

# Euro-hub (Birmingham) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2017



Registration number: 02403252

# **Euro-hub (Birmingham) Limited**

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## **Euro-hub (Birmingham) Limited**

### **Company Information**

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<b>Chairman</b>	J L Hudson
<b>Directors</b>	J L Hudson S L C Richards P Kehoe
<b>Company secretary</b>	S L C Richards
<b>Registered office</b>	Diamond House Birmingham Airport Birmingham West Midlands B26 3QJ
<b>Solicitors</b>	Eversheds LLP 115 Colmore Row Birmingham West Midlands B3 3AL
<b>Bankers</b>	Barclays Bank plc 15 Colmore Row Birmingham West Midlands B3 2BY

## **Euro-hub (Birmingham) Limited**

### **Directors Report for the Year Ended 31 March 2017**

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The Directors present their report and the unaudited financial statements for the year ended 31 March 2017.

#### **Principal activity**

The principal activity of the company is a UK property business.

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime within part 15 of the Companies Act 2006.

#### **Strategic Report**

In August 2013 the Department for Business, Innovation and Skills ('BIS') published new narrative reporting regulations requiring companies to produce a 'strategic' report. The company have taken advantage of the small company exemption within these regulations.

#### **Future developments**

The company will continue to operate its UK property business, acquiring residual interest in airport infrastructure assets.

#### **Directors of the Company**

The directors who held office during the year were as follows:

J L Hudson - Chairman

S L C Richards - Company secretary and director

P Kehoe

It was announced on 9 June 2017 that the Chief Executive Officer, Paul Kehoe, was to stand down with effect from 12 July 2017. The Board would like to express their grateful thanks to Paul for the tremendous contribution he has made to Birmingham Airport during the last nine years. Under his leadership, the Airport has built relationships with new carriers, grown passenger numbers to more than 12m, and delivered significant economic value to the region. An announcement regarding Paul's successor will be made in due course.

Approved by the Board on 5 July 2017 and signed on its behalf by:



.....  
S L C Richards  
Company secretary and director

## **Euro-hub (Birmingham) Limited**

### **Statement of Directors' Responsibilities**

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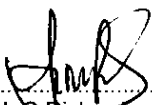
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 5 July 2017 and signed on its behalf by:

  
.....  
S L G Richards  
Company secretary and director

## **Euro-hub (Birmingham) Limited**

### **Income Statement for the Year Ended 31 March 2017**

	<b>Note</b>	<b>2017 £ 000</b>	<b>2016 £ 000</b>
Administrative expenses		(183)	(345)
<b>Operating loss</b>	3	(183)	(345)
Interest payable and similar expenses	5	(1,000)	(1,000)
		(1,000)	(1,000)
<b>Loss before taxation</b>		(1,183)	(1,345)
Tax on loss	6	37	62
<b>Loss for the financial year</b>		(1,146)	(1,283)

The above results were derived from continuing operations.

## Euro-hub (Birmingham) Limited

(Registration number: 02403252)

### Statement of Financial Position as at 31 March 2017

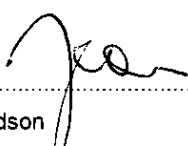
	Note	2017 £ 000	2016 £ 000
<b>Current assets</b>			
Debtors	7	23,352	24,498
<b>Net current assets</b>		23,352	24,498
<b>Total assets less current liabilities</b>		23,352	24,498
<b>Creditors: Amounts falling due after more than one year</b>	8	(20,661)	(20,661)
<b>Net assets</b>		2,691	3,837
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Capital redemption reserve		1,000	1,000
Retained earnings		1,591	2,737
<b>Total equity</b>		2,691	3,837

For the financial year ending 31 March 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

#### Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 10 were approved and authorised by the Board on 5 July 2017 and signed on its behalf by:

  
.....  
J L Hudson  
Chairman

## **Euro-hub (Birmingham) Limited**

### **Statement of Changes in Equity for the Year Ended 31 March 2017**

	<b>Called up share capital £ 000</b>	<b>Capital redemption reserve £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 April 2015	100	1,000	4,020	5,120
Loss for the financial year	-	-	(1,283)	(1,283)
At 31 March 2016	100	1,000	2,737	3,837
At 1 April 2016	100	1,000	2,737	3,837
Loss for the financial year	-	-	(1,146)	(1,146)
At 31 March 2017	100	1,000	1,591	2,691



# **Euro-hub (Birmingham) Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2017**

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### **1 General information**

The company is a incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

Diamond House  
Birmingham Airport  
Birmingham  
West Midlands  
B26 3QJ

These financial statements were authorised for issue by the Board on 5 July 2017.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", in these financial statements.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared on a going concern basis, under the historical cost convention.

#### **Related party transactions**

The company has taken exemption under FRS 102 from disclosing related party transactions with entities that are part of the Birmingham Airport Holdings group.

#### **Summary of disclosure exemptions**

FRS102 allows a qualifying entity certain disclosure exemptions; these disclosures are included in the consolidated financial statements of Birmingham Airport Holdings Limited. The company has taken advantage of the following exemptions;

- the requirement to prepare a statement of cash flows (FRS 102 para 1.12(b));
- the non-disclosure of key management personnel compensation in total (FRS 102 para 33.7); and
- the requirement to complete a reconciliation of the number of shares outstanding at the beginning and end of the period (FRS 102 para 4.12(a)(iv)).

The company notified and did not receive any objections to the use of the above exemptions by its shareholders.

#### **Tax**

The tax expense for the year comprises current tax. Tax is recognised in the income statement.

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 in the countries where the company operates and generates taxable income.

