

# Birmingham Airport Holdings Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2025

Registration number: 03312673

## **Birmingham Airport Holdings Limited**

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## Birmingham Airport Holdings Limited

### Company Information

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**Chairman** Sir H M Robertson

**Chief Executive** N Barton

**Directors** N Barton  
P T A Bateman  
M A Bird  
N J Jansa  
J D McNicholas  
P Nakou  
Sir H M Robertson  
R K Sleigh  
D M Stanton  
S A Thompson  
P C Tilsley  
M R Toms

**Company Secretary** K Garrett

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

**Independent Auditors** PricewaterhouseCoopers LLP  
Chartered accountants and statutory auditors  
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**Bankers** National Westminster Bank plc  
2 St Philips Place  
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## **Birmingham Airport Holdings Limited**

### **Strategic Report for the Year Ended 31 March 2025**

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The Directors present their strategic report for the year ended 31 March 2025.

#### **Principal activity**

The principal activity of the Group is the operation and management of Birmingham Airport (“The Airport”) and the provision of facilities and services associated with those operations. The key operating objectives of the Group can be summarised as follows – we aim to:

- facilitate the safe and secure processing of passengers and aircraft through the provision of facilities and infrastructure in a sustainable and efficient manner;
- provide a value-for-money service, recognising the efforts of our employees and our partners, which will generate a profitable future for the Group;
- assist the region to develop and grow through improved connectivity, whilst seeking to mitigate any adverse impacts of our operation.

The Airport is a key economic accelerator for the Midlands region, providing the air connectivity vital for international trade, investment and employment, the growth of inbound tourism, and access to outbound leisure destinations. 7,000 people are directly employed by companies located within the Airport boundary, a further 9,900 people are employed indirectly to supply goods and services to the Airport and the Airport’s net economic impact, including catalytic effect in the region, is estimated as £1.5 billion GVA (Gross Value Added) per annum and 30,900 jobs.

For the year ending 31 March 2025, the Airport recorded its highest ever passenger volume at 13.0 million. This represents a 7.3% increase over pre-pandemic levels (compared to 98% in 2023/24). We anticipate this growth trend to continue into 2025/26.

#### **Review of the business and future outlook**

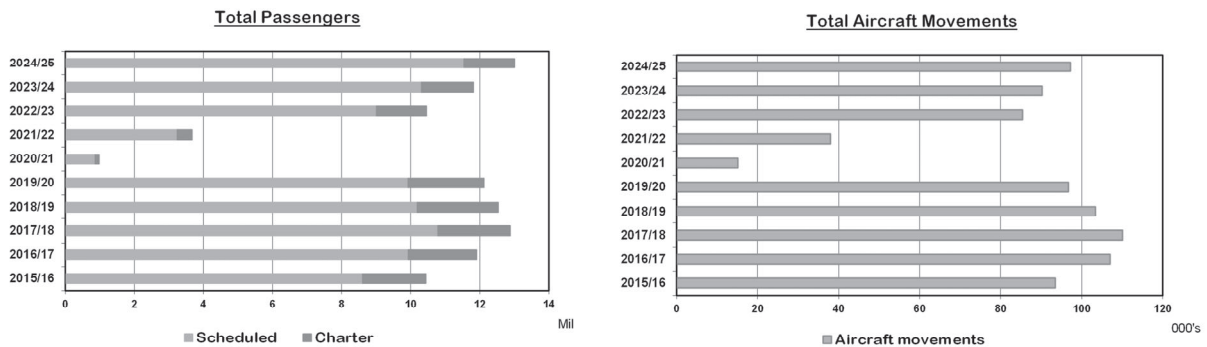
##### **Market position and business environment**

Having fully recovered from the COVID-19 pandemic in 2023/24, the global aviation market continued its recovery and experienced further growth in 2024/25 and the UK aviation market has seen a year-on-year increase in passenger numbers of 5.5%. The Airport processed a record level of 13.0 million passengers, an increase of 10.1% on 2023/24 (11.8 million) and was 7.3% above the last pre-pandemic year of 2019/20 (12.1 million). Birmingham Airport’s year-on-year growth of 10.1% was 4.6% above the aggregate 5.5% growth at UK airports, reflecting the increase in based aircraft from Ryanair, Jet2 and Easyjet, along with a full year return of capacity from Emirates and Qatar along with a full year of Saudia Airlines.

