

Birmingham Airport (Finance) PLC

Annual Report and Financial Statements

for the Year Ended 31 March 2017



Registration number: 04061664

Birmingham Airport (Finance) PLC

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Birmingham Airport (Finance) PLC

Company Information

Chairman J L Hudson

Directors S L C Richards
J L Hudson
P Kehoe

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 National Westminster Bank plc
2 St Phillips Place
Birmingham
West Midlands
B3 3RB

Independent Auditors PricewaterhouseCoopers LLP
Chartered accountants and statutory auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Birmingham Airport (Finance) PLC

Strategic Report for the Year Ended 31 March 2017

The Directors present their strategic report for the year ended 31 March 2017.

Principal activities

From the commencement of trading on 1 February 2001, the principal activity of the company has been the provision of financing facilities to Birmingham Airport Holdings Limited (the ultimate holding company of Birmingham Airport (Finance) PLC) and Birmingham Airport Limited.

Review of the business

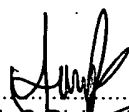
During February 2001, the company issued a 20 year, £105 million corporate bond, the net proceeds of which have been lent to Birmingham Airport Holdings Limited at a commercial rate of interest. During December 2013, the company entered into Private Placement Senior Notes agreements for £30 million and £45 million with terms of 10 years and 15 years respectively. The net proceeds for this transaction have been lent to Birmingham Airport Holdings Limited (£32.2 million) and Birmingham Airport Limited (£41.8 million), both at a commercial rate of interest. During March 2016, the company entered into Private Placement Senior Notes agreements for £76 million with a term of 25 years. The proceeds for this transaction have been lent to Birmingham Airport Operations Limited on 6 April 2016 at a commercial rate of interest.

As the company is a wholly owned subsidiary, whose ultimate parent is Birmingham Airport Holdings Limited, a more detailed review of the Birmingham Airport Group can be found within those financial statements including a performance review, key performance indicators and information upon financial risk management. The specific company financial risk management policies are included in note 11.

Principal risks and uncertainties

The company is risk averse in its principal activities as detailed above. The principal risk for the company is interest rates. The company has limited exposure, as both the corporate bond and private placement senior notes have fixed interest rates. The amount owed by group undertakings attracts interest at a rate composed of current interest rate payable on the company's bond plus 0.5 per cent.

Approved by the Board on 12 July 2017 and signed on its behalf by:


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

Birmingham Airport (Finance) PLC

Directors' Report for the Year Ended 31 March 2017

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

Results and Dividends

The profit for the financial year after taxation amounted to £1.723 million (2016: £1.479 million). During the year a final dividend was paid for the year ended 31 March 2016 of £12.69 (2016: £14.69) per ordinary share, amounting to £0.635 million (2016: £0.735 million). An interim dividend for the year ending 31 March 2017 of £10.12 (2016: £16.88) per ordinary share, amounting to £0.506 million (2016: £0.844 million) was also paid during the year.

The directors recommend a final dividend payment of £24.35 per ordinary share or £1.218 million to be made in respect of the financial year ended 31 March 2017 (2016: £12.69 per ordinary share or £0.635 million).

Corporate Governance

The board are appointed by shareholders of the ultimate parent company (Birmingham Airport Holdings Limited) and meet annually to discuss the financial and operational performance of the business. The company was specifically established to provide structured finance to the group as noted in its principal activities within the Strategic report.

The board has an experienced operational management and finance team who monitor the company's performance and covenant compliance.

Financial risk management

The interest rate risk for the company is discussed in note 11. The directors consider this to be the only risk for the company.

Future developments

The directors expect the company to continue to provide financing facilities to Birmingham Airport Holdings Limited, Birmingham Airport Limited and Birmingham Airport Operations Limited.

Directors of the Company

The directors who were in office during the year and up to the date of signing the financial statements were as follows:

S L C Richards - Company secretary and director

J L Hudson - Chairman

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 12 million, and delivered significant economic value to the region. An announcement regarding Paul's successor will be made in due course.

