

# BHX Fire and Rescue Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2022



Registration number: 05997636

## **BHX Fire and Rescue Limited**

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## **BHX Fire and Rescue Limited**

### **Company Information**

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<b>Chairman</b>	T Clarke
<b>Chief Executive</b>	N Barton
<b>Directors</b>	T Clarke N Barton S L C Richards
<b>Company Secretary</b>	F Penhallurick
<b>Registered office</b>	Diamond House Birmingham Airport Birmingham West Midlands B26 3QJ
<b>Bankers</b>	National Westminster Bank plc 2 St Philips Place Birmingham West Midlands B3 2PP

## **BHX Fire and Rescue Limited**

### **Directors' Report for the Year Ended 31 March 2022**

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The Directors present their report and the financial statements for the year ended 31 March 2022.

#### **Principal activity**

The principal activity of the company is the provision of fire and rescue services at Birmingham Airport.

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

This report has been prepared in accordance with the small companies regime under the Companies Act 2006 section 415A.

#### **Fair review of the business**

BHX Fire and Rescue Limited (BHX F&R) continues to deliver a professional and regulatory compliant Rescue and Fire Fighting Service (RFFS) Category 10 service for its client Birmingham Airport (BAL).

#### **Dividends**

The Directors are proposing that no final dividend is paid for 2021/22.

#### **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

#### **Employee involvement**

Employee contribution to our business is key to our success. The company commits to meet the Investors in People Standard, ensuring the skills and knowledge of all our employees are updated to meet changes in our Industry. The continued high level of employee take up of the holding company All Employee Share Ownership Plan has continued this year enabling all employees to have the opportunity to share in the success of the group.

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

  
F Penhallurick  
Company Secretary

## **BHX Fire and Rescue 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, 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 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 has 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:

  
.....  
F Perhallurick  
Company Secretary

**BHX Fire and Rescue Limited****Income Statement for the Year Ended 31 March 2022**

	Note	2022 £	2021 £
Turnover	3	4,226,650	3,733,510
Administrative expenses		(4,039,151)	(3,689,547)
Other operating income	4	-	136,037
<b>Operating profit</b>		<b>187,499</b>	<b>180,000</b>
Interest payable and similar expenses	7	9,450	(3,628)
Profit before taxation		196,949	176,372
Taxation	8	(33,532)	(2,593)
<b>Profit for the financial year</b>		<b>163,417</b>	<b>173,779</b>

The above results were derived from continuing operations.

**BHX Fire and Rescue Limited****(Registration number: 05997636)****Statement of Financial Position as at 31 March 2022**

	Note	2022 £	2021 £
<b>Current assets</b>			
Debtors	9	813,275	599,187
Cash at bank and in hand		<u>50,011</u>	<u>47,297</u>
		863,286	646,484
<b>Creditors: Amounts falling due within one year</b>	10	<u>(353,959)</u>	<u>(300,574)</u>
<b>Net assets</b>		<u>509,327</u>	<u>345,910</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,000	1,000
Retained earnings		<u>508,327</u>	<u>344,910</u>
<b>Total equity</b>		<u>509,327</u>	<u>345,910</u>

For the financial year ending 31 March 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 16 were approved and authorised by the Board on 22/6/22 and signed on its behalf by: ^



T Clarke  
Chairman

The notes on pages 7 to 16 form an integral part of these financial statements.

**BHX Fire and Rescue Limited****Statement of Changes in Equity for the Year Ended 31 March 2022**

	Note	Called up share capital £	Retained earnings £	Total equity £
At 1 April 2020	11	1,000	171,131	172,131
Profit for the year		-	173,779	173,779
At 31 March 2021		1,000	344,910	345,910
At 1 April 2021	11	1,000	344,910	345,910
Profit for the year		-	163,417	163,417
At 31 March 2022		1,000	508,327	509,327

The notes on pages 7 to 16 form an integral part of these financial statements.



## **BHX Fire and Rescue Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 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  
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 Financial Reporting Standard 102 "The financial reporting standard applicable in the UK and Republic of Ireland" (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 conventions modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Group and Company accounting policies.

##### **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.

## **BHX Fire and Rescue Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)**

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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 ongoing Covid-19 pandemic and the war in Ukraine. 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.

##### **Revenue recognition**

Turnover represents net sales of firefighting and other services sold to third parties, exclusive of trade discounts and value added tax and are recognised in the period to which it relates on an accruals basis.

All turnover is generated in the United Kingdom.

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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.

## **BHX Fire and Rescue Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)**

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

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.

#### **Trade receivables**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Inventories**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### **Trade payables**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Leases**

Rentals payable under operating leases are charged in the statement of income on a straight line basis over the lease term.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

Payments to the defined contributions scheme are charged against profits as incurred.

## **BHX Fire and Rescue Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022** *(continued)*

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

##### **Defined benefit pension obligation**

The company is part of a group who operates a defined benefits pension scheme that requires contributions to be made to a separately administered fund. The accounting for the pension scheme is in accordance with FRS 102.

#### **3 Turnover**

The analysis of the company's revenue for the year by class of business is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fire and rescue services	<u>4,226,650</u>	<u>3,733,510</u>

#### **4 Other operating income**

The analysis of the company's other operating income for the year is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Government grants	<u>-</u>	<u>136,037</u>

No government grant income received in the year in relation to the Coronavirus Job Retention Scheme (CJRS) (2021: £136,037), in last year it was recognised as other operating income on a systematic basis over the period in which the company recognises the related costs for which the grant is intended to compensate.

