

ADI Finance 1 Limited

Annual report and financial statements for the year ended 31 December 2014



ADI Finance 1 Limited

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ADI Finance 1 Limited

Officers and professional advisers

Directors

Stuart Baldwin
Christopher Beale
Ali Bouzarif
Jorge Gil
Eric Lachance
Michael Powell
Qing Zhang

Paul Barr	(Alternate to Stuart Baldwin)
Samuel Cox	(Alternate to Christopher Beale)
Olivier Fortin	(Alternate to Eric Lachance)
Robert Horsnall	(Alternate to Michael Powell)
Deven Karnik	(Alternate to Ali Bouzarif)
Iñigo Meirás	(Alternate to Jorge Gil)
Yan Wang	(Alternate to Qing Zhang)

Registered office

The Compass Centre
Nelson Road
Hounslow
Middlesex
TW6 2GW

Independent auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Bankers

The Royal Bank of Scotland plc
135 Bishopsgate
London
EC2M 3UR

ADI Finance 1 Limited

Strategic and Directors' reports

The directors present their annual report and the audited financial statements for ADI Finance 1 Limited (the 'Company') for the year ended 31 December 2014.

Strategic report

The Company is involved in the financing activities of its parent entity (FGP Topco Limited) and in financing the on-going operations of the Heathrow Airport Holdings Limited group (the 'Heathrow Airport Holdings Group') through its indirect subsidiary, Heathrow Airport Holdings Limited. The directors of the Company discharge their duties in accordance with section 172 of the Companies Act 2006 and with regard to the matters contained therein in the context of furthering the strategic objectives and promoting the success of the FGP Topco Limited group (the 'FGP Topco Group') as a whole. Further information on the strategy of the FGP Topco Group can be found in the FGP Topco Limited Strategic report contained within the annual report and financial statements of that entity for the year ending 31 December 2014.

During the year ended 31 December 2014, the Company reversed the impairment in its investment in ADI Finance 2 Limited, resulting in an exceptional operating gain of £840 million. The impairment provision was reversed as a result of a favourable change in the economic assumptions in the period since the provision was made. In particular, the valuation of the underlying operation at Heathrow airport has increased significantly as a result of updated passenger forecasts and projections in line with the recently approved Q6 business plan, resulting in a valuation which is significantly higher than when the impairment was originally booked. There has been no other significant changes to the activities of the Company and none is expected in the foreseeable future.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators beyond the financial information disclosed within the annual financial statements on pages 7-16 is not necessary for an understanding of the development, performance or position of the Company's operations.

Risk management

Risk management is a key element of the FGP Topco Group's corporate operations. The Company's risk management objectives are aligned with FGP Topco Limited, which is the level at which financial risks for the Company are managed. These objectives are underpinned by the Heathrow Airport Holdings Group's risk management framework. The Executive Committee, Board and Audit Committee ('AC') referred to below relate to the Executive Committee, Board and AC of Heathrow Airport Holdings Limited.

The principal risk identified by the Executive Committee is:

Financial stability

The Board of the FGP Topco Group approves prudent treasury policies and delegates certain responsibilities including changes to treasury policies, the approval of funding and the implementation of funding and risk strategy to the Heathrow Finance Committee. Senior management directly control day-to-day treasury operations on a centralised basis.

The treasury function is not permitted to speculate in financial instruments. Its purpose is to identify, mitigate and hedge treasury-related financial risks inherent in the FGP Topco Group's business operations and funding. To achieve this, the FGP Topco Group enters into interest rate swaps, index-linked swaps, cross-currency swaps and foreign exchange contracts to protect against interest rate, inflation and currency risks.

The primary treasury-related financial risks faced by the FGP Topco Group are:

(a) Interest rates

The FGP Topco Group maintains a mix of fixed and floating rate debt. As at 31 December 2014, fixed rate debt after hedging with derivatives represented 95% of the FGP Topco Group's total external nominal debt.