Birmingham Airport (Finance) PLC
Directors' Report for the Year Ended 31 March 2017 (continued)


Going concern

The financial statements have been prepared on a going concern basis. The directors have reviewed the prospects for the business for twelve months from the date of signing. They have considered the company's trading forecasts to the end of that period, as well as potential uncertainties of achieving such forecasts, along with a range of actions which could be taken in response. The directors remain confident that the company is well placed to take advantage of all the opportunities that such conditions present and that there are sufficient assets, together with a Group £20 million committed un-drawn loan facility to offset the company's net current liabilities, hence they continue to adopt the going concern basis in preparing the financial statements.

Statement of disclosure of information to the auditors

Each Director has taken 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 Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 12 July 2017 and signed on its behalf by:



S L C Richards
Company secretary and director

Birmingham Airport (Finance) PLC

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 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 Company and of the profit or loss of the 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 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.

The Directors 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 12 July 2017 and signed on its behalf by:



S L G Richards
Company secretary and director

Birmingham Airport (Finance) PLC

Independent auditors' report to the members of Birmingham Airport (Finance) PLC

Report on the financial statements

Our opinion

In our opinion Birmingham Airport (Finance) PLC's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Income Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Birmingham Airport (Finance) PLC
Independent auditors' report to the members of Birmingham Airport (Finance)
PLC (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

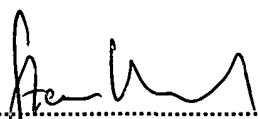
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Steven Kentish (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date: 12 July 2017

Birmingham Airport (Finance) PLC
Income Statement for the Year Ended 31 March 2017

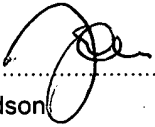
	Note	2017 £ 000	2016 £ 000
Administrative expenses		(8)	(10)
Operating loss	3	(8)	(10)
Interest receivable and similar income	5	15,227	12,042
Interest payable and similar expenses	6	(13,067)	(10,216)
		2,160	1,826
Profit before taxation		2,152	1,816
Tax on profit	7	(429)	(337)
Profit for the financial year		1,723	1,479

The above results were derived from continuing operations.

Birmingham Airport (Finance) PLC
(Registration number: 04061664)
Statement of Financial Position as at 31 March 2017

	Note	2017 £ 000	2016 £ 000
Current assets			
Debtors	8	258,689	259,504
Cash at bank and in hand		4	13
		<u>258,693</u>	<u>259,517</u>
Creditors: Amounts falling due within one year	9	<u>(2,279)</u>	<u>(3,944)</u>
Net current assets		<u>256,414</u>	<u>255,573</u>
Total assets less current liabilities		<u>256,414</u>	<u>255,573</u>
Creditors: Amounts falling due after more than one year	9	(254,406)	(254,185)
Provisions for liabilities	12	<u>(38)</u>	<u>-</u>
Net assets		<u>1,970</u>	<u>1,388</u>
Capital and reserves			
Called up share capital	13	50	50
Retained earnings		<u>1,920</u>	<u>1,338</u>
Total equity		<u>1,970</u>	<u>1,388</u>

The financial statements on pages 8 to 18 were approved and authorised by the Board on 12 July 2017 and signed on its behalf by:



 J L Hudson
 Chairman

Birmingham Airport (Finance) PLC
Statement of Changes in Equity for the Year Ended 31 March 2017

	Note	Called up share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 April 2015		50	1,438	1,488
Profit for the financial year		-	1,479	1,479
Dividends	14	-	(1,579)	(1,579)
At 31 March 2016		50	1,338	1,388
At 1 April 2016		50	1,338	1,388
Profit for the financial year		-	1,723	1,723
Dividends	14	-	(1,141)	(1,141)
At 31 March 2017		50	1,920	1,970

Birmingham Airport (Finance) PLC

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

1 General information

The company is a private company limited by shares and is incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

Diamond House
Birmingham Airport
Birmingham
West Midlands
B26 3QJ

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 applied "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 102 (FRS 102), 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 is exempt under the terms of FRS102 from disclosing related party transactions with entities that are wholly owned by Birmingham Airport Holdings Limited.

Summary of disclosure exemptions

FRS 102 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.

