

Manchester Airport Group Finance
Limited

Annual report and financial statements

Registered number 8338561

Year ended 31 March 2017

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Strategic report

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

Principal activities

The principal activity of the Company during the year was acting as an intermediate holding company, holding external debt on behalf of the group of companies owned by Manchester Airports Holdings Limited (the 'Group'), as well as back-to-back inter-company loans with Manchester Airport Group Funding PLC, which holds the Group's external listed bonds. This is expected to continue for the foreseeable future.

Business review

The results for the year are set out on page 6. During the year, the Company made a loss of £41,531,000 before taxation (2016: £41,478,000). At the year end the Company had net assets of £2,105,212 (2016: £2,146,743).

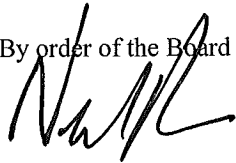
Principal risks and uncertainties

The key risks faced by the Company are aligned with 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 with 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.

By order of the Board



N Thompson

Director

23 October 2017

Directors' report

The directors present their directors' report and audited financial statements of the Company for the year to 31 March 2017.

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

Financial risk management

The Company's activities expose it to a variety of financial risks. The Company's funding, liquidity and exposure to interest rate risks are managed by the Group's treasury function.

Treasury operations are conducted within a framework of policies, which are approved and subsequently monitored by the Board. These include guidelines on funding, interest rate risk management and counterparty risk management.

For more details of the management of these risks please refer to page 84 of the annual report and accounts for Manchester Airports Holdings Limited. The directors have not identified any additional risks specific to this Company.

Going concern

The Company is able to rely on the Group of which it is a member for financial support. Manchester Airports Holdings Limited, the Company's ultimate parent undertaking, 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.

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. Nevertheless, at the time of preparation of these accounts and after making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing these accounts. For further details see Note 1.

Proposed dividend

The directors do not recommend the payment of a dividend for the year ended 31 March 2017 (2016: £nil).

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

Written resolutions relating to the reappointment of KPMG LLP as auditor, and to the authority of the directors to fix the auditor's remuneration, are to be put before the Company's voting shareholders for execution in the short term (and in the case of the former resolution, within the relevant period prescribed by statute).

By order of the Board



N Thompson

Director

23 October 2017

Statement of directors' responsibilities relating to the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, 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

St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Manchester Airport Group Finance Limited

We have audited the financial statements of Manchester Airport Group Finance Limited for the year ended 31 March 2017 set out on pages 6 to 18. 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 3, 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 2017 and of its loss 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the strategic report and the directors' report:

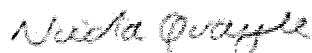
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

**Independent auditor's report to the members of Manchester Airport Group
Finance Limited** *(continued)*

Matters on which we are required to report by exception

We have nothing to report relating to 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.



Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

23 October 2017

Income statement and other comprehensive income
for the year ended 31 March 2017

	<i>Note</i>	2017 £000	2016 £000
Revenue		-	-
Operating costs		-	-
Operating profit		-	-
Interest payable and similar charges	5	(41,531)	(41,478)
Loss before taxation		(41,531)	(41,478)
Tax on loss	6	-	-
Loss for the financial year		(41,531)	(41,478)
Other comprehensive income for the year net of tax		-	-
Total comprehensive expense for the year		(41,531)	(41,478)

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

The notes on pages 9 to 18 form an integral part of these financial statements.

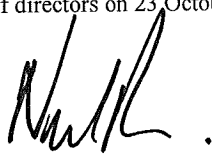
Statement of financial position

at 31 March 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
Non-current assets					
Investments in subsidiary undertakings	7		2,752,303		2,752,303
			<u>2,752,303</u>		<u>2,752,303</u>
Current assets					
Trade and other receivables	8	394,673		395,371	
		<u>394,673</u>		<u>395,371</u>	
Current liabilities					
Trade and other payables	9	(104,632)		(109,081)	
		<u>(104,632)</u>		<u>(109,081)</u>	
Net current assets			290,041		286,290
			<u>290,041</u>		<u>286,290</u>
Total assets less current liabilities			3,042,344		3,038,593
			<u>3,042,344</u>		<u>3,038,593</u>
Non-current liabilities	10		(937,132)		(891,850)
			<u>(937,132)</u>		<u>(891,850)</u>
Net assets			2,105,212		2,146,743
			<u><u>2,105,212</u></u>		<u><u>2,146,743</u></u>
Capital and reserves					
Called up share capital	12		300		300
Share premium	13		2,257,366		2,257,366
Retained earnings	13		(152,454)		(110,923)
			<u>2,105,212</u>		<u>2,146,743</u>
Shareholders' funds			2,105,212		2,146,743
			<u><u>2,105,212</u></u>		<u><u>2,146,743</u></u>

The notes on pages 9 to 18 form an integral part of these financial statements.