(b) Inflation

The FGP Topco Group mitigates the risk of mismatch between Heathrow's aeronautical income and regulatory asset base, which are directly linked to changes in the retail prices index, and nominal debt and interest payments by the issuance of index-linked instruments.

(c) Foreign currency

The FGP Topco Group uses cross-currency swaps to hedge all interest and principal payments on its foreign currency debt. The FGP Topco Group uses foreign exchange contracts to hedge material capital expenditure in foreign currencies once a project is certain to proceed.

ADI Finance 1 Limited

Strategic and Directors' reports *continued*

Risk management *continued*

Financial stability *continued*

(d) Funding and liquidity

The FGP Topco Group has established both investment grade (at the Heathrow (SP) level) and sub-investment grade (at the Heathrow Finance level) financing platforms for Heathrow. The Heathrow (SP) platform supports term loans, various revolving loan facilities including revolving credit facilities, working capital facilities and liquidity facilities, and Sterling and foreign currency capital markets issuance. All debt is secured and can be issued in either senior (A-/A-) or junior (BBB/BBB) format. Covenants are standardised wherever possible and are monitored on an on-going basis with formal testing reported to the AC, the Board and Executive Committee.

The Heathrow Finance platform is rated BB+/Ba3 and supports both loan and bond debt.

Although there can be no certainty that financing markets will remain open for issuance at all times, debt maturities are spread over a range of dates, thereby ensuring that the FGP Topco Group is not exposed to excessive refinancing risk in any one year.

Heathrow Finance has positive cash flows after capital expenditure and interest and expects to have sufficient liquidity to meet all its obligations in full, including capital investment, debt service costs, debt maturities and distributions, up to December 2016. As at 31 December 2014, cash and cash equivalents and term deposits were £455 million, undrawn headroom under revolving credit facilities was £1,525 million and undrawn headroom under liquidity facilities was £750 million.


Financing at ADI Finance 2 Limited is through £505 million in loan facilities.

(e) Counterparty credit

The FGP Topco Group's exposure to credit related losses, in the event of non-performance by counterparties to financial instruments, is mitigated by limiting exposure to any one party or instrument.

The FGP Topco Group maintains a prudent split of cash and cash equivalents across a range of market counterparties in order to mitigate counterparty credit risk. Board approved investment policies and relevant debt facility agreements provide counterparty investment limits, based on short- and long-term credit ratings. Investment activity is reviewed on a regular basis and no cash or cash equivalents are placed with counterparties with short-term credit ratings lower than A-2/F1. The FGP Topco Group monitors the credit rating of derivative counterparties on a daily basis and ensures no positions are entered into with counterparties with a long-term credit rating below BBB+ (S&P)/A (Fitch).

On behalf of the Board



Jorge Gil
Director

26 February 2015

Company registration number: 05723977

ADI Finance 1 Limited

Strategic and Directors' reports *continued*

Directors' report

Directors

The directors who served during the year and since the year end were as follows:

Stuart Baldwin		
Christopher Beale		
Ali Bouzarif		
Renaud Faucher		(Resigned 25 September 2014)
Jorge Gil		
Eric Lachance		(Appointed 25 September 2014)
Michael Powell		(Appointed 20 November 2014)
Qing Zhang		
Paul Barr	Alternate Director	(Appointed 20 November 2014)
Chin Hau Boon	Alternate Director	(Resigned 20 November 2014)
Samuel Cox	Alternate Director	
Olivier Fortin	Alternate Director	(Appointed 25 September 2014)
Robert Horsnall	Alternate Director	(Appointed 20 November 2014)
Deven Karnik	Alternate Director	(Appointed 25 September 2014)
Eric Lachance	Alternate Director	(Appointed 30 January 2014, resigned 25 September 2014)
Iñigo Meirás	Alternate Director	
Yan Wang	Alternate Director	(Appointed 03 June 2014)
Dapeng Xu	Alternate Director	(Resigned 03 June 2014)

Company secretary

Pursuant to section 270 of the Companies Act 2006, a private company registered within England and Wales is not required to have a company secretary.