Critical accounting judgments and estimation uncertainty

The company makes relatively few judgments and estimates in preparing the financial statements and where the directors have had to make provisions they are reasonable and prudent. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2017
(continued)

2 Accounting policies (continued)

Tax

The tax expense for the year comprises current and deferred 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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Current and deferred tax assets and liabilities are not discounted.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are approved by the company's shareholders.

Financial instruments

Basic financial assets including accounts receivable are initially recognised at transaction price then subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other payables, and loans that are classified as debt, are initially recognised at transaction price and subsequently carried at amortised cost.

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs.

Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

The company assesses at the end of each period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2017
(continued)

3 Operating loss

Operating loss is stated after charging:

	2017 £ 000	2016 £ 000
Audit fees payable to the company's auditors	2	5

4 Directors' remuneration

Directors are remunerated by the ultimate 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 receivable and similar income

	2017 £ 000	2016 £ 000
Interest income from group companies	15,227	12,042

6 Interest payable and similar expenses

	2017 £ 000	2016 £ 000
Other interest payable	6,351	3,529
Corporate Bond	6,716	6,687
	13,067	10,216

Interest payable includes the amortisation of the bond debt issue costs and launch discount over the life of the debt of £0.1 million (2016: £0.1 million).

7 Tax on profit

Tax charged in the income statement

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	391	418
Adjustment in respect of previous years	-	(26)
	391	392
Deferred taxation		
Origination and reversal of timing differences	38	(55)
Tax on profit	429	337

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2017
(continued)

7 Tax on profit (continued)

The differences are reconciled below:

The tax on profit before taxation for the year is lower than the standard rate of corporation tax in the UK (2016: lower than the standard rate of corporation tax in the UK) of 20% (2016: 20%).

	2017	2016
	£ 000	£ 000
Profit before taxation	2,152	1,816
Corporation tax at standard rate of 20% (2016: 20%)	430	363
Deferred tax expense (credit) relating to changes in tax rates or laws	(1)	-
Adjustment in respect of previous years	-	(26)
Total tax charge for the year	429	337

In his recent budgets the Chancellor the Exchequer proposed a decrease in the rate of UK 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.

8 Debtors

	2017	2016
	£ 000	£ 000
Amounts owed by group undertakings	258,595	259,408
Prepayments and accrued income	94	96
	258,689	259,504

The amounts owed by group undertakings are unsecured and there are no formal arrangements for the repayment of these amounts and consequently these amounts are strictly payable on demand. The interest receivable is based on a rate composed of the current interest rate payable on the company's bond plus 0.5 per cent. This interest rate has also been applied to the funds loaned out from the Private Placements.

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2017
(continued)

9 Creditors

	Note	2017 £ 000	2016 £ 000
Amounts falling due within one year			
Amounts owed to group undertakings		-	844
Borrowings		1,805	1,805
Corporation tax		446	812
Accruals and deferred income		28	483
		<u>2,279</u>	<u>3,944</u>
Amounts falling due after more than one year			
Loans and borrowings	10	<u>254,406</u>	<u>254,185</u>

The amounts owed to group undertakings in the prior year were unsecured and there were no formal arrangements for the repayment of the amounts and consequently this amount was strictly repayable on demand.

10 Loans and borrowings

	2017 £ 000	2016 £ 000
Non-current loans and borrowings		
Bonds repayable 2021 - Original Principal	105,000	105,000
Private Placement Senior Notes	76,000	76,000
Private Placement Series A Senior Notes - Original Principal	30,000	30,000
Private Placement Series B Senior Notes - Original Principal	45,000	45,000
Less issue costs and discount	(1,594)	(1,815)
	<u>254,406</u>	<u>254,185</u>

All non-current loans and borrowings are payable after five years.

The private placement senior notes will mature, unless previously redeemed or purchased or cancelled on 30 March 2041. Interest on the private placement senior notes is payable on 30 March and 30 September at a fixed rate of 3.8 per cent.

