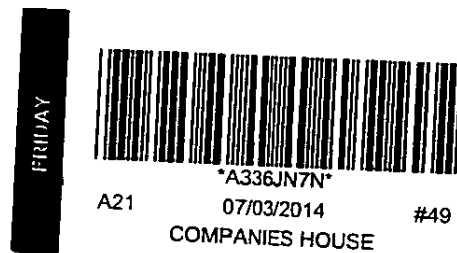


ADI Finance 1 Limited
Annual report and financial statements
for the year ended 31 December 2013



ADI Finance 1 Limited

Contents

Officers and professional advisers	1
Strategic and Directors' reports	2
Directors' responsibilities statement	6
Independent auditor's report	7
Financial statements	
Profit and loss account	8
Reconciliation of movements in shareholder's deficit	9
Balance sheet	10
Accounting policies	11
Significant accounting judgements and estimates	13
Notes to the financial statements	14

ADI Finance 1 Limited

Officers and professional advisers

Directors

Stuart Baldwin
Christopher Beale
Ali Bouzanf
Renaud Faucher
Jorge Gil
Qing Zhang

Chin-Hau Boon	(Alternate to Stuart Baldwin)
Samuel Coxé	(Alternate to Christopher Beale)
Eric Lachance	(Alternate to Renaud Faucher)
Iñigo Meirás	(Alternate to Jorge Gil)
Dapeng Xu	(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 reports and the audited financial statements for ADI Finance 1 Limited (the 'Company') for the year ended 31 December 2013

Strategic Report

The Company is involved in the financing activities of its parent entity in the UK, FGP Topco Limited and in financing the on-going operations of the Heathrow Airport Holdings Limited group (the 'Heathrow Airport Holdings Group'), an indirect subsidiary of the company. 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 Financial Statements of that entity for the year ending 31 December 2013.

£505 million in new seven- and nine-year term loan facilities implemented at ADI Finance 2 Limited were utilised, together with resources from elsewhere in the Heathrow Airport Holdings group, to refinance the £600 million loan facility previously held at the Company.

No significant changes to the activities of the Company or future developments are 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 8-16 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 Heathrow Airport Holdings Group's corporate strategy. Risk is centrally managed at the Heathrow Airport Holdings Limited level (the 'Heathrow Airport Holdings Group'). 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 Heathrow Airport Holdings Group's risk management process is used to facilitate the identification, evaluation and effective management of the threats to the achievement of the Heathrow Airport Holdings Group's purpose, vision, objectives, goals and strategies. The vision of risk management is to embed the awareness of risk at all levels of the organisation, in such a way that day-to-day activities are managed effectively and all significant business decisions are risk-informed.

The risk management process is evidenced in risk registers which are used as the basis for regular review of risks and their management, up to Executive Committee level. The risk registers are also used to inform decisions relating to the procurement of insurance cover. The risk management process also supports clear accountabilities, processes and reporting formats that deliver efficient and effective management assurance to the Board to ensure statutory compliance whilst supporting business units to successfully manage their operations.

The operation of the risk management process and the individual risk registers are subject to periodic review by the Heathrow Airport Holdings Group's Internal Audit function, whose primary responsibility is to provide independent assurance to the Board that the controls put in place by management to mitigate risks are working effectively.

Assurance is provided through reports to the AC, the management reporting processes including to the Sustainability and Operational Risk Committee.

The principal corporate and reputational risks as identified by the Executive Committee are:

Financial risk management objectives and policies

The Company's financial risk management objectives are aligned with its immediate parent company, 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 risk management framework. The treasury policies of the Heathrow Airport Holdings Group which equally apply to the FGP Topco group and the company are set out below.

The Board of the Heathrow Airport Holdings Group approves prudent treasury policies and delegates certain responsibilities to senior management who 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 Heathrow Airport Holdings Group's business operations and funding. To achieve this, the Heathrow Airport Holdings 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 Heathrow Airport Holdings Group are:

ADI Finance 1 Limited

Strategic and Directors' reports *continued*

Risk management *continued*

Financial risk management objectives and policies continued

(a) Interest rates

The Heathrow Airport Holdings Group maintains a mix of fixed and floating rate debt. As at 31 December 2013, fixed rate debt after hedging with derivatives represented 94% of the Heathrow Airport Holdings Group's total external nominal debt. The Company does not individually hedge its interest rate exposures.

