

Euro-hub (Birmingham) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2019



Registration number: 02403252

Euro-hub (Birmingham) Limited

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Euro-hub (Birmingham) Limited

Company Information

Chairman	T Clarke
Directors	N Barton T Clarke S L C Richards
Company secretary	S L C 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 2019

The Directors present their report and the unaudited financial statements for the year ended 31 March 2019.

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:

N Barton (appointed 22 January 2019)

T Clarke - Chairman

S L C Richards - Company secretary and director

Approved by the Board on 3 July 2019 and signed on its behalf by:



S L C Richards

Company secretary and director

Euro-hub (Birmingham) Limited

Statement of Directors' Responsibilities in respect of the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors also responsible for safeguarding the assets of the group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Approved by the Board on 3 July 2019 and signed on its behalf by:


.....
S L C Richards

Company secretary and director

Euro-hub (Birmingham) Limited

Income Statement for the Year Ended 31 March 2019

	Note	2019 £ 000	2018 £ 000
Administrative expenses		(188)	(188)
Operating loss	3	(188)	(188)
Interest payable and similar expenses	5	(1,000)	(1,000)
		(1,000)	(1,000)
Loss before taxation		(1,188)	(1,188)
Tax on loss	6	36	36
Loss for the financial year		(1,152)	(1,152)

The above results were derived from continuing operations.

Euro-hub (Birmingham) Limited

(Registration number: 02403252)

Statement of Financial Position as at 31 March 2019

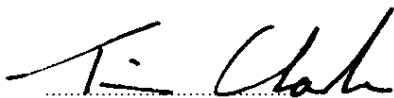
	Note	2019 £ 000	2018 £ 000
Current assets			
Debtors	7	21,048	22,200
Net current assets		21,048	22,200
Total assets less current liabilities		21,048	22,200
Creditors: Amounts falling due after more than one year	8	(20,661)	(20,661)
Net assets		387	1,539
Capital and reserves			
Called up share capital	9	100	100
Capital redemption reserve		1,000	1,000
Retained earnings		(713)	439
Total equity		387	1,539

For the financial year ending 31 March 2019 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 3 July 2019 and signed on its behalf by:



T Clarke
Chairman

Euro-hub (Birmingham) Limited

Statement of Changes in Equity for the Year Ended 31 March 2019

	Called up share capital £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 April 2017	100	1,000	1,591	2,691
Loss for the financial year	-	-	(1,152)	(1,152)
At 31 March 2018	100	1,000	439	1,539
At 1 April 2018	100	1,000	439	1,539
Loss for the financial year	-	-	(1,152)	(1,152)
At 31 March 2019	100	1,000	(713)	387

Euro-hub (Birmingham) Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

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 3 July 2019.

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 2019 (continued)

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 (2018: £nil). There are no employees of the company (2018: none), other than the directors.

5 Interest payable and similar expenses

	2019	2018
	£ 000	£ 000
Preference share dividends	1,000	1,000

6 Tax on loss

(a) Tax credited in the income statement

	2019	2018
	£ 000	£ 000
Current taxation		
UK corporation tax	(36)	(36)

(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 (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019	2018
	£ 000	£ 000
Loss before taxation	(1,188)	(1,188)
Corporation tax at standard rate	(226)	(226)
Disallowed expenses	190	190
Total tax credit for the year	(36)	(36)

Euro-hub (Birmingham) Limited

Notes to the Financial Statements for the Year Ended 31 March 2019 (*continued*)

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 UK corporation tax from 19% to 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

	2019 £ 000	2018 £ 000
Amounts owed by group undertakings	12,908	14,066
Prepayments	8,104	8,098
Corporation Tax	36	36
	<u>21,048</u>	<u>22,200</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

	2019 £ 000	2018 £ 000
Amounts falling due after more than one year		
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 2019 (*continued*)

9 Called up share capital

Allotted, called up and fully paid shares

	No. 000	2019 £ 000	No. 000	2018 £ 000
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 16 January 2019, 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 £50 million banking facility made available to Birmingham Airport Holdings Limited. The facility is for a period of five years with an expiry date of 16 January 2024, 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.

On 24 January 2019, the company, along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £90 million private placement senior notes issued by Birmingham Airport (Finance) PLC on 24 January 2019. The senior notes are for a period of 30 years maturing 24 January 2049 and carry a fixed interest rate of 3.21 per cent per annum.

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.