

Euro-hub (Birmingham) Limited

Directors' Report and Unaudited Financial Statements

for the Year Ended 31 March 2014

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Euro-hub (Birmingham) Limited

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Euro-hub (Birmingham) Limited
Company Information

Registration number 02403252

Chairman J L Hudson

Directors H Bills
Sir A Bore
P Kehoe
M J Kelly
G E Richards

Registered office Diamond House
Birmingham Airport
Birmingham
West Midlands
B26 3QJ

Solicitors Eversheds LLP
115 Colmore Row
Birmingham
West Midlands
B3 3AL

Bankers Barclays Bank plc
15 Colmore Row
Birmingham
West Midlands
B3 2BY

Euro-hub (Birmingham) Limited

Directors' Report for the Year Ended 31 March 2014

The directors present their report and the unaudited financial statements for the year ended 31 March 2014

Principal activity

The company has not traded during the financial year ending 31 March 2014 and all ongoing expenses of the business have been met by Birmingham Airport Limited, another wholly owned subsidiary of Birmingham Airport Holdings Limited

Small company provisions

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

Future developments

The company has no trading activities

Results and dividends

The loss for the year after taxation amounted to £1 000 million (2013 £1 000 million) as a result of the £1 000 million (2013 £1 000 million) paid in respect of the 20 million £1 preference shares. No ordinary share dividends were paid during the year (2013 £nil) resulting in a loss for the year of £1 000 million (2013 £1 000 million). After taking account of retained profits brought forward of £6 046 million, the retained profit carried forward totalled £5 046 million.

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 the new regulations.

Directors of the company

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

Sir A Bore

D C Cooper (resigned 25 June 2014)

J L Hudson - Chairman

P Kehoe

M J Kelly

G E Richards

The following director was appointed after the year end:

H Bills (appointed 4 July 2014)

Statement of directors' responsibilities

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 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:

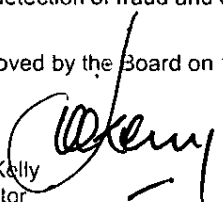
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Euro-hub (Birmingham) Limited

Directors' Report for the Year Ended 31 March 2014 (*continued*)

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 16 July 2014 and signed on its behalf by


M J Kelly
Director

Euro-hub (Birmingham) Limited**Profit and Loss Account for the Year Ended 31 March 2014**

	Note	2014 £ 000	2013 £ 000
Turnover		-	-
Operating profit	2	-	-
Interest payable and similar charges	4	(1,000)	(1,000)
Loss on ordinary activities before taxation		(1,000)	(1,000)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	9	(1,000)	(1,000)

There are no recognised gains and losses other than the losses for the years ended 31 March 2014 and 31 March 2013, and therefore no separate statement of total recognised gains and losses has been presented

Euro-hub (Birmingham) Limited**Balance Sheet at 31 March 2014**

	Note	2014 £ 000	2013 £ 000
Current assets			
Debtors	6	26,807	27,807
Creditors Amounts falling due after more than one year	7	(20,661)	(20,661)
Net assets		<u>6,146</u>	<u>7,146</u>
Capital and reserves			
Called up share capital	8	100	100
Capital redemption reserve	9	1,000	1,000
Profit and loss account	9	<u>5,046</u>	<u>6,046</u>
Total shareholders' funds	10	<u>6,146</u>	<u>7,146</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008)

For the year ended 31 March 2014 the company has taken advantage of the audit exemption under section 479A of the Companies Act 2006 relating to subsidiary companies

The members have not required the company to obtain an audit in accordance with section 479A of the Companies Act 2006

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Board on 16 July 2014 and signed on its behalf by

J L Hudson
Chairman

P Kehoe
Director

Euro-hub (Birmingham) Limited

Notes to the Financial Statements for the Year Ended 31 March 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and the applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

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.

2 Operating profit

As noted in the directors' report, all ongoing expenses for the company are being met by Birmingham Airport Limited.

3 Directors' and employees' emoluments

The directors did not receive any emoluments in respect of their services to the company (2013: nil). There are no employees of the company (2013: none).

4 Interest payable and similar charges

	2014 £ 000	2013 £ 000
Preference share dividends	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

5 Taxation

Tax on loss on ordinary activities

	2014 £ 000	2013 £ 000
Current tax		
UK Corporation tax	<u>-</u>	<u>-</u>

Euro-hub (Birmingham) Limited**Notes to the Financial Statements for the Year Ended 31 March 2014 (continued)]****Taxation (continued)****Factors affecting current tax charge for the year**

Tax on loss on ordinary activities for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%)

The differences are reconciled below

	2014 £ 000	2013 £ 000
Loss on ordinary activities before taxation	(1,000)	(1,000)
Corporation tax at standard rate	(230)	(240)
Disallowed expenses	230	240
Total current tax	-	-

Factors that may affect future tax charges

In his recent budgets the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 26% to 20% falling by 2% in 2012, a further 1% in 2013, 2% in 2014 and 1% in 2015. The reductions for 2014 and 2015 were substantively enacted on 2 July 2013 and in accordance with accounting standards, has been reflected in the company's financial statements

6 Debtors

	2014 £ 000	2013 £ 000
Amounts owed by group undertakings	24,965	27,807
Prepayments	1,842	-
	<u>26,807</u>	<u>27,807</u>

The inter-company loan is unsecured and there are no formal arrangements for the repayment of the amounts and consequently this amount is strictly repayable on demand. However in practice this balance represents a long term advance and is unlikely to be repaid within one year. Other debtors reflect the purchase of a residual interest in the lease of the Birmingham Airport Control Tower from Birmingham Airport Developments Limited

7 Creditors Amounts falling due after more than one year

	2014 £ 000	2013 £ 000
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 of capital on a winding-up.

Euro-hub (Birmingham) Limited

Notes to the Financial Statements for the Year Ended 31 March 2014 (continued)

8 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No 000	£ 000	No 000	£ 000
Ordinary Shares of £1 each	100	100	100	100

9 Reserves

	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2013	1,000	6,046	7,046
Loss for the financial year	-	(1,000)	(1,000)
At 31 March 2014	1,000	5,046	6,046

10 Reconciliation of movement in shareholders' funds

	2014 £ 000	2013 £ 000
Loss for the financial year	(1,000)	(1,000)
Net reduction to shareholders' funds	(1,000)	(1,000)
Shareholders' funds at 1 April	7,146	8,146
Shareholders' funds at 31 March	6,146	7,146

11 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 twenty years maturing on the 22 February 2021 and carries 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 on 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 on 3 December 2028 and carries a fixed interest rate of 4.557 per cent per annum.

On 25 June 2010 the company along with other group members of Birmingham Airport Holdings Limited provided guarantees to Santander UK plc and The Royal Bank of Scotland plc in support of a £45 million banking facility made available to Birmingham Airport Holdings Limited. The facility was for a period of five years, with an expiry date of 25 June 2015. The facilities and associated guarantees were cancelled on 28 November 2013.

On 3 December 2013 the company along with other group members of Birmingham Airport Holdings Limited provided guarantees to the 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 3 December 2018. At the date of signing these accounts, the total amount outstanding under the facility was £nil.

Euro-hub (Birmingham) Limited

Notes to the Financial Statements for the Year Ended 31 March 2014 (continued)]

12 Control

The company is controlled by Birmingham Airport Holdings Limited, a company incorporated in England. Birmingham Airport Holdings Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2014. The consolidated financial statements of Birmingham Airport Holdings Limited are available from its registered office, Diamond House, Birmingham Airport, Birmingham, West Midlands B26 3QJ.

13 Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8 'Related Party Disclosures', 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.