These financial statements of Manchester Airport Group Finance Limited, registered number 8338561, were approved by the board of directors on 23 October 2017 and were signed on its behalf by:



N Thompson
Director

Statement of changes in equity
for the year ended 31 March 2017

	Called up share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
Balance at 1 April 2016	300	2,257,366	(110,923)	2,146,743
Total comprehensive expense for the year				
Result for the year	-	-	(41,531)	(41,531)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the year	-	-	(41,531)	(41,531)
Balance at 31 March 2017	300	2,257,366	(152,454)	2,105,212

	Called up share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
Balance at 1 April 2015	300	2,257,366	(69,445)	2,188,221
Total comprehensive expense for the year				
Result for the year	-	-	(41,478)	(41,478)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the year	-	-	(41,478)	(41,478)
Balance at 31 March 2016	300	2,257,366	(110,923)	2,146,743

The notes on pages 9 to 18 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Manchester Airport Group Finance Limited (the 'Company') is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt, by virtue of section 400 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 FRS102 issued in July 2015 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.

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, 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 relating to the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- 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 relating to the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues relating to 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.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern

The Company is able to rely on the Group of which it is a member for financial support. Manchester Airports Holdings Limited, the Company's ultimate parent undertaking, 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 Group has considerable financial resources, as well as long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors of the Group believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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.

After making enquiries and considering all available information, the directors of the Group have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. On the basis of the above, the directors of the Company consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Foreign currency

The Company financial statements are presented in pound sterling and rounded to thousands. The Company's functional and presentation currency is the pound sterling.

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 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 interest for a similar debt instrument.

Notes (continued)

1 Accounting policies (continued)

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.

Fees paid on the establishment of loan facilities are amortised over the duration of the financing as part of the effective interest rate.

Investments in subsidiaries

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

1.6 Impairment

Financial assets (including trade and other receivables)

A financial asset not carried at fair value through the income statement is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, which can be estimated reliably.

An impairment loss relating to a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the income statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

1.7 Expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges and the amortisation of debt issue costs.

Interest receivable 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 relating to previous years.

Notes *(continued)*

2 Notes to the income statement

Amounts receivable by the Company's auditor and the auditor's associates relating to services to the Company have been borne by the Company's ultimate parent, Manchester Airports Holdings Limited. The directors believe that the proportion of the consolidated fee applicable to the Company is £7,000 (2016: £5,000).

3 Remuneration of directors

N Thompson and C Cornish were directors of Manchester Airports Holdings Limited during the year and their aggregate remuneration is disclosed in that company's consolidated financial statements. The directors believe that the proportion of their aggregate remuneration applicable to the Company based on services provided is £155,815 (2016: £146,369).

4 Staff numbers and costs

The Company had no employees during the period (2016: nil). The remuneration of the directors has been borne by the Company's intermediate parent company, The Manchester Airport Group PLC.

5 Interest payable and similar charges

	2017 £000	2016 £000
Interest payable on bank loans and overdrafts	3,527	4,295
Interest payable to other Group undertakings ¹	36,889	36,889
Amortisation of issue costs (note 11)	1,115	294
	<hr/>	<hr/>
	41,531	41,478
	<hr/> <hr/>	<hr/> <hr/>

¹ This amount relates to interest due on the loan from Manchester Airport Funding PLC, granted in February 2014 (see Note 10).