Employment policies

The Company has no employees.

Directors' indemnity

The Company's Articles of Association provide that, subject to the provisions of the Companies Act 2006, but without prejudice to any protection from liability which might otherwise apply, every director of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him in defending any proceedings in which judgement is given in his favour, or in which he is acquitted or in connection with any application in which relief is granted to him by the court for any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties or powers or office.

Auditor

Pursuant to the provisions of section 485 of the Companies Act 2006, a resolution relating to the reappointment of the auditor Deloitte LLP will be proposed within the period set out in section 485 or, Deloitte LLP will be deemed re-appointed where no such resolution is proposed, following the period set out in section 485 in accordance with section 487.

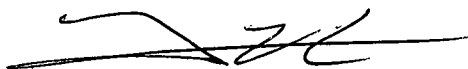
Statement of disclosure of information to the Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the Board



Jorge Gil
Director

26 February 2015

Company registration number: 05723977

ADI Finance 1 Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulations.

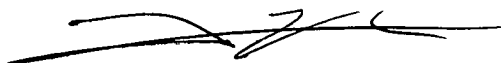
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.

On behalf of the Board



Jorge Gil
Director

26 February 2015

ADI Finance 1 Limited

Independent auditor's report to the members of ADI Finance 1 Limited

We have audited the financial statements of ADI Finance 1 Limited for the year ended 31 December 2014 which comprise the Profit and loss account, the Reconciliation of movement in shareholder's funds/(deficit), the Balance sheet, the Accounting policies, the Significant accounting judgements and estimates and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. 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 misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic and Directors' reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew J. Kelly FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

26 February 2015

ADI Finance 1 Limited

Profit and loss account for the year ended 31 December 2014

		Year ended 31 December 2014	Year ended 31 December 2013
	Note	£m	£m
Reversal of impairment in investment in subsidiary – exceptional	2	840	-
Operating profit		840	-
Dividends received from subsidiary	3	1,075	787
Interest receivable and similar income	4	-	15
Interest payable and similar charges	4	(34)	(77)
Net interest payable and similar charges		(34)	(62)
Profit on ordinary activities before taxation		1,881	725
Tax (charge)/credit on profit on ordinary activities	5	(7)	2
Profit on ordinary activities after taxation	11	1,874	727

All profits and losses recognised during the current and prior years were from continuing operations.

There were no material differences between the profit on ordinary activities before taxation and the retained profit for the year and their historical cost equivalents.

There were no recognised gains or losses for the current or preceding financial years other than those stated in the Profit and loss account and accordingly no Statement of total recognised gains and losses is presented.

ADI Finance 1 Limited

Reconciliation of movements in shareholder's funds/(deficit) for the year ended 31 December 2014

	<i>Note</i>	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Profit for the financial year	11	1,874	727
Net movement in shareholder's deficit		1,874	727
Opening shareholder's deficit		(426)	(1,153)
Closing shareholder's funds/(deficit)		1,448	(426)

ADI Finance 1 Limited

Balance sheet as at 31 December 2014

	Note	31 December 2014 £m	31 December 2013 £m
Fixed assets			
Investment in subsidiary	6	5,129	4,289
Current assets			
Debtors (including amounts due after more than one year of £122 million (2013: £122 million))	7	122	126
Cash at bank and in hand		1	-
Total current assets		123	126
Current liabilities			
Creditors: amounts falling due within one year	8	(5)	(2)
Net current assets		118	124
Total assets less current liabilities		5,247	4,413
Creditors: amounts falling due after more than one year	9	(3,799)	(4,839)
Net assets/(liabilities)		1,448	(426)
Capital and reserves			
Called up share capital	10	505	505
Share premium reserve	11	364	364
Profit and loss reserve	11	579	(1,295)
Total shareholder's funds/(deficit)		1,448	(426)

