

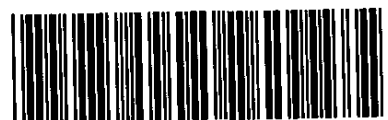
Birmingham Airport Developments Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 5 April 2023

Registration number: 02295119

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Birmingham Airport Developments Limited
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Birmingham Airport Developments Limited

Company Information

Chairman T Clarke

Chief Executive N Barton

Directors N Barton
T Clarke
S L C Richards

Company Secretary S L C Richards

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

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

Birmingham Airport Developments Limited

Directors' for the Year Ended 5 April 2023

The Directors presents their report and the financial statements for the year ended 5 April 2023.

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 June 2023 and signed on its behalf by:

...*Simon Richards*.....
S L C Richards
Company Secretary

Birmingham Airport Developments Limited

Statement of Directors' Responsibilities

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

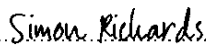
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 June 2023 and signed on its behalf by:


S L C Richards
Company Secretary

Birmingham Airport Developments Limited
Income Statement for the Year Ended 5 April 2023

	Note	2023 £	2022 £
Turnover		-	-
Gross profit/(loss)		-	-
Administrative expenses		(56)	(27)
Operating loss		(56)	(27)
Loss before tax		(56)	(27)
Tax on loss	4	11	608
(Loss)/profit for the financial year		(45)	581

The above results were derived from continuing operations.

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

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

Birmingham Airport Developments Limited**(Registration number: 02295119)****Statement of Financial Position as at 5 April 2023**

	Note	2023 £	2022 £
Current assets			
Debtors	5	2,804,709	2,804,693
Cash at bank and in hand		<u>3,003</u>	<u>3,065</u>
		2,807,712	2,807,758
Creditors: Amounts falling due within one year	6	<u>(813,669)</u>	<u>(813,670)</u>
Net assets		<u>1,994,043</u>	<u>1,994,088</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>1,993,943</u>	<u>1,993,988</u>
Shareholders' funds		<u>1,994,043</u>	<u>1,994,088</u>

For the financial year ending 5 April 2023 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 acknowledges 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 Board on 22 June 2023 and signed on its behalf by:

.....*Tim Clarke*.....
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 2023

	Called up share capital £	Retained earnings £	Total equity £
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
At 6 April 2022	100	1,993,988	1,994,088
Loss for the year	-	(45)	(45)
At 5 April 2023	100	1,993,943	1,994,043

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 2023

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
England

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 2023 (continued)

2 Accounting policies (continued)

Going concern

The group of companies to which the Company belongs has external debt facilities in the form of £371 million of private placement loan notes and an undrawn £25 million revolving credit facility, for which the Company has cross guarantees.

The Directors have reviewed the prospects for the Group and Company through to March 2025 (twenty four months from the balance sheet date) in the context of continued recovery from the Covid-19 pandemic, economic impacts of the war in Ukraine and the higher inflation and interest rate environment. At the balance sheet date, the Group had strong liquidity, with a cash balance of £65.9 million and an undrawn £25 million revolving credit facility. Passenger volume continues to recover and in 2022/23 was 10.5 million (86.3% of the volume in 2019/20, the last pre-pandemic year). Along with actions taken during the pandemic which give ongoing reductions in expenditure, this led to a cash inflow of £11.3 million. Looking forward, 2023/24 passenger volume is forecast to grow to 12.3 million (very similar to the level pre-Covid). This will increase revenue, profitability and operating cash inflow.

In the 2022 financial statements the additional December 2022 covenant test represented a material uncertainty in the going concern assessment because compliance was dependent on the timing and pace of recovery from the pandemic. As the Group is now compliant with its covenants and forecasts to continue to be compliant, this uncertainty is no longer present.

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.

These financial statements do not contain any adjustment that would arise if the financial statements were not drawn up on a going concern basis.

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 2023 (*continued*)

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 Director's 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 (2022: £nil). There are no employees of the company (2022: none), other than the Directors.

Birmingham Airport Developments Limited**Notes to the Financial Statements for the Year Ended 5 April 2023 (continued)****4 Tax on loss**

(a) Tax credited in the income statement

	2023 £	2022 £
Current taxation		
UK corporation tax	(11)	-
Deferred taxation		
Arising from origination and reversal of timing differences	-	(5)
Arising from changes in tax rates and laws	-	(603)
Total deferred taxation	-	(608)
Tax credited in the income statement	(11)	(608)

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2022: lower than the standard rate of corporation tax in the UK) of 19% (2022: 19%).

The differences are reconciled below:

	2023 £	2022 £
Loss before tax	(56)	(27)
Corporation tax at standard rate	(11)	(5)
Deferred tax expense relating to changes in tax rates or laws	-	(603)
Total tax credit	(11)	(608)

In the March 2021 UK Budget it was announced that the main rate of UK corporation tax would increase from 19% to 25% with effect from 01 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 2023 (continued)****5 Debtors**

	2023	2022
	£	£
Amounts owed by related parties	2,742,881	2,742,876
Other debtors	59,314	59,303
Deferred tax assets	<u>2,514</u>	<u>2,514</u>
	<u><u>2,804,709</u></u>	<u><u>2,804,693</u></u>

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

Deferred tax

Deferred tax assets and liabilities

2023	Asset
	£
Other timing differences	2,500
Trade losses	<u>14</u>
	<u><u>2,514</u></u>

2022	Asset
	£
Other timing differences	2,500
Trade losses	<u>14</u>
	<u><u>2,514</u></u>

6 Creditors

	2023	2022
	£	£
Due within one year		
Accruals	<u>813,669</u>	<u>813,670</u>

Birmingham Airport Developments Limited

Notes to the Financial Statements for the Year Ended 5 April 2023 (*continued*)

7 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
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 carry 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 carry 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 2.49 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 has an expiry date of 16 January 2025, with an option to extend by a further 12 months. At the date of signing these financial statements, the total amount outstanding under this facility was £nil (2022: £25 million).

Birmingham Airport Developments Limited

Notes to the Financial Statements for the Year Ended 5 April 2023 (*continued*)

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.