

East Midlands Airport Nottingham
Derby Leicester Limited

Directors' report and financial
statements

Registered number 4129556

Year ended 31 March 2016

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Directors' report

The directors present their directors' report and audited financial statements of the Company for the year ended 31 March 2016.

In accordance with Section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company is exempt from preparing a Strategic Report.

Principal activities

The principal activity of the Company is as an intermediate holding Company. It is the Directors intention that the Company will not trade in the foreseeable future.

Business review

The results for the year are set out on page 5. The directors do not recommend the payment of a dividend (2015: £nil)

Principal risks and uncertainties

The key risks faced by the Company are aligned to those of Manchester Airports Holdings Limited. For more details of these risks and how they are managed please refer to the strategic report in the annual report and accounts for Manchester Airports Holdings Limited. The directors have not identified any other significant risks for the Company.

Key performance indicators ("KPIs")

The key performance indicators for the Company are aligned to those of Manchester Airports Holdings Limited. For more details of these KPIs please refer to the strategic report in the annual report and accounts for Manchester Airports Holdings Limited. The directors have not used any additional KPIs for the Company.

Directors

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

C Cornish
N Thompson
K O'Toole

Going concern

It should be recognised that any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events, which are inherently uncertain. The Company is able to rely on the Group for financial support. Manchester Airports Holdings Limited has confirmed that it will continue to provide financial and other support to the Company, for at least the next twelve months from the date of approval of the financial statements, to the extent necessary to enable the Company to continue to trade and in particular will not seek repayment of the amounts currently made available. For this reason they continue to adopt the going concern basis in preparing these accounts.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



N Thompson
Director

16 December 2016

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of East Midlands Airport Nottingham Derby Leicester Limited

We have audited the financial statements of East Midlands Airport Nottingham Derby Leicester Limited for the year ended 31 March 2016 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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

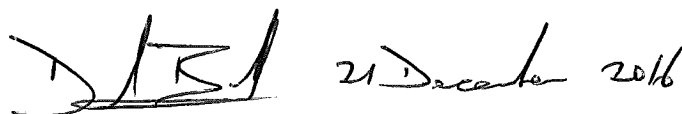
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of East Midlands Airport Nottingham Derby Leicester Limited (continued)

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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Handwritten signature of David Bills and the date 21 December 2016.

David Bills (Senior Statutory Auditor)

for and on behalf of KPMG LLP

Statutory Auditor

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

Income Statement and Other Comprehensive Income
for the year to 31 March 2016

| | <i>Note</i> | 2016 £000 | 2015 £000 |
|--|-------------|----------------------------|--------------|
| Interest receivable and similar income | 4 | 1,585 | 1,586 |
| Operating costs | 2-3 | - | - |
| Profit on ordinary activities before taxation | 2-3 | 1,585 | 1,586 |
| Tax on profit on ordinary activities | | - | - |
| Profit for the financial year | | 1,585 | 1,586 |
| Other comprehensive income for the year net of tax | | - | - |
| Total comprehensive income for the year | | 1,585 | 1,586 |

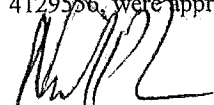
The results presented above are all derived from the Company's continuing operations.

The notes on pages 8 to 13 form an integral part of these financial statements.

Statement of Financial Position
at 31 March 2016

| | Note | 2016 £000 | £000 | 2015 £000 | £000 |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Non Current Assets | | | | | |
| Investments | 6 | | 168,442 | | 168,442 |
| Current Liabilities: Trade and Other Payables | 7 | (12,163) | | (13,748) | |
| Net current liabilities | | | (12,163) | | (13,748) |
| Total assets less current liabilities | | | 156,279 | | 154,694 |
| Non-current liabilities | | | - | | - |
| Net assets | | | 156,279 | | 154,694 |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 138,849 | | 138,849 |
| Retained earnings | 9 | | 17,430 | | 15,845 |
| Shareholders' funds | | | 156,279 | | 154,694 |