These financial statements of ADI Finance 1 Limited (Company registration number: 05723977) were approved by the Board of Directors and authorised for issue on 26 February 2015. They were signed on its behalf by:



Jorge Gil
Director



Eric Lachance
Director

ADI Finance 1 Limited

Accounting policies for the year ended 31 December 2014

The principal accounting policies applied in the preparation of the financial statements of ADI Finance 1 Limited (the 'Company') are set out below. These policies have been applied consistently to all the years presented.

Basis of preparation

These financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice ('UK GAAP')).

Going concern

The directors have prepared the financial statements on a going concern basis which requires the directors to have a reasonable expectation that the Company, as part of the FGP Topco Limited group ('FGP Topco Group'), has adequate resources to continue in operational existence for the foreseeable future.

Consequently the directors have reviewed the cash flow projections of the FGP Topco Group taking into account:

- the forecast revenue and operating cash flows from the underlying operations;
- the forecast level of capital expenditure; and
- the overall FGP Topco Group liquidity position, including the projected upstreams of cash, remaining committed and uncommitted facilities available to it, its scheduled debt maturities, its forecast financial ratios and ability to access the debt markets.

As a result of the review, having made appropriate enquiries of management, the directors have a reasonable expectation that sufficient funds will be available to meet the Company's funding requirement for the twelve months following the balance sheet signing date.

Individual entity financial statements

The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is a wholly-owned subsidiary of FGP Topco Limited and it, and its subsidiary undertakings, are included in the consolidated financial statements of that company for the year ended 31 December 2014. The financial statements present information about the Company as an individual entity only and not as a group.

Dividends receivable

A dividend is recognised as an asset in the Company's financial statements in the period in which the Company's right to receive payment of the dividend is established. Interim dividends are recognised when received.

Interest

Interest payable and interest receivable are recognised in the profit and loss account in the period in which they are incurred.

Investment in subsidiary

Investment in subsidiaries held as fixed assets are stated at cost and reviewed for impairment if there are any indications that the carrying value may not be recoverable. Reversals are recognised where there is a favourable change in the economic assumptions in the period since the provision was made.

Debtors

Debtors are recognised initially at cost less any provision for impairment.

Cash

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand when a right to offset exists.

Amounts owed to group undertakings

Amounts owed to group undertakings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

ADI Finance 1 Limited

Accounting policies for the year ended 31 December 2014 *continued*

Current taxation

The tax expense for the year comprises current tax only. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in reserves. In this case, the tax is also recognised in reserves.

Current tax liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Share capital

Ordinary shares are classified as equity and are recorded at the par value of proceeds received, net of direct issue costs, allowing for any reductions in the par value. Where the shares are issued above par value, the proceeds in excess of par value are recorded in the share premium reserve.

Cash flow statement and related party disclosures

The ultimate parent entity is FGP Topco Limited, a company registered in England and Wales. The results and cash flows of the Company are included in the publicly available financial statements of the FGP Topco Group. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash Flow Statements (revised 1996)'.

The Company is exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are wholly-owned subsidiaries of the FGP Topco Group.

ADI Finance 1 Limited

Significant accounting judgements and estimates for the year ended 31 December 2014

In applying the Company's accounting policies management have made judgements and estimates in a number of key areas. Actual results may, however, differ from the estimates calculated and management believe that the following areas present the greatest level of uncertainty.

Investment valuation

The Company reviews investment in subsidiaries for impairment if there are any indications that the carrying values may not be recoverable. The carrying value of the investment is compared to the recoverable amount of the subsidiary and where a deficiency exists, an impairment charge is considered by management. The recoverable amount has been calculated using the fair value less cost to sell methodology. Fair value less cost to sell has been calculated based on discounted cash flow projections of the business. Reversals are recognised where there is a favourable change in the economic assumptions in the period since the provision was made.