Following the demise of Thomas Cook in 2019 and Flybe in 2020, growth was expected to return in 2020/21 and continue into future years, driving significant expansion plans to meet the growing passenger demand. The Covid-19 pandemic delayed the passenger growth but we have now fully recovered from the pandemic with passenger volumes growing above pre-pandemic levels, replacing the lost Thomas Cook and Flybe traffic. In the 2025/26 financial year we are forecasting for the growth to continue to another record passenger volume.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (continued)



The most popular destination again this year was Dublin, followed by Dubai, Amsterdam, Palma and Tenerife. The Airport now offers access to 137 destinations across 41 countries.

Our airline partners delivered growth in capacity during the year, with Ryanair basing a seventh aircraft at Birmingham and launching several new routes in the 2024 summer season. Jet2 increased their based aircraft to sixteen in Summer 2024 and EasyJet operated their three newly-based aircraft in Summer 2024. In addition, there was a full year of Emirates upgrading their lunchtime service back to the larger Airbus A380 (restoring the pre-pandemic aircraft capacity), Saudia Airlines with flights to Jeddah three times a week (having commenced in 2024) and Qatar Airways daily flights to Doha (recommenced part way through 2024 after ceasing due to the pandemic). Based aircraft expansion brings more choice for our passengers as well as creating hundreds of direct and indirect jobs within the region. Looking forward to 2025/26 the focus is on expanding the network with existing and new partner airlines and we are pleased that Jet2 have increased their aircraft to seventeen, Ryanair to eight and Easyjet to five aircraft for Summer 2025, along with full year return of Brussels Airlines as we continue to be optimistic for the ongoing growth in the aviation sector.

The direct impact of geopolitical and economic challenges on passenger demand has been limited so far. However, these factors could influence travel behaviour and uncertainty remains. We remain confident that the Airport will continue to grow in the coming year, leading to a successful long-term future for the Airport. Should the adverse factors have more impact in future, our experience of managing through the pandemic and other economic downturns should stand us in good stead to take appropriate actions with the cost base of the business.

There are signs of relief from inflationary pressures as inflation is normalising and the concern over the surge in inflation and the impact this could have on the pace of recovery of air travel is easing, this should allow for more sustainable growth.

#### Future developments

Birmingham Airport is the preferred national and international aviation hub for the Midlands and our ambition is to build on this to become one of Europe’s leading regional airports, acting as a key economic accelerator, delivering great service to passengers.

We understand that the significant social and economic benefits created by the Airport must be balanced with a sustainable operation. We take our responsibility to manage the Airport’s impact on the environment very seriously and involve our local communities in the development of significant projects through the Airport Consultative Committee, which includes residents’ associations and parish councils.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (*continued*)

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Our long-term aims are to continue to modernise and extend our facilities so they are fit for the future. Major investments in the year included a new Next Generation Security Checkpoint with the latest security technology along with two additional lanes in the 'old' search area. This delivers a simplified and streamlined screening process which requires fewer items to be removed from customers' bags, and body scanning of all passengers. Currently there are temporary regulatory restrictions in place on the volume of liquids which may be carried in hand luggage, meaning we have not been able to use the new equipment to its full potential. These are due to be lifted in summer 2025. In addition, we reconfigured a number of aircraft stands around our South Terminal, increasing our Code C aircraft capacity. We also installed 6.8MW of on-site photovoltaic electricity generation which was operational in August 2024, increasing the current self-generation and working towards our ambitious carbon reduction targets. We have commenced a redevelopment of the commercial estate which will see a new Duty Free store and additional commercial offerings. Developments in the near future include further works on the commercial estate to complete for Summer 2026, additional self-service bag-drop technology at check-in, increasing the capacity in our baggage make-up hall, stand reconfiguration in the North terminal and ongoing replacement of other end of life assets.