These financial statements of East Midlands Airport Nottingham Derby Leicester Limited, registered number 4129556, were approved by the board of directors on 16 December 2016 and were signed on its behalf by:



N Thompson
 Director

The notes on pages 8 to 13 form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 March 2016

| | Called up Share capital | Retained Earnings | Total equity |
|--|-------------------------------|----------------------|-----------------|
| | £000 | £000 | £000 |
| Balance at 1 April 2015 | 138,849 | 15,845 | 154,694 |
| Total comprehensive income for the period | | | |
| Result for the year | - | 1,585 | 1,585 |
| Other comprehensive income (see note 9) | - | - | - |
| | ----- | ----- | ----- |
| Total comprehensive income for the period | - | 1,585 | 1,585 |
| | ----- | ----- | ----- |
| Balance at 31 March 2016 | 138,849 | 17,430 | 156,279 |
| | ===== | ===== | ===== |

| | Called up Share capital | Retained Earnings | Total equity |
|--|-------------------------------|----------------------|-----------------|
| | £000 | £000 | £000 |
| Balance at 1 April 2014 | 138,849 | 14,259 | 153,108 |
| Total comprehensive income for the period | | | |
| Result for the year | - | 1,586 | 1,586 |
| Other comprehensive income (see note 9) | - | - | - |
| | ----- | ----- | ----- |
| Total comprehensive income for the period | - | 1,586 | 1,586 |
| | ----- | ----- | ----- |
| Balance at 31 March 2015 | 138,849 | 15,845 | 154,694 |
| | ===== | ===== | ===== |

The notes on pages 8 to 13 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

East Midland Airport Nottingham Derby Leicester Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. No applicable exemptions have been taken in these financial statements.

The Company's ultimate parent undertaking, Manchester Airports Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Manchester Airports Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Olympic House, Manchester Airport, M90 1QX.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company has taken advantage of section 33.1A of FRS 102 and not disclosed transactions with fellow Group companies.

As the consolidated financial statements of Manchester Airports Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out over the page have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Functional Currency

The Company's functional and presentation currency is Pound Sterling.

Notes (continued)

1 Accounting policies (continued)

1.3 Inter-company balances

Inter-company balances are stated at historic costs.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Going concern

The Company is able to rely on the Group for financial support. Manchester Airports Holdings Limited has confirmed that it will continue to provide financial and other support to the Company, for at least the next twelve months from the date of approval of the financial statements, to the extent necessary to enable the Company to continue to trade and in particular will not seek repayment of the amounts currently made available.

The following paragraphs set out a summary of the going concern status of Manchester Airports Holdings Limited.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries and considering all available information, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities.

1.6 Basic financial instruments

Trade and other receivables / Payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other Payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes *(continued)*

1 Accounting policies *(continued)*

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment with changes recognised in other comprehensive income.

1.7 Interest receivable and Interest payable

Interest income and interest payable are recognised in the income statement as they accrue, using the effective interest method.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

2 Notes to the Income statement

Amounts receivable by the Company's auditor and their associates in respect of services to the Company have not been disclosed as the information is instead disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Manchester Airports Holdings Limited.

3 Remuneration of directors

C Cornish, K O'Toole and N Thompson were directors of East Midlands Airport Nottingham Derby Leicester Limited during the year. Their remuneration was paid by Manchester Airports Holdings Limited and is disclosed in aggregate in its financial statements. The directors do not believe it is possible to apportion their remuneration to individual companies within the Manchester Airports Holdings Limited group based on services provided.

4 Interest receivable and similar income

| | 2016 | 2015 |
|---|-------|-------|
| | £000 | £000 |
| Interest receivable on shares classified as liabilities | 1,585 | 1,586 |
| | 1,585 | 1,586 |
| | 1,585 | 1,586 |

5 Taxation

Factors affecting the tax charge for the current period

The current tax charge for the period is lower than the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below.

| | 2016 | 2015 |
|--|-------|-------|
| | £000 | £000 |
| <i>Current tax reconciliation</i> | | |
| Profit on ordinary activities before tax | 1,585 | 1,586 |
| Current tax at 20% (2015 :21%) | 317 | 333 |
| <i>Effects of:</i> | | |
| Non taxable income | (317) | (333) |
| Total current tax charge (see above) | - | - |

The Finance (No. 2) Bill 2015 was substantively enacted on 16 October 2015 and included reductions in the rate of corporation tax from 1 April 2017 of 1% to 19% and a further 1% to 18% from 1 April 2020. The March 2016 Budget announced that the rate of corporation tax from 1 April 2020 will reduce by a further 1% to 17%. This further 1% reduction to 17% had not been substantively enacted by the balance sheet date.