Notes (continued)

6 Taxation

Total tax expense recognised in the income statement and other comprehensive income

	2017 £000	2017 £000	2016 £000	2016 £000
<i>UK corporation tax</i>				
Current tax on expense for the year	-		-	
Total current tax		-		-
Total tax		-		-

Total tax expense recognised in the income statement, other comprehensive income and equity

	2017 Current tax £000	2017 Deferred tax £000	2017 Total tax £000	2016 Current tax £000	2016 Deferred tax £000	2016 Total tax £000
Recognised in equity	-	-	-	-	-	-
Total tax	-	-	-	-	-	-

Reconciliation of effective tax rate

	2017 £000	2016 £000
<i>Current tax reconciliation</i>		
Loss for the year	(41,531)	(41,478)
Total tax expense	-	-
Loss before tax	(41,531)	(41,478)
Loss multiplied by the standard rate of corporation tax of 20% (2016: 20%)	(8,306)	(8,296)
<i>Effects of:</i>		
Losses surrendered to other group companies	8,306	8,296
Total tax expense included in the income statement	-	-

Factors that may affect future current and total tax charges

The Finance Bill 2016 was substantively enacted on 6 September 2016 and included a reduction in the rate of corporation tax to 17% from 1 April 2020.

Notes (continued)

7 Fixed asset investments

	Shares in group undertakings £000
<i>Cost and net book value</i>	
At 31 March 2016 and 31 March 2017	2,752,303

At 31 March 2017 the Company held investments in the following subsidiary undertakings:

Name of undertaking	Country of incorporation	Principal activities	Class and description of shares held	Percentage of shares held
Airport Advertising Limited*	England and Wales	Non-trading	Ordinary £1 shares	100%
Airport Petroleum Limited*	England and Wales	Non-trading	Ordinary £1 shares	100%
Bainsdown Limited**	England and Wales	Non-trading	Ordinary £1 shares	100%
Bournemouth Airport Core Property Investments Limited*	England and Wales	Non-trading	Ordinary £1 shares	100%
Bournemouth Airport Property Investments (Industrial) Limited*	England and Wales	Investment property holding company	Ordinary £1 shares	100%
Bournemouth Airport Property Investments (Offices) Limited*	England and Wales	Investment property holding company	Ordinary £1 shares	100%
Bournemouth International Airport Limited***	England and Wales	Airport operator	Ordinary £1 shares	100%
East Midlands Airport Core Property Investments Limited*	England and Wales	Non-trading	Ordinary £1 shares	100%
East Midlands Airport Nottingham Derby Leicester Limited*	England and Wales	Intermediate holding company of East Midlands International Airport Limited and Bournemouth International Airport Limited	Ordinary £1 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 (Industrial) 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 International Airport Limited****	England and Wales	Airport operator	Ordinary £1 shares Non-voting 9% preference shares	100% 100%
Manchester Airport Aviation Services Limited**	England and Wales	Non-trading	Ordinary £1 shares	100%

Notes (continued)

7 Fixed asset investments (continued)

Name of undertaking	Country of incorporation	Principal activities	Class and description of shares held	Percentage of shares held
Manchester Airport Group Property Developments Limited*	England and Wales	Property development company	Ordinary £1 shares	100%
Manchester Airport Group Property Services Limited*	England and Wales	Property development company	Ordinary £1 shares	100%
Manchester Airport PLC*	England and Wales	Airport operator	Ordinary £1 shares	100%
Manchester Airport Property Investments (Hotels) Limited*	England and Wales	Non-trading	Ordinary £1 shares	100%
Manchester Airport Property Investments (Industrial) Limited*	England and Wales	Non-trading	Ordinary £1 shares	100%
Manchester Airport Property Investments (Offices) Limited*	England and Wales	Non-trading	Ordinary £1 shares	100%
Manchester Airport Ventures Limited**	England and Wales	Non-trading	Ordinary £1 shares	100%
Ringway Developments PLC*	England and Wales	Property development company	Ordinary £1 shares	100%
Ringway Handling Limited**	England and Wales	Non-trading	Ordinary £1 shares	100%
Ringway Handling Services Limited**	England and Wales	Non-trading	Ordinary £1 shares	100%
Stansted Airport Limited*****	England and Wales	Airport operator	Ordinary £1 shares	100%
Worknorth Limited*	England and Wales	Non-trading	Ordinary £1 shares	100%
			Cumulative participating £1 preference shares	100%
Worknorth II Limited**	England and Wales	Non-trading	Ordinary £1 shares	100%
			Cumulative participating £1 preference shares	100%

The registered office addresses for each of the above companies are detailed below:

- * Olympic House, Manchester Airport, Manchester, M90 1QX
- ** PO Box 532, Town Hall, Albert Square, Manchester, M60 2LA
- *** Bournemouth International Airport, Christchurch, Dorset, BH23 6SE
- **** Building 34, East Midlands Airport, Castle Donnington, Derby, DE74 2SA
- ***** Enterprise House, Bassingbourne Road, Stansted Airport, Essex, CM24 1QW

Notes (continued)

8 Trade and other receivables

	2017 £000	2016 £000
Amounts owed by group undertakings – non-interest bearing	394,673	395,371
	<u>394,673</u>	<u>395,371</u>

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

9 Trade and other payables

	2017 £000	2016 £000
Bank overdraft	-	563
Other payables	331	216
Amounts owed to group undertakings	104,301	108,302
	<u>104,632</u>	<u>109,081</u>

Interest on bank loans and overdrafts is linked to LIBOR plus a margin.