The private placement senior notes A and senior notes B will mature, unless previously redeemed or purchased or cancelled on 3 December 2023 and 3 December 2028 respectively. Interest on the senior notes is payable on 3 June and 3 December at a fixed rate of 4.472 per cent for the senior A notes and 4.557 per cent for the senior B notes.

The corporate bonds will mature unless previously redeemed or purchased or cancelled on 22 February 2021. Interest on the bonds is payable on 22 February at a fixed rate of 6.25 per cent on the par value. The bonds are listed on the London Stock Exchange. The bonds were issued at a discount of 1.102 per cent, which, if amortised into the cashflow, gives an interest rate of 6.349 per cent. The remaining unamortised discount at 31 March 2017 is £0.602 million (2016: £0.735 million).

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2017
(continued)

11 Financial instruments

The company's principal financial instruments comprise bonds, private placement senior notes and inter-company loans. The main purpose of these financial instruments is to raise and provide finance for the parent's and its subsidiaries operations. The company does not enter into any form of derivative financial instruments.

Funding

The company's funding is provided by its £105 million 6.25 per cent, guaranteed bond issue, due for redemption on 22 February 2021, £30 million 4.472 per cent Series A Senior Note private placement maturing on 3 December 2023, £45 million 4.557 per cent Series B Senior Notes private placement maturing on 3 December 2028 and £76 million 3.8 per cent Senior Note private placement maturing on 30 March 2041. The funding provided financing to the parent undertaking and its subsidiary operations via interest bearing inter-company loans. The company has no further funding.

Interest Rate Risk

The company's borrowing is fixed at an interest rate of 6.25 per cent through its £105 million sterling bond issue. This equates to a rate of 6.349 per cent if the launch discount of 1.102 per cent is amortised back into the cashflow. The interest rates on both the Series A and Series B senior notes are fixed at 4.472 per cent and 4.557 per cent. The interest rate on the £76 million senior notes is fixed at 3.8 per cent.

The company charges an interest rate of 6.75 per cent on all funds which have been lent to its ultimate parent undertaking (Birmingham Airport Holdings Limited) and group subsidiary (Birmingham Airport Limited) via an inter-company loan account.

All financial assets and liabilities have been classified as basic financial instruments under Section 11 of FRS 102 and therefore no further disclosures are required.

Fixed rate financial liabilities	2017 Years remaining	2016 Years remaining
Sterling Private Placement Senior Notes Series A	7	8
Sterling Private Placement Senior Notes Series B	12	13
Sterling Bond	4	5
Sterling Private Placement Senior Notes	<u>24</u>	<u>25</u>

Financial Assets and financial liabilities measured at amortised cost	2017 £ 000	2016 £ 000
Loans and receivables	258,595	259,408
Private Placement Senior Notes Series A	(29,822)	(29,784)
Private Placement Senior Notes Series B	(44,645)	(44,608)
Bonds	(104,399)	(104,265)
Private Placement Senior Notes	(75,540)	(75,528)
Other financial liabilities	<u>(1,833)</u>	<u>(3,132)</u>

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2017
(continued)

12 Provision for other liabilities

	Deferred tax £ 000
At 1 April 2016	-
Additional provisions	38
At 31 March 2017	38

Provision for other liabilities relates to deferred tax on the bond amortisation provided. The value of deferred tax to reverse in the next year is £0.005 million.

13 Called up share capital

Allotted, called up and fully paid shares

	No. 000	2017 £ 000	No. 000	2016 £ 000
Ordinary Shares of £1 each	50	50	50	50

There is a single class of allotted, called up and fully paid ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

14 Dividends

	2017 £ 000	2016 £ 000
Final dividend of £12.69 (2016: £14.69) per ordinary share	635	735
Interim dividend of £10.12 (2016: £16.88) per ordinary share	506	844
	1,141	1,579

The directors are proposing a final dividend of £24.35 (2016: £12.69) per share totalling £1.218 million (2016: £0.635 million).

15 Contingent liabilities

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.

Birmingham Airport (Finance) PLC
Notes to the Financial Statements for the Year Ended 31 March 2017
(continued)

15 Contingent liabilities (continued)

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 3 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.

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.

16 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.

17 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.