

# Birmingham Airport Developments Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 5 April 2018

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COMPANIES HOUSE

Registration number: 02295119

## **Birmingham Airport Developments Limited**

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## **Birmingham Airport Developments Limited**

### **Company Information**

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**Directors** 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 2RB

**Solicitors** Eversheds LLP  
115 Colmore Row  
Birmingham  
West Midlands  
B3 3AL

## **Birmingham Airport Developments Limited**

### **Directors Report for the Year Ended 5 April 2018**

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The Directors present their report and the financial statements for the year ended 5 April 2018.

#### **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 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 (appointed 12 July 2017)

S L C Richards - Company secretary and director

J L Hudson - Chairman (resigned 12 July 2017)

P Kehoe (resigned 12 July 2017)

John Hudson OBE stepped down from his role of Chairman on 12 July 2017. The Board would like to express their grateful thanks to John for the tremendous contribution he has made to Birmingham Airport during the last twenty years. Under his stewardship the Airport has expanded its route network and grown passenger numbers from 5.5 million to 12.9 million, delivered major investment in the Airport facilities, notably the runway extension and new international pier and provided significant economic value to the region.

Approved by the Board on 4 July 2018 and signed on its behalf by:



.....  
S L C Richards  
Company secretary and director

## **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 regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and Company and of the profit or loss of the group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

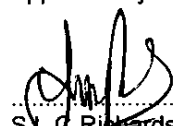
The Directors also responsible for safeguarding the assets of the group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Approved by the Board on 4 July 2018 and signed on its behalf by:



S. C. Richards  
Company secretary and director

**Birmingham Airport Developments Limited**  
**Income Statement for the Year Ended 5 April 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
Turnover		-	-
Administrative expenses		(463)	(170)
<b>Operating loss</b>		<b>(463)</b>	<b>(170)</b>
<b>Loss before taxation</b>		<b>(463)</b>	<b>(170)</b>
Tax on (loss)/profit	4	88	(66)
<b>Loss for the financial year</b>		<b>(375)</b>	<b>(236)</b>

The above results were derived from continuing operations.

## Birmingham Airport Developments Limited

(Registration number: 02295119)

### Statement of Financial Position as at 5 April 2018

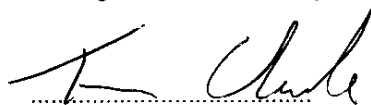
	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors	5	3,959,568	4,025,609
Cash at bank and in hand		<u>4,422</u>	<u>56,110</u>
		3,963,990	4,081,719
<b>Creditors: Amounts falling due within one year</b>	6	<u>(1,970,611)</u>	<u>(2,087,965)</u>
<b>Net assets</b>		<u>1,993,379</u>	<u>1,993,754</u>
<b>Capital and reserves</b>			
Called up share capital	7	100	100
Retained earnings		<u>1,993,279</u>	<u>1,993,654</u>
<b>Total equity</b>		<u>1,993,379</u>	<u>1,993,754</u>

For the financial year ending 5 April 2018 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 11 were approved and authorised by the Board on 4 July 2018 and signed on its behalf by:



T Clarke  
Director

**Birmingham Airport Developments Limited****Statement of Changes in Equity for the Year Ended 5 April 2018**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
At 6 April 2016	100	1,993,890	1,993,990
Loss for the year	-	(236)	(236)
At 5 April 2017	<u>100</u>	<u>1,993,654</u>	<u>1,993,754</u>
At 6 April 2017	100	1,993,654	1,993,754
Loss for the year	-	(375)	(375)
At 5 April 2018	<u>100</u>	<u>1,993,279</u>	<u>1,993,379</u>

The notes on pages 7 to 11 form an integral part of these financial statements.



# **Birmingham Airport Developments Limited**

## **Notes to the Financial Statements for the Year Ended 5 April 2018**

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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

These financial statements were authorised for issue by the Board on 4 July 2018.

### **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**

FRS102 allows a qualifying entity certain disclosure exemptions; these disclosures are included in the consolidated financial statements of Birmingham Airport Holdings Limited. 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 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 2018 (*continued*)**

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

##### **Going concern**

The financial statements have been prepared on a going concern basis. The directors have reviewed the prospects for the business for the next twelve months. They have considered the company's trading forecasts to the end of that period, as well as potential uncertainties of achieving such forecasts, along with a range of actions which could be taken in response. The directors remain confident that the company is well placed to take advantage of all the opportunities that such conditions present and that there are sufficient assets, together with a Group £20 million committed un-drawn loan facility to continue to adopt the going concern basis in preparing the financial statements.

##### **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.

##### **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.

## Birmingham Airport Developments Limited

### Notes to the Financial Statements for the Year Ended 5 April 2018 (*continued*)

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#### 2 Accounting policies (continued)

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on 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 (2017: £nil). There are no employees of the company (2017: none), other than the directors.

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

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

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	(88)	(34)
<b>Deferred taxation</b>		
Arising from changes in tax rates and laws	-	100
Tax on (loss)/profit	<u>(88)</u>	<u>66</u>

##### (b) Reconciliation of tax charge

The tax on loss before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 20%).

The differences are reconciled below:

	2018 £	2017 £
Loss before taxation	<u>(463)</u>	<u>(170)</u>
Corporation tax at standard rate	(88)	(34)
UK deferred tax expense relating to changes in tax rates or laws	-	100
Total tax (credit)/charge for the year	<u>(88)</u>	<u>66</u>

##### (c) Tax rate changes

In his recent budgets the Chancellor the Exchequer proposed a decrease in the rate of UK corporation tax from 19% to 17% from 1 April 2020. These have been substantively enacted at the balance sheet date and are reflected in the company's financial statements.

# **Birmingham Airport Developments Limited**

## **Notes to the Financial Statements for the Year Ended 5 April 2018 (continued)**

### **5 Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	3,898,571	3,967,733
Other receivables	59,297	56,176
Deferred tax assets	1,700	1,700
	<u>3,959,568</u>	<u>4,025,609</u>

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

#### **Deferred tax**

Deferred tax assets and liabilities

<b>2018</b>	<b>Asset</b>
	<b>£</b>
Other timing differences	<u>1,700</u>
	<b>Asset</b>
	<b>£</b>
<b>2017</b>	
Other timing differences	<u>1,700</u>

### **6 Creditors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Accruals	<u>1,970,611</u>	<u>2,087,965</u>

### **7 Share capital**

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

	<b>No.</b>	<b>2018</b>	<b>No.</b>	<b>2017</b>
		<b>£</b>		<b>£</b>
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### **8 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.

## **Birmingham Airport Developments Limited**

### **Notes to the Financial Statements for the Year Ended 5 April 2018 (*continued*)**

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#### **9 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 entity 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.