Notes *(continued)*

6 Fixed asset investments

| | Shares in group undertakings £000 |
|-----------------------------------|--|
| <i>Cost</i> | |
| At 1 April 2015 and 31 March 2016 | 168,442 |

At 31 March 2016 the Company held investments in the following subsidiary undertakings:

| | Country of incorporation | Principal activity | Class and description of Shares held | Percentage of shares held |
|---|-----------------------------|--|--|---------------------------------|
| <i>Subsidiary undertakings</i> | | | | |
| East Midlands International Airport Limited | England and Wales | Operation of an airport | Ordinary £1 shares Non voting 9% preference shares | 100% |
| East Midlands Airport Property Investments (Hotels) Limited | England and Wales | Investment property holding company | Ordinary £1 shares | 100% |
| East Midlands Airport Property Investments (Offices) Limited | England and Wales | Investment property holding company | Ordinary £1 shares | 100% |
| East Midlands Airport Property Investments (Industrial) Limited | England and Wales | Investment property holding company | Ordinary £1 shares | 100% |
| East Midlands Airport Core Property Investments Limited | England and Wales | Non trading | Ordinary £1 shares | 100% |
| Bournemouth International Airport Limited | England and Wales | Operation of an airport | Ordinary £1 shares | 100% |
| Bournemouth Airport Property Investments (Offices) Limited | England and Wales | Investment property holding company | Ordinary £1 shares | 100% |
| Bournemouth Airport Property Investments (Industrial) Limited | England and Wales | Investment property holding company | Ordinary £1 shares | 100% |
| Bournemouth Airport Core Property Investments Limited | England and Wales | Non trading | Ordinary £1 shares | 100% |

7 Trade and other payables

| | 2016 £000 | 2015 £000 |
|------------------------------------|----------------------|--------------|
| Accruals and deferred income | 5 | 5 |
| Amounts owed to group undertakings | 12,158 | 13,743 |
| | 12,163 | 13,748 |

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

Notes *(continued)*

8 Called up share capital

| | 2016 | 2015 |
|---|----------------|-------------|
| | £000 | £000 |
| <i>Allotted, called up and fully paid</i> | | |
| 138,849,316 Ordinary shares of £1 each | 138,849 | 138,849 |
| | <hr/> | <hr/> |
| | 138,849 | 138,849 |
| | <hr/> <hr/> | <hr/> <hr/> |

9 Other comprehensive income

| | Retained earnings |
|-------------------------|--------------------------|
| | £000 |
| At 1 April 2015 | 15,845 |
| Profit for the year | 1,585 |
| | <hr/> |
| At 31 March 2016 | 17,430 |
| | <hr/> <hr/> |

10 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a subsidiary undertaking of Manchester Airport Group Finance Limited. The smallest Group in which the results of the Company are consolidated is that headed by Manchester Airport Group Investments Limited. The Company's ultimate parent is Manchester Airports Holdings Limited. The consolidated financial statements of this Group are available to the public and may be obtained from Company Secretary at Olympic House, Manchester Airport, Manchester M90 1QX, or via the website at www.magworld.co.uk.

11 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016 and the comparative information presented in these financial statements for the year ended 31 March 2015.

In preparing its FRS 102 balance sheet, the Company has reviewed amounts reported previously in financial statements prepared in accordance with its old basis of accounting UK GAAP and concluded that no changes to the numbers disclosed in the prior year accounts are required

The disclosures in the notes have been updated where applicable to comply with FRS102.