**BHX Fire and Rescue Limited****Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022**  
**(continued)****5 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,797,833	2,648,972
Social security costs	449,358	307,924
Pension costs, defined contribution scheme	31,108	46,344
Pension costs, defined benefit scheme	597,818	620,966
	<u>3,876,117</u>	<u>3,624,206</u>

The average number of persons employed by the company during the year, analysed by category was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Operations	<u>54</u>	<u>53</u>

**6 Directors' emoluments**

No emoluments were paid to any directors' by the company during the year (2021: £nil)

**7 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest on loans from group undertakings	<u>(9,450)</u>	<u>3,628</u>

**8 Tax on profit****Tax charged/(credited) in the income statement**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	37,102	33,265
UK corporation tax adjustment to prior periods	<u>-</u>	<u>(30,964)</u>
	<u>37,102</u>	<u>2,301</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(3,570)	404
Deferred tax adjustment relating to previous periods	<u>-</u>	<u>(112)</u>
	<u>(3,570)</u>	<u>292</u>
Tax on profit	<u>33,532</u>	<u>2,593</u>

## BHX Fire and Rescue Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)

#### 8 Tax on profit (continued)

The tax on profit before tax 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 £
Profit before tax	196,949	176,372
Corporation tax at standard rate of 19% (2021: 19%)	37,420	33,511
Effect of expense not deductible in determining taxable profit (tax loss)	-	(30,918)
Deferred tax expense (credit) relating to changes in tax rates or laws	(3,888)	-
Total tax charge	33,532	2,593

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.

#### 9 Debtors

	2022 £	2021 £
Trade debtors	864	864
Amounts owed by group undertakings	307,576	332,264
Other receivables	488,632	253,134
Deferred tax assets	16,203	12,925
	813,275	599,187

The amounts owed by group undertakings are unsecured and there are no formal arrangements for the repayment of the amounts and consequently this amount is strictly repayable on demand.

**BHX Fire and Rescue Limited****Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022**  
**(continued)****9 Debtors (continued)****Deferred tax**

Deferred tax assets and liabilities

<b>2022</b>	<b>Asset £</b>
Difference between accumulated depreciation and capital allowances	3,179
Post-employment benefits	13,024
	<u>16,203</u>
 <b>2021</b>	 <b>Asset £</b>
Difference between accumulated depreciation and capital allowances	2,726
Post-employment benefits	10,199
	<u>12,925</u>

**10 Creditors**

	<b>2022 £</b>	<b>2021 £</b>
<b>Amounts falling due within one year</b>		
Trade creditors	1,584	1,613
Corporation tax	91,791	88,839
Social security and other taxes	140,757	164,050
Accruals	119,827	46,072
	<u>353,959</u>	<u>300,574</u>

**11 Share capital****Allotted, called up and fully paid shares**

	<b>No.</b>	<b>2022 £</b>	<b>No.</b>	<b>2021 £</b>
Ordinary Shares 'A' of £1 each	900	900	900	900
Ordinary Shares 'B' of £1 each	100	100	100	100
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

## BHX Fire and Rescue Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)

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#### 12 Pension and other schemes

##### **Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £31,108 (2021 - £46,344).

##### **Defined benefit pension scheme**

The Company participates in a funded group pension scheme operated by Birmingham Airport Limited. The pension scheme is of the defined benefit type and its assets are held in a separate trustee-administered fund.

The Company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

The fund is valued every three years by a professionally qualified, independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the appropriateness of the rates. The latest published actuarial assessment of the scheme was at 31 October 2018.

##### **Principal actuarial assumptions**

The principal actuarial assumptions at the statement of financial position date are as follows:

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Discount rate	2.60	2.00
Future salary increases	3.55	3.15
Future pension increases (RPI)	3.70	3.40
Future pension increases (CPI)	<u>2.80</u>	<u>2.40</u>

##### **Post retirement mortality assumptions**

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Current UK pensioners at retirement age - male	22	22
Current UK pensioners at retirement age - female	24	24
Future UK pensioners at retirement age - male	24	24
Future UK pensioners at retirement age - female	<u>26</u>	<u>26</u>



## BHX Fire and Rescue Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)

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#### 12 Pension and other schemes (continued)

##### Assets and liabilities of Birmingham Airport Limited pension scheme

	2022 £ 000	2021 £ 000
Cash and cash equivalents	1,300	2,246
Diversified growth funds	192,270	181,724
Fair value of scheme assets	193,570	183,970
Present value of defined benefit obligations	(215,393)	(231,186)
Defined benefit pension scheme deficit	(21,823)	(47,216)

#### 13 Dividends

The directors are proposing that no final dividend is paid for 2021/22 (2021 - £Nil per share, totalling £0 for 2019/20 final dividend).

#### 14 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. The senior notes are for a period of 25 years maturing 30 March 2041 and carries 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 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 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 24 January 2050 and carry a fixed interest rate of 2.44 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.

## **BHX Fire and Rescue Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)**

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#### **15 Related party transactions**

The company has taken advantage of the exemption under paragraph 33.1A 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.

The company has taken advantage of the exemption in FRS102 from disclosing transactions with *other members of the group*.

#### **16 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