(b) Inflation

The Heathrow Airport Holdings Group mitigates the risk of mismatch between Heathrow airport's aeronautical income and regulatory asset bases, which are directly linked to changes in the retail prices index, and nominal debt and interest payments by the issuance of inflation linked instruments.

(c) Foreign currency

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

(d) Funding and liquidity

The Heathrow Airport Holdings Group operates separate financing programmes for its designated airport, Heathrow, and for its Non-Designated airports (Glasgow, Aberdeen and Southampton).

1 Heathrow airport

The Heathrow Airport Holdings Group has established both investment grade (at Heathrow (SP) Limited level) and sub-investment grade (at Heathrow Finance plc, level) financing platforms for Heathrow airport. The Heathrow SP platform supports bank term debt, bank revolving credit facilities including a revolving capital expenditure facility, bank liquidity facilities, various other loan 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 the 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 Heathrow Airport Holdings Group is not exposed to excessive refinancing risk in any one year.

Heathrow Airport has a positive cash flow before capital expenditure and maintains at least 12 months' headroom under the revolving capital expenditure facility. As at 31 December 2013, cash and cash equivalents were £96 million, undrawn headroom under bank credit facilities was £2,095 million and undrawn headroom under bank liquidity facility was £750 million.

2 Non-Designated airports

The Heathrow Airport Holdings Group's Non-Designated airports are financed with term loan and revolving bank facilities totalling £341 million. The Non-Designated airports group is cash positive after capital expenditure. As at 31 December 2013, cash and cash equivalents were £34 million (excluding £7 million in restricted cash) and undrawn headroom under bank credit facilities was £10 million.

ADI Finance 1 Limited

Strategic and Directors' reports *continued*

Risk management *continued*

Financial risk management objectives and policies continued

(e) Counterparty credit

The Heathrow Airport Holdings 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 Heathrow Airport Holdings 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-term 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 Heathrow Airport Holdings 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

20 February 2014

Company registration number 05723977

ADI Finance 1 Limited

Strategic and Directors' reports *continued*

Directors' Report

In accordance with Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 (the "Schedule"), Part 1, 1A as amended by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has chosen in accordance with section 414C (11) of the Companies Act 2006 to set out in the Company's strategic report information required under Part 1 (6) & (7) of the Schedule that would in previous years have been set out in the Directors' Report

Directors

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

Stuart Baldwin		
Christopher Beale		
Ali Bouzarif		Appointed 14 January 2013
Renaud Faucher		
Jorge Gil		
Bing Hu		Resigned 21 March 2013
Qing Zhang		Appointed 21 March 2013
Chin-Hau Boon	(Alternate to Stuart Baldwin)	Appointed 11 January 2013
Samuel Cox	(Alternate to Christopher Beale)	
Charles Dupont	(Alternate to Renaud Faucher)	Resigned 21 March 2013
Eric Lachance	(Alternate to Renaud Faucher)	Appointed 30 January 2014
Íñigo Meiras	(Alternate to Jorge Gil)	
Simon Rigall	(Alternate to Christopher Beale)	Resigned 21 November 2013
Dapeng Xu	(Alternate to Qing Zhang)	Appointed 21 March 2013
Dapeng Xu	(Alternate to Bing Hu)	Resigned 21 March 2013

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 direct employees

Director's 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

20 February 2014

Company registration number 05723977

ADI Finance 1 Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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 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

20 February 2014

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 2013 which comprise the Profit and loss account, the Reconciliation of movements in shareholder's funds, the Balance sheet, the Accounting policies, the Significant accounting judgements and estimates and the related notes 1 to 10. 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 2013 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.

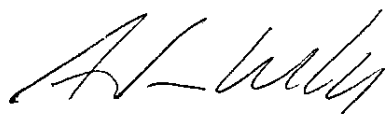
Opinion on other matter prescribed by the Companies Act 2006

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 (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

20 February 2014

ADI Finance 1 Limited

Profit and loss account

		Year ended 31 December 2013	Year ended 31 December 2012
	Note	£m	£m
Dividends received		787	-
Interest receivable and similar income	2	15	45
Interest payable and similar charges	2	(77)	(116)
Net interest payable and similar charges		(62)	(71)
Profit/(loss) on ordinary activities before taxation		725	(71)
Tax credit on profit/(loss) on ordinary activities	3	2	1
Profit/(loss) on ordinary activities after taxation	9	727	(70)

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

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

There were no recognised gains or losses for the current or preceding financial years other than 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 deficit

	Note	Year ended 31 December 2013 £m	Year ended 31 December 2012 £m
Profit/(loss) for the year	9	727	(70)
Net movement in shareholder's deficit		727	(70)
Opening shareholder's deficit		(1,153)	(1,083)
Closing shareholder's deficit		(426)	(1,153)

ADI Finance 1 Limited

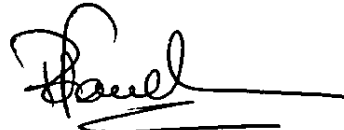
Balance sheet

	Note	31 December 2013 £m	31 December 2012 £m
Fixed assets			
Investment in subsidiary	4	4,289	4,289
Current assets			
Debtors due within one year	5	4	15
due after more than one year	5	122	503
Cash at bank and in hand		-	1
Total current assets		126	519
Current liabilities			
Creditors amounts falling due within one year	6	(2)	(20)
Net current assets		124	499
Total assets less current liabilities		4,413	4,788
Creditors amounts falling due after more than one year	7	(4,839)	(5,941)
Net liabilities		(426)	(1,153)
Capital and reserves			
Called up share capital	8	505	505
Share premium reserve	9	364	364
Profit and loss reserve	9	(1,295)	(2,022)
Total shareholder's deficit		(426)	(1,153)

The financial statements of ADI Finance 1 Limited (Company registration number 05723977) were approved by the Board of Directors and authorised for issue on 20 February 2014. They were signed on its behalf by



Jorge Gil
Director



Renaud Faucher
Director

ADI Finance 1 Limited

Accounting policies

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'))

The Company has revised the presentation of the balances in the financial statements to millions instead of thousands.

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, 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 Limited 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 Limited group liquidity position, including the projected upstreams of cash, remaining committed and uncommitted facilities available to it, its scheduled debt maturities and its forecast financial ratios and ability to access the debt markets.

Whilst the Company is in a net liability position, as a result of the review and 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 next twelve months from the balance sheet signing date.

Consolidated 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 its subsidiary undertakings are included in the consolidated financial statements of that company for the year ended 31 December 2013. The financial statements present information about the Company as an individual entity only and not as a group.

Interest

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

Investment in subsidiaries

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.

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 of offset exists.

Amounts owed to group undertakings

Amounts owed to group undertakings are recognised initially at fair value, net of transaction costs incurred. 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 rate method.

Borrowings

Borrowings 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 rate method.

ADI Finance 1 Limited

Accounting policies *continued*

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

In accordance with FRS 19 *Deferred Tax*, deferred tax is provided in full on timing differences which result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred taxation is determined using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date and are expected to apply in the periods in which the timing differences are expected to reverse.

Share capital

Ordinary shares are classified as equity and are recorded at the par value of proceeds received, net of direct issue costs. 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 transactions

The ultimate parent entity in the UK is FGP Topco Limited, a company registered in England and Wales. The results of the Company are included in the audited consolidated financial statements of FGP Topco Limited for the year ended 31 December 2012. 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 Limited group.

ADI Finance 1 Limited

Significant accounting judgements and estimates

In applying the Company's accounting policies, management have made estimates and judgements 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.

ADI Finance 1 Limited

Notes to the financial statements

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 (2012 none) had retirement benefits accruing to them under a defined benefits scheme and none of the directors (2012 none) had retirement benefits accruing to them under a defined contribution scheme

None of the directors (2012 none) exercised any share options during the year for their services to the Company and no shares (2012 none) were received or became receivable under long-term incentive plans

Employee information

The Company has no employees (2012 nil)

Auditor remuneration

Audit fees for the current and preceding financial years were borne by LHR Airports Limited (formerly BAA Airports Limited), and indirect subsidiary of the company

2 Net interest payable and other similar charges

	Year ended 31 December 2013 £m	Year ended 31 December 2012 £m
Interest receivable and similar income		
Interest receivable from group undertakings ¹	15	45
Interest payable and similar charges		
Interest payable on bank borrowings	(36)	(55)
Interest payable on loans from group undertakings ²	(41)	(61)
	(77)	(116)
Net interest payable and other similar charges	(62)	(71)

¹ These amounts relate primarily to interest accrued on balances due from ADI Finance 2 Limited

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

3 Tax on profit/(loss) on ordinary activities

	Year ended 31 December 2013 £m	Year ended 31 December 2012 £m
Current tax		
Group relief receivable	(4)	(1)
Adjustments to tax charge in respect of prior period	2	-
Tax credit on profit/(loss) on ordinary activities	(2)	(1)

Reconciliation of tax charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 23.25% (2012 24.5%)
The actual tax credit for the current and prior years differs from the standard rate for the reasons set out in the following reconciliation

	Year ended 31 December 2013 £m	Year ended 31 December 2012 £m
Profit/(loss) on ordinary activities before tax	725	(71)
Tax on profit/(loss) on ordinary activities at 23.25% (2012 24.5%)	168	(17)
Effect of		
Permanent differences	11	16
Non-taxable income	(183)	-
Adjustments to tax charge in respect of prior period	2	-
Current tax credit for the year	(2)	(1)

It was substantively enacted at the reporting date that the standard rate of corporation tax in the UK will change to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. Other than this change there are no items which would materially affect the future tax charge

ADI Finance 1 Limited

Notes to the financial statements *continued*

4 Investment in subsidiary

	£m
Cost	
1 January and 31 December 2013	5,129
Impairment	
1 January and 31 December 2013	(840)
Net book value 31 December 2013	4,289
Net book value 31 December 2012	4,289

The Company's immediate subsidiary is

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

5 Debtors

	31 December 2013 £m	31 December 2012 £m
Due within one year		
Interest receivable from group undertakings	-	14
Group relief receivable	4	1
	4	15
Due after more than one year		
Amounts due from group undertakings – interest bearing ¹	-	381
Amounts due from group undertakings – interest free ²	122	122
	122	503
Total debtors	126	518

¹ At 31 December 2013, the balance related to the amount receivable from the Company's wholly owned subsidiary ADI Finance 2 which attracted a floating interest rate based on senior loan facility interest plus a margin of 0.125%. The intercompany loan was settled during the year.

² Amounts due from group undertakings - interest free comprises an interest free balance of £122 million advanced to the Company's parent FGP Topco Limited relating to group tax relief and other inter-company recharges.

6 Creditors amounts falling due within one year

	31 December 2013 £m	31 December 2012 £m
Interest payable on senior loan facility	-	19
Amounts owed to group undertakings - interest free	2	1
	2	20

7 Creditors amounts falling due after more than one year

	31 December 2013 £m	31 December 2012 £m
Interest payable on amounts due to group undertakings	1,016	976
Amounts due to group undertakings – interest bearing ¹	3,730	4,285
Amounts due to group undertakings – interest free ²	93	93
Senior loan facility ³	-	587
	4,839	5,941

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.

³ The senior loan facility attracted a floating interest rate based on 6-month Libor plus 7.0% margin and was paid in July 2013.

ADI Finance 1 Limited

Notes to the financial statements *continued*

8 Share capital

	£
Authorised	
5,050,000,100 ordinary shares of 10p each	505,000,010
Called up, allotted and fully paid	
In issue at 31 December 2012 and 31 December 2013	
5,050,000,004 ordinary shares of 10p each	505,000,000

9 Reserves

	Share Capital £m	Share premium reserve £m	Profit and loss reserve £m	Total £m
1 January 2013	505	364	(2,022)	(1,153)
Profit for the financial year	-	-	727	727
31 December 2013	505	364	(1,295)	(426)

10 Ultimate parent undertaking

The ultimate parent entity is FGP Topco Limited, which is the parent undertaking of the largest group to consolidate these financial statements. The shareholders of FGP Topco Limited are Hubco Netherlands B V (25%) (an indirect subsidiary of Ferrovial, S A, Spain), Qatar Holding Aviation (20%) (a wholly owned subsidiary of Qatar Holding LLC), Caisse de dépôt et placement du Québec (13.29%), Baker Street Investment Pte Ltd (11.88%) (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 (8.65%) (an investment vehicle of 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