## **Euro-hub (Birmingham) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)**

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#### **2 Accounting policies (continued)**

##### **Capital instruments**

The amount of shareholders' funds attributable to equity and non-equity interests has been separately disclosed. Finance costs associated with non-equity shares have been allocated to periods at a constant rate based on the carrying amount.

#### **3 Operating loss**

Administrative expenses relate to lease rental payments for the sites of the airport control tower and the runway extension. Residual interest in the lease for the site of the airport control tower was acquired in March 2014 and residual interest in the lease of the site of the runway extension was acquired in December 2015, with a £1 peppercorn rental income due on each lease until such time as the lease premium expires, at which time market rate commercial rental income will be receivable.

#### **4 Directors' remuneration and staff costs**

Directors are remunerated by the parent company, Birmingham Airport Holdings Limited, and the costs are not recharged. Total emoluments are included within the aggregate key management personnel compensation in the financial statements of the ultimate parent. No emoluments were paid to any directors' by the company during the year (2016: £nil). There are no employees of the company (2016: none), other than the directors.

#### **5 Interest payable and similar expenses**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Preference share dividends	<u>1,000</u>	<u>1,000</u>

#### **6 Tax on loss**

##### **(a) Tax credited in the income statement**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	<u>(37)</u>	<u>(62)</u>

##### **(b) Reconciliation of tax credit**

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 20% (2016 - 20%).

The differences are reconciled below:

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Loss before taxation	<u>(1,183)</u>	<u>(1,345)</u>
Corporation tax at standard rate	(237)	(269)
Disallowed expenses	200	200
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	<u>-</u>	<u>7</u>
Total tax credit for the year	<u>(37)</u>	<u>(62)</u>

## **Euro-hub (Birmingham) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)**

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#### **6 Tax on loss (continued)**

##### **(c) Tax rate changes**

In his recent budgets the chancellor of the exchequer proposed a decrease in the rate of corporation tax from 20% to 19% from 1 April 2017 and 17% from 1 April 2020. These have been substantively enacted at the balance sheet date and are reflected in the company's financial statements.

#### **7 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Amounts owed by group undertakings	15,217	16,335
Prepayments	8,098	8,094
Corporate Tax Debtor	37	69
	<u>23,352</u>	<u>24,498</u>

The amounts owed by group undertakings are unsecured and there are no formal arrangements for the repayment of the amounts and consequently this amount is strictly repayable on demand. Prepayments reflect the purchase of residual interest in the leases of the Birmingham Airport Control Tower and Runway Extension from Birmingham Airport Developments Limited.

#### **8 Creditors**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Amounts falling due after more than one year</b>		
20,001,000 5% cumulative redeemable Preference shares of £1 each	20,001	20,001
Redemption premium payable on cumulative preference shares	660	660
	<u>20,661</u>	<u>20,661</u>

Under the Articles of Association, the preference shares could be redeemed at the option of the company from 30 June 1996 onwards, provided sufficient profits from trading have been achieved. Of the 20,001,000 preference shares, 14,001,000 will be redeemed at par and the balance of 6,000,000 will be redeemed at a premium of 11%. The shares are non-voting and have a preferential right of return on capital on a winding-up.

## **Euro-hub (Birmingham) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2017 (continued)**

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#### **9 Called up share capital**

##### **Allotted, called up and fully paid shares**

	<b>No. 000</b>	<b>2017 £ 000</b>	<b>No. 000</b>	<b>2016 £ 000</b>
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### **10 Contingent liabilities**

On 13 February 2001, the company, along with other group members of Birmingham Airport Holdings Limited, provided Guarantees in support of a £105 million Corporate Bond issued by Birmingham Airport (Finance) PLC. The bond is for a period of 20 years maturing on the 22 February 2021 and carried a fixed interest rate of 6.25 per cent per annum.

On 3 December 2013, the company along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £75 million private placement senior notes issued by Birmingham Airport (Finance) PLC. Series A senior notes of £30 million are for a period of ten years maturing 3 December 2023 and carries a fixed interest rate of 4.472 per cent per annum. Series B senior notes of £45 million are for a period of fifteen years maturing 3 December 2028 and carries a fixed interest rate of 4.557 per cent per annum.

On 30 March 2016, the company, along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £76 million private placement senior notes issued by Birmingham Airport (Finance) PLC on 30 March 2016. The senior notes are for a period of 25 years maturing 30 March 2041 and carries a fixed interest rate of 3.8 per cent per annum.

On 30 March 2016, the company along with other group members of Birmingham Airport Holdings Limited, provided guarantees to Royal Bank of Scotland PLC and Lloyds Bank PLC in support of a £20 million banking facility made available to Birmingham Airport Holdings Limited. The facility is for a period of five years with an expiry date of 30 March 2021, with an option to extend by 2 further 12 month periods. At the date of signing these financial statements, the total amount outstanding under the facility was £nil.

#### **11 Related party transactions**

The company has taken advantage of the disclosure exemption under paragraph 33.1A, "Related Party Disclosures", of FRS 102, on the grounds that it is a wholly owned subsidiary of a group headed by Birmingham Airport Holdings Limited, whose financial statements are publicly available.

#### **12 Parent and ultimate parent undertaking**

The company's immediate parent is Birmingham Airport Operations Limited, incorporated in England.

The ultimate parent is Birmingham Airport Holdings Limited, incorporated in England.

The smallest and largest group to consolidate these financial statements and produce publicly available financial statements is Birmingham Airport Holdings Limited. These financial statements are available upon request from Diamond House, Birmingham Airport, Birmingham, West Midlands, B26 3QJ.