ADI Finance 1 Limited

Notes to the financial statements for the year ended 31 December 2014

1 Operating costs

Directors' remuneration

None of the directors who held office during the year received any emoluments from the Company.

During the year, none of the directors (2013: none) had retirement benefits accruing to them under a defined benefits scheme and none of the directors (2013: none) had retirement benefits accruing to them under a defined contribution scheme.

None of the directors (2013: none) exercised any share options during the year for their services to the Company and no shares (2013: none) were received or became receivable under long-term incentive plans.

Employee information

The Company has no employees (2013: nil).

Auditor remuneration

Audit fees are recharged in accordance with the group Shared Services Agreements ('SSAs') into the operating entities. The Company is not an operating entity and is therefore not party to the SSAs and receives no recharge of the audit cost. However, the Company's auditor received £4,000 (2013: £4,000) as remuneration for the audit of the Company's financial statements, the cost of which was borne by LHR Airports Limited.

2 Reversal of impairment in investment in subsidiary – exceptional

An exceptional operating gain of £840 million was recognised in the year ended 31 December 2014 (2013: £nil million) as a result of the reversal of the impairment of the Company's investment in its subsidiary, ADI Finance 2 Limited (Note 6).

3 Dividends received from subsidiary

During the year £1,075 million of dividends were received from the Company's subsidiary, ADI Finance 2 Limited (2013: £787 million).

4 Net interest payable and similar charges

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Interest receivable and similar income		
Interest receivable from group undertakings ¹	-	15
Interest payable and similar charges		
Interest payable on bank borrowings	-	(36)
Interest payable on loans from group undertakings ²	(34)	(41)
	(34)	(77)
Net interest payable and similar charges	(34)	(62)

¹ The balance in 2013 related primarily to interest on balances due from ADI Finance 2 Limited.

² These amounts relate mainly to interest due on the loan from FGP Topco Limited.

5 Tax on profit on ordinary activities

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Current tax		
Group relief receivable	-	(4)
Adjustment in respect of prior years	7	2
Current tax charge/(credit) for the year	7	(2)

ADI Finance 1 Limited

Notes to the financial statements for the year ended 31 December 2014 *continued*

5 Tax on profit on ordinary activities *continued*

Reconciliation of tax charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 21.5% (2013: 23.25%). The actual tax charge for the current and prior years differs from the standard rate for the reasons set out in the following reconciliation:

	Year ended 31 December 2014	Year ended 31 December 2013
	£m	£m
Profit on ordinary activities before tax	1,881	725
Tax on profit on ordinary activities at 21.5% (2013: 23.25%)	404	168
Effect of:		
Permanent differences	(173)	11
Non-taxable income	(231)	(183)
Adjustment in respect of prior years	7	2
Current tax charge/(credit) for the year	7	(2)

The Finance Act 2013 enacted reductions in the main rate of UK corporation tax from 23% to 21% with effect from 1 April 2014 and from 21% to 20% with effect from 1 April 2015. These changes have been reflected above. There are no other items which would materially affect the future tax charge.

6 Investment in subsidiary

	£m
Cost	
1 January and 31 December 2014	5,129
Impairment	
1 January 2014	(840)
Reversal of impairment (Note 2)	840
31 December 2014	-
Net book value	
31 December 2014	5,129
31 December 2013	4,289

Subsidiary	Nature of business	% of share capital held	Class of share
ADI Finance 2 Limited	Holding company	100	Ordinary shares of £0.08 each

The investment is in ADI Finance 2 Limited, a company registered in England and Wales. ADI Finance 2 Limited is involved in the financing activities of its ultimate parent entity in the UK, FGP Topco Limited, and in financing the on-going operations of the Heathrow Airport Holdings Limited Group which provides and manages airport facilities at Heathrow airport. The Heathrow Airport Holdings Group is also involved in airport-related property development and operates the Heathrow Express rail link between Heathrow and Paddington, London.