As we look to future passenger volume growth, the timing of the investment programme continues to be managed closely, using a risk-based review of our infrastructure's age and performance and meeting our carbon reduction targets.

Ontario Teachers' Pension Plan Board (the majority investor in Airport Group Investments Limited (AGIL)), announced its agreement to sell its indirect stake in AGIL to Macquarie Asset Management on 18 June 2025. The transaction is subject to necessary regulatory clearances.

#### Statement on Corporate Governance Framework

The Board has committed to the Group's Corporate governance framework and arrangements being assessed against the "Wates principles" for large private sector companies. These focus on the six key areas of - Purpose and Leadership; Board Composition; Director Responsibilities; Opportunity and Risk; Remuneration; and Stakeholder relationships and Engagement. This is a voluntary decision as the Airport falls below the scale b of company which would make this adoption mandatory. However, the Board considers that the economic importance of the Airport to the Midlands region, and its ownership structure, which includes seven Local Authorities in the Region and AGIL means that it is good practice to adopt a Governance framework that is assessed against these principles.

The Board has assessed its arrangements against each of the six principles:

**Purpose and Leadership:** traffic growth continued in the year, with operational challenges to resource the demand, whilst managing the finances of the business and delivering regulatory change. The Board and the Executive management have continued to develop the purpose, long-term strategy, values and culture of the Company to align with those goals.

Three core principles have guided the Board's approach to maintaining the financial viability of the Company and protecting resilient levels of liquidity: (i) that the long-term strategic plans for growth at the Airport should not be undermined by the loss of core capabilities and skills; (ii) that the highest standards of safety be sustained, with rigorous oversight by the Board Safety Committee; and (iii) that pro-active communications, led by frequent CEO briefings to all employees and with stakeholders, including shareholders, customers, suppliers and neighbours, be undertaken.

The Company's Mission Statement, under the strapline of "Proud of Every Journey", underpinned by seven strategic pillars, forms the basis of communicating the Company's purpose to employees and stakeholders. The Board recognises the importance of becoming a net zero carbon Airport by 2033, and one strategic pillar is dedicated to this target. We have continued to embed our five Corporate Values in the year: Dedicated, Respectful, Supportive, Inclusive and Curious. Employee volunteers and ambassadors have led this, through a dedicated Values Forum.

## **Birmingham Airport Holdings Limited**

### **Strategic Report for the Year Ended 31 March 2025 (continued)**

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The Board monitors the embedding of a healthy and transparent culture through independent annual employee surveys, most recently in November 2024. Workshops with employees were held to discuss the results of the survey, as well as engagement with trade union representatives. The results of the survey were reported to the Board, along with the outputs of the employee workshops and trade union engagement. The Board also receive regular reporting on key areas such as recruitment, training and retention measures.

Monitored by the Audit Committee, there are transparent policies and procedures in place for the handling of any whistleblowing concerns that are raised, including the option of contacting Protect, an independent whistleblowing organisation.

Strategically, the Board has focussed on growth opportunities to capture new business, particularly in the resilient Low-Cost Carrier segment, with the aim of Profitably capturing a higher market share of outbound and inbound travel to the region. It is recognised that this objective will need to be supported by a business model with higher levels of productivity, effective customer service delivery, and the efficient allocation of capital expenditure.

**Board Composition:** The Board is made up of: an independent Chair; the Chief Executive Officer; and Directors appointed by the two shareholder groups - the Local Authorities and AGIL. It therefore has a good understanding of shareholder interests. The Board evaluates its effectiveness periodically, reviewing the Board's performance across a range of metrics. It addresses issues such as whether the Board has an appropriate combination of skills, backgrounds, expertise and knowledge to provide constructive challenge to executive management and to support effective decision making; whether the leadership of the Board by the Chair is promoting open debate and facilitating constructive discussion to enable effective decision making; whether the Directors have a level of involvement and understanding to be able to meet the needs of the business; whether the induction process for new directors is well structured to enable an understanding of the business and stakeholders' interests; and whether appointments to the Board are promoting a good level of diversity.

**Director Responsibilities:** In 2022 the Board carried out a review of authority levels, in the context of its shareholder agreement, covering the Board and its Committees, and its delegations of authority to executive management. There are Board Committees in place for Audit, Pensions, Remuneration and Safety. Terms of reference for each of the Board Committees define their areas of accountability when reporting to the Board, and these were reviewed and updated in the year. The Company Secretary provides new Directors on joining with an induction into their legal and governance responsibilities and updates the Board on developments in Corporate Governance best practice. The Company Secretary provides regular training to Board members on Directors' duties and their other obligations as Directors.

The Board has terms of reference in place that, should conflicts of interest arise they are to be declared, and where necessary for Directors to recuse themselves from such decisions.

The Board is provided with a monthly Management Information pack which is structured around the seven strategic pillars and includes key financial reporting; commercial data; passenger and airline trends; key performance indicators; employee, safety and environmental sustainability data; and reports on stakeholder engagement. All Board meetings also receive a strategic overview from the CEO.

**Opportunity and Risk:** The Board has overall responsibility for strategic decision making, assessing how best to create sustainable value over the longer term. It is also responsible for how risk should be most effectively identified and managed, and assurance provided. The key focus in respect of both opportunity and risk continues to be the expansion of operational capacity to support planned growth, and to deliver the requirements of regulatory change. On a longer-term basis discussions have successfully continued with Airline partners to provide greater route density and frequency from the Airport, which is central to our focus on growth in market share.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (*continued*)

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The Internal Audit & Risk Team is established as an independent function, accountable to the Board, which objectively evaluates and supports the airport's corporate governance standards. The Head of Internal Audit & Risk works with the Board and Audit Committee to provide operational and strategic risk-based assurance across a wide range of business activities. The Company's Audit Committee formally reviews the risks faced by the business at least three times a year and more frequently for specific risks requiring a more regular evaluation. The Company consider its current principal risks and uncertainties to include:

- Safety, security, and regulatory compliance. The Company has a very low appetite for the risk of harm to colleagues, partners, and travelling passengers. The Company is certified under ISO 45001 and has mature and proven processes to identify and mitigate health & safety risks. As a licensed aerodrome, the airport aims for full compliance with regulatory requirements relating to security and the safety of air traffic. The business can be affected by emerging regulation or modifications to national aviation strategy but has strong relationships with regulatory authorities and stakeholders to ensure regulatory change is successfully managed.
- Systems and infrastructure availability. The Airport operates a number of mission-critical assets and systems which must be provided at a consistently high level of availability and resilience. Failure to maintain the Airport's critical infrastructure or defend the security of essential information and operational technology systems from external threat, may lead to severe operational impacts.
- Capital programme. The Airport has a continuous programme of projects to renew and replace its asset base as well as providing capacity for growth. The Airport's ability to meet forecast demand and preserve levels of service is critically dependent on the successful delivery of this programme. The Next Generation Security Checkpoint project ("NGSC") has recently been the Airport's most prominent and significant capital investment which not only ensured compliance with national security standards but has also unlocked essential capacity as the airport prepares for a forecast 13.9 million passengers in 2025/26. We anticipate that the withdrawal of temporary regulatory restrictions in place over liquids limits will allow us to further use the new NGSC machinery to its full potential. The airport has budgeted a capital programme of c. £76.5 million in 2025/26 which will increase baggage handling capacity and also enhance customer experience across the departure lounge, arrivals, check-in, and certain gates. The Airport's ability to deliver an efficient capital programme with acceptable and stable returns on investment is vital to ensuring it remains an attractive and trusted recipient of shareholder capital.
- Climate change. The Company recognises the challenges on the aviation sector to decarbonise and has set itself the target to reach net zero by 2033. The physical risks of climate change are recognised in the Airport's climate change adaptation strategy, which has analysed and developed responses to the long-term effects of climate variables likely to impact airport operations or demand for aviation, including extreme or unpredictable weather events. The airport has successfully installed and commissioned 6.8 MW of solar PV generation capacity which, at certain times, enables the Airport to be self-sufficient in its electricity use.
- People. The Company, and the many third-parties and partners who provide services to the Airport, rely on our ability to recruit and retain sufficient numbers of capable staff. As our passenger numbers continue to grow, the availability of colleagues to support security, terminal operations, airfield operations, air navigation services, fire & rescue, engineering, and non-operational support activities is crucial to maintaining service delivery. The labour market has shifted in recent years causing greater competition for now often scarce resource. We remain confident that we are seen as an employer of choice for candidates but must constantly strive to remain so.

Remuneration: Executive remuneration is determined by a Remuneration Committee established by the Board and made up of non-executive Directors. The Remuneration Committee independently considers relevant market comparators that are required to attract and retain high calibre people. The remuneration structure is made up of salary and incentive schemes related to Company and individual performance and behaviours which support the delivery of the Airport's strategy and performance. No individual executive is involved in deliberations in relation to their own remuneration.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (*continued*)

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Stakeholder Relationships and Engagement: The non-executive Directors, other than an independent Chair, are appointed from the two shareholding groups of the Local Authorities and AGIL to ensure a close understanding of shareholder interests. The Board and the CEO are closely engaged with the economic development of the region and its connectivity through liaison with the Authorities' West Midlands Shareholders Airport Committee, with the Mayor of the West Midlands and the Combined Authority, and relevant public bodies such as Birmingham Chambers of Commerce. Through the Airport Consultative Committee (ACC), the Board engages regularly with interested regional parties on key issues of environmental sustainability such as noise and carbon emissions reduction.

In summary, the Board is committed to assessing its performance against the Wates principles and to a transparent evaluation and annual reporting process to enable continued improvement.

## Financial Performance

### Income

The Airport earns its income from two key revenue streams, Aeronautical and Commercial. Aeronautical income is generated by charges to airlines for the use of airport facilities by both aircraft and passengers. Commercial income is generated from commercial activities including concessions such as duty free, car parking, catering, property rental and associated recharges (e.g. energy/utilities).

Aeronautical income increased by 25.7% in 2024/25. The Group has reclassified certain income from airlines relating to the transfer of passengers through the airport to aeronautical income from property income and recharges and the prior period has been re-stated to show a direct year-on-year comparison. Income increased more than passenger volumes principally due to inflationary increases, the mix of traffic and the increase in passengers requiring assisted travel beyond passenger growth, this service cost is passed back to the airlines.

Commercial income increased by 15.5%, which was more than the increase in passenger volumes due to strong commercial trading, which saw the full year benefit of the WH Smith flagship travel store and strong catering performance from the enlarged Wetherspoons and enhanced offerings from a new Peaky Blinders themed bar (Shelby & Co) and new Chaiiwala (Indian street food café) in the departures lounge. The duty-free store continues to benefit from duty-free shopping being available post-Brexit for travel between the UK and EU countries.

Property Income and Recharges increased by 18.2%, reflective of inflationary increases and higher property rental and associated recharges (e.g. energy/utilities).

### Operating costs

Total operating costs, before exceptional items, were 19.2% higher than the prior year at £147.7 million (2024: £123.9 million). Staff costs at £48.8 million increased by 19.1% (£7.8 million) reflecting wage inflation and higher staff numbers (the average headcount is now 907 compared to 786 in prior year). Non-staff costs at £98.9 million increased by 19.3% (£16.0 million), comprising higher third-party service provider costs due to inflationary increases and higher passenger volumes, higher energy costs reflecting higher energy prices, and a notable increase in the number of passengