

# Birmingham Airport Developments Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 5 April 2022



Registration number: 02295119

## **Birmingham Airport Developments Limited**

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## **Birmingham Airport Developments Limited**

### **Company Information**

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**Chairman** T Clarke

**Chief Executive** N Barton

**Directors** S L C Richards

**Company Secretary** F Penhallurick

**Registered office** Diamond House  
Birmingham Airport  
Birmingham  
West Midlands  
B26 3QJ

**Bankers** National Westminster Bank plc  
2 St Philips Place  
Birmingham  
West Midlands  
B3 2RB

## **Birmingham Airport Developments Limited**

### **Directors' Report for the Year Ended 5 April 2022**

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The Directors present their report and the financial statements for the year ended 5 April 2022.

#### **Principal activity**

*The principal activity of the company is the development and construction of assets on the airport site, for resale to third parties.*

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime within part 15 of the Companies Act 2006.

#### **Strategic report**

In August 2013 the Department for Business, Innovation and Skills ('BIS') published new narrative reporting regulations requiring companies to produce a 'strategic' report. The company have taken advantage of the small company exemption within these regulations.

#### **Future developments**

Continued development of the airport site to meet the forecast growth in activity of the airport.

#### **Directors of the company**

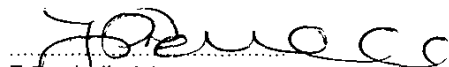
The Directors who held office during the year were as follows:

T Clarke - Chairman

N Barton - Chief Executive

S L C Richards

Approved by the Board on 22/6/22 and signed on its behalf by:



F Renhallurick  
Company Secretary

## **Birmingham Airport Developments Limited**

### **Statement of Directors' Responsibilities in respect of the financial statements**

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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 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 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.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 22/6/22 and signed on its behalf by:

  
R Penhallurick  
Company Secretary

**Birmingham Airport Developments Limited****Income Statement for the Year Ended 5 April 2022**

	Note	2022 £	2021 £
Turnover		-	-
Administrative expenses		<u>(27)</u>	<u>(30)</u>
<b>Operating loss</b>		<u>(27)</u>	<u>(30)</u>
<b>Loss before taxation</b>		(27)	(30)
Tax on (loss)/profit	4	<u>608</u>	<u>6</u>
<b>Profit/(loss) for the financial year</b>		<u><u>581</u></u>	<u><u>(24)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

# Birmingham Airport Developments Limited

(Registration number: 02295119)

## Statement of Financial Position as at 5 April 2022

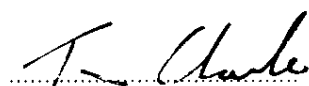
	Note	2022 £	2021 £
<b>Current assets</b>			
Debtors	5	2,804,693	2,804,085
Cash at bank and in hand		<u>3,065</u>	<u>3,092</u>
		2,807,758	2,807,177
<b>Creditors: Amounts falling due within one year</b>	6	<u>(813,670)</u>	<u>(813,670)</u>
<b>Net assets</b>		<u>1,994,088</u>	<u>1,993,507</u>
<b>Capital and reserves</b>			
Called up share capital	7	100	100
Retained earnings		<u>1,993,988</u>	<u>1,993,407</u>
<b>Total equity</b>		<u>1,994,088</u>	<u>1,993,507</u>

For the financial year ending 5 April 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 13 were approved and authorised by the on 22/6/22  
and signed on its behalf by:



T Clarke

Chairman

The notes on pages 7 to 13 form an integral part of these financial statements.

**Birmingham Airport Developments Limited****Statement of Changes in Equity for the Year Ended 5 April 2022**

	Called up share capital £	Retained earnings £	Total equity £
At 6 April 2020	100	1,993,431	1,993,531
Loss for the year	-	(24)	(24)
At 5 April 2021	100	1,993,407	1,993,507
At 6 April 2021	100	1,993,407	1,993,507
Profit for the year	-	581	581
At 5 April 2022	100	1,993,988	1,994,088

The notes on pages 7 to 13 form an integral part of these financial statements.



# **Birmingham Airport Developments Limited**

## **Notes to the Financial Statements for the Year Ended 5 April 2022**

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### **1 General information**

The company is incorporated and domiciled in England.

The address of its registered office is:

Diamond House  
Birmingham Airport  
Birmingham  
West Midlands  
B26 3QJ

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 102 (FRS 102), in these financial statements.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value.

#### **Related party transactions**

The company is exempt under the terms of FRS102 from disclosing related party transactions with entities that are wholly owned by Birmingham Airport Holdings Limited.

#### **Summary of disclosure exemptions**

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the following exemptions:

- the requirement to prepare a statement of cash flows (FRS 102 para 1.12(b));
- the requirement to disclose transactions with group members (FRS 102 para 33.1A);
- the non-disclosure of key management personnel compensation in total (FRS 102 para 33.7); and
- the requirement to complete a reconciliation of the number of shares outstanding at the beginning and end of the period (FRS 102 para 4.12(a)(iv)).

The company notified and did not receive any objections to the use of the above exemptions by its shareholders.

## **Birmingham Airport Developments Limited**

### **Notes to the Financial Statements for the Year Ended 5 April 2022**

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#### **2 Accounting policies (continued)**

##### **Going concern**

The Directors have reviewed the prospects for the group and company through to March 2024 (twenty-four months from the balance sheet date) in the context of the Covid-19 pandemic. At the balance sheet date the group had strong liquidity, with a cash balance of £54.5 million and a £65 million shareholder loan facility.

The gradual increase in passenger volumes as the pandemic has eased, combined with actions taken during the pandemic to reduce expenditure have led to average cash outflows in the second half of 2021/22 of £2.2 million per month (excluding grant receipts from the Airport & Ground Operations Support Scheme (AGOSS)). Therefore, on a simple basis the group has sufficient cash to operate for 24 months. Together with the shareholder loan facility, the group has sufficient liquidity for over four years from the date of signing these financial statements at the level of trading experienced in winter 2021/22.

The Directors have also considered the continuing uncertainties facing the group over the next two years and carried out financial modelling of a range of trading scenarios along with the actions which could be taken in response.

After due consideration of the matters set out above, the Directors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis. However, the uncertain course of the Coronavirus pandemic and its impact on the ability of the group to meet its covenant tests, and to take corrective measures should it not be able to do so, represent material uncertainties that may cast significant doubt on the Group and Company's ability to continue as a going concern and, therefore, to continue realising their assets and discharging their liabilities in the normal course of business. These financial statements do not contain the adjustments that would result if the Group and Company were unable to continue as a going concern.

The covenant test date of December 2022 was 18 months from the signing of the 31 March 2021 financial statements and therefore outside of the going concern assessment period but is less than six months from the signing of these financial statements. This is the key reason why the covenant test is now assessed to create a material uncertainty which was not applicable in 2021.

##### **Critical accounting judgments and estimations of uncertainty**

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

## **Birmingham Airport Developments Limited**

### **Notes to the Financial Statements for the Year Ended 5 April 2022**

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#### **2 Accounting policies (continued)**

##### **Revenue recognition**

Turnover represents amounts chargeable in respect of the sale of goods and services to customers. Turnover on long term contracts is assessed based on the activity progress of the project and its attributable profit, where this can be assessed with reasonable certainty.

Long term contracts are measured at cost net of amounts transferred to cost of sales after deducting foreseeable losses and payments on account not matched with turnover. These contracts are included in stock as work in progress. The amount by which payments on account exceed turnover is shown under creditors as deferred income. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on contracts. The amount by which accruals for foreseeable losses exceed costs incurred, after transfers to cost of sales, is deducted from the value of work in progress in the statement of financial position and recognised as a cost in the income statement.

##### **Tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement.

*The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.*

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

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

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **3 Directors' remuneration**

Directors are remunerated by the parent company, Birmingham Airport Holdings Limited, and the costs are not recharged. Total emoluments are included within the aggregate key management personnel compensation in the financial statements of the ultimate parent. No emoluments were paid to any directors' by the company during the year (2021: £nil). There are no employees of the company (2021: none), other than the directors.

## Birmingham Airport Developments Limited

### Notes to the Financial Statements for the Year Ended 5 April 2022

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#### 4 Tax on (loss)/profit

##### (a) Tax charged in the income statement

	2022 £	2021 £
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(5)	(6)
Arising from changes in tax rates and laws	<u>(603)</u>	<u>-</u>
	<u>(608)</u>	<u>(6)</u>

The tax on profit before taxation for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Loss before taxation	<u>(27)</u>	<u>(30)</u>
Corporation tax at standard rate	(5)	(6)
Deferred tax expense (credit) relating to changes in tax rates or laws	<u>(603)</u>	<u>-</u>
Total tax credit for the year	<u>(608)</u>	<u>(6)</u>

##### (b) Tax rate changes

In his recent budget the Chancellor of the Exchequer increased the rate of UK corporation tax from 19% to 25% from 1 April 2023. This had been substantively enacted at the balance sheet date and is reflected in the company's financial statements.

## Birmingham Airport Developments Limited

### Notes to the Financial Statements for the Year Ended 5 April 2022

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#### 5 Debtors

	2022 £	2021 £
Amounts owed by group undertakings	2,742,876	2,742,870
Other receivables	59,303	59,315
Deferred tax assets	2,514	1,900
	<u>2,804,693</u>	<u>2,804,085</u>

Amounts owed by group undertakings relate to trading income which will be settled within one year.

#### Deferred tax

Deferred tax assets and liabilities

2022	Asset £
Other timing differences	2,500
Trade losses	14
	<u>2,514</u>
2021	Asset £
Other timing differences	1,900
Trade losses	6
	<u>1,906</u>

#### 6 Creditors

	2022 £	2021 £
Amounts falling due within one year		
Accruals	<u>813,670</u>	<u>813,670</u>

## Birmingham Airport Developments Limited

### Notes to the Financial Statements for the Year Ended 5 April 2022

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#### 7 Share capital

##### Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary Shares of £1 each	100	100	100	100

#### 8 Contingent liabilities

On 3 December 2013, the company along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £75 million private placement senior notes issued by Birmingham Airport (Finance) PLC. Series A senior notes of £30 million are for a period of ten years maturing 3 December 2023 and carries a fixed interest rate of 4.472 per cent per annum. Series B senior notes of £45 million are for a period of fifteen years maturing 3 December 2028 and carries a fixed interest rate of 4.557 per cent per annum.

On 30 March 2016, the company, along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £76 million private placement senior notes issued by Birmingham Airport (Finance) PLC on 30 March 2016. The senior notes are for a period of 25 years maturing 30 March 2041 and carry a fixed interest rate of 3.8 per cent per annum.

On 24 January 2019, the company, along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £90 million private placement senior notes issued by Birmingham Airport (Finance) PLC on 24 January 2019. The senior notes are for a period of 30 years maturing 24 January 2049 and carry a fixed interest rate of 3.21 per cent per annum.

On 23 January 2020, the company, along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £85 million private placement senior notes issued by Birmingham Airport (Finance) PLC on 23 January 2020. The senior notes are for a period of 30 years maturing 23 January 2050 and carry a fixed interest rate of 2.44 per cent per annum.

On 21 May 2020, the company, along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £45 million private placement senior notes issued by Birmingham Airport (Finance) PLC on 21 May 2020. The senior notes are for a period of 30 years maturing 21 May 2050 and carry a fixed interest rate of 2.94 per cent per annum.

On 16 January 2019, the company along with other group members of Birmingham Airport Holdings Limited, provided guarantees to Royal Bank of Scotland PLC in support of a £25 million banking facility made available to Birmingham Airport Holdings Limited. The facility is for a period of five years with an expiry date of 16 January 2024, with an option to extend by 2 further 12 month periods. At the date of signing these financial statements, the total amount of the facility has been drawn down.

## **Birmingham Airport Developments Limited**

### **Notes to the Financial Statements for the Year Ended 5 April 2022**

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#### **9 Related party transactions**

The company has taken advantage of the disclosure exemption under paragraph 33.1A, "Related Party Disclosures", of FRS 102, on the grounds that it is a wholly owned subsidiary of a group headed by Birmingham Airport Holdings Limited, whose financial statements are publicly available.

#### **10 Parent and ultimate parent undertaking**

The company's immediate parent is Birmingham Airport Limited, incorporated in England.

The ultimate parent is Birmingham Airport Holdings Limited, incorporated in England.

The smallest and largest parent producing publicly available financial statements is Birmingham Airport Holdings Limited. These financial statements are available upon request from Diamond House, Birmingham Airport, Birmingham, West Midlands, B26 3QJ.