The impairment provision was reversed as a result of a favourable change in the economic assumptions in the period since the provision was made. In particular, the valuation of the underlying operation at Heathrow airport has increased significantly as a result of updated passenger forecasts and projections in line with the recently approved Q6 business plan, resulting in a valuation which is significantly higher than when the impairment was originally booked.

In the opinion of the directors, the aggregate value of the shares in the subsidiary undertaking is not less than the aggregate of the amount at which they are stated in the Company's balance sheet.

ADI Finance 1 Limited

Notes to the financial statements for the year ended 31 December 2014 *continued*

7 Debtors

	31 December 2014 £m	31 December 2013 £m
Due within one year:		
Group relief receivable	-	4
	-	4
Due after more than one year:		
Amounts due from group undertakings – interest free ¹	122	122
	122	122
Total debtors	122	126

¹ Amounts due from group undertakings – interest free comprises an interest free balance of £122 million (2013: £122 million) advanced to the Company's parent, FGP Topco Limited, relating to group tax relief and other inter-company recharges.

8 Creditors: amounts falling due within one year

	31 December 2014 £m	31 December 2013 £m
Amounts owed to group undertakings – interest free ¹	5	2

¹ Amounts owed to group undertakings – interest free relates to amounts payable to ADI Finance 2 Limited in relation to group tax relief.

9 Creditors: amounts falling due after more than one year

	31 December 2014 £m	31 December 2013 £m
Interest payable on amounts due to group undertakings	178	1,016
Amounts due to group undertakings – interest bearing ¹	3,528	3,730
Amounts due to group undertakings – interest free ²	93	93
	3,799	4,839

¹ Amounts due to group undertakings – interest bearing comprises amounts payable to the Company's parent, FGP Topco Limited, which carries interest at a floating rate based on 3-month Libor plus 0.5% margin, with a final maturity date of June 2016.

² Amounts due to group undertakings – interest free comprises amounts payable to the Company's subsidiary, ADI Finance 2 Limited, and relates to group tax relief and other inter-company recharges.

10 Share capital

	£
Called up, allotted and fully paid	
In issue at 1 January 2014 and 31 December 2014:	
5,050,000,004 ordinary shares of 10p each	505,000,000

11 Reserves

	Share premium reserve £m	Profit and loss reserve £m
1 January 2014	364	(1,295)
Profit for the financial year	-	1,874
31 December 2014	364	579

12 Security

The Company and its subsidiary, ADI Finance 2 Limited, have granted security over their assets in respect of the financing agreements of ADI Finance 2 Limited.

ADI Finance 1 Limited

Notes to the financial statements for the year ended 31 December 2014 *continued*

13 Ultimate parent undertaking

The ultimate parent entity is FGP Topco Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The shareholders of FGP Topco Limited are Hubco Netherlands B.V. (25.00%) (an indirect subsidiary of Ferrovial, S.A., Spain), Qatar Holding Aviation (20.00%) (a wholly-owned subsidiary of Qatar Holding LLC), Caisse de dépôt et placement du Québec (12.62%), Baker Street Investment Pte Ltd (11.20%) (an investment vehicle of the Government of Singapore Investment Corporation), Alinda Airports UK L.P. and Alinda Airports L.P. (11.18%) (investment vehicles managed by Alinda Capital Partners), Stable Investment Corporation (10.00%) (an investment vehicle of the China Investment Corporation) and USS Buzzard Limited (10.00%) (wholly-owned by the Universities Superannuation Scheme).

Copies of the financial statements of FGP Topco Limited may be obtained by writing to the Company Secretarial Department at The Compass Centre, Nelson Road, Hounslow, Middlesex, TW6 2GW.

Registered office

ADI Finance 1 Limited, The Compass Centre, Nelson Road, Hounslow, Middlesex, TW6 2GW
Registered in England Number: 05723977