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

10 Other non-current liabilities

	2017 £000	2016 £000
Bank loans and overdrafts (note 11)	134,060	89,434
Amounts owed to group undertakings – interest bearing (note 11)	803,072	802,416
	<u>937,132</u>	<u>891,850</u>

Amounts owed to group undertakings – interest bearing at 31 March 2017 represent a loan from Manchester Airport Group Funding PLC. At 31 March 2017 the effective rate on the loan was 4.60% (2016: 4.60%).

Notes (continued)

11 Interest bearing loans and borrowings

Borrowings are repayable as follows:

	2017	2016
	£000	£000
<i>In one year or less, or on demand</i>		
Bank overdrafts	-	563
<i>In more than two years, but no more than five years</i>		
Bank loans	134,060	89,434
<i>In more than five years – due by other instalments</i>		
Amounts owed to group undertakings	803,072	802,416
	937,132	892,413
Total interest bearing borrowings	937,132	892,413

Analysis of bank loans is as follows:

	2017	2016
	£000	£000
<i>Amounts due between two and five years:</i>		
Secured Senior Term Facility	-	89,996
Secured Revolving Credit Facility	137,000	-
Less: unamortised debt issue costs	(2,940)	(562)
	134,060	89,434
	134,060	89,434

Issue costs arising in relation to obtaining finance are amortised over the duration of the financing as part of the effective interest rate.

During the period the Group completed the refinancing of its revolving credit and liquidity facilities, comprising the £500.0m ACF Agreement and the £60.0m LF Agreement, each with a five year term, maturing in 2021, with optional extensions. In June 2017 the Group extended the new facilities for a further year, resulting in a revised maturity date of June 2022. The £90.0m balance on the Secured Senior Term Facility (forming part of the Initial ACF Agreement) was repaid from this new facility. The ACF Agreement and LF Agreement were both extended in June 2017, resulting in a revised maturity of June 2022.

Analysis of the amounts owed to group undertakings is as follows:

	2017	2016
	£000	£000
<i>Amounts due in more than five years:</i>		
Inter-company loan at 4.125% repayable in 2024	360,000	360,000
Inter-company loan at 4.75% repayable in 2034	450,000	450,000
Less: discount on issue	(1,852)	(2,028)
Less: unamortised debt issue costs	(5,076)	(5,556)
	803,072	802,416
	803,072	802,416

The inter-company issue costs arising in relation to obtaining finance are amortised over the duration of the financing as part of the effective interest rate.

Notes (continued)

12 Called up share capital

	2017 £000	2016 £000
<i>Issued, called up and fully paid</i>		
300,000 Ordinary shares of £1 each	300	300
	<u> </u>	<u> </u>

13 Reserves

	Share premium £000	Retained earnings £000
At 1 April 2016	2,257,366	(110,923)
Loss for the year	-	(41,531)
	<u> </u>	<u> </u>
At 31 March 2017	2,257,366	(152,454)
	<u> </u>	<u> </u>
	Share premium £000	Retained earnings £000
At 1 April 2015	2,257,366	(69,445)
Loss for the year	-	(41,478)
	<u> </u>	<u> </u>
At 31 March 2016	2,257,366	(110,923)
	<u> </u>	<u> </u>

14 Contingent liabilities

Under the Common Terms Agreement signed on 14 February 2014, the Company and a number of its fellow subsidiaries have entered into a security agreement with the Group's bondholders and banks. The bonds and bank loans are secured by a fixed and floating charge over substantially all of the Group's assets. The total amount outstanding under this agreement at 31 March 2017 is £937.1m.

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

The Company is a subsidiary undertaking of The Manchester Airport Group PLC. 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 these groups are available to the public and may be obtained from the Company Secretary at Olympic House, Manchester Airport, Manchester M90 1QX, or via the website at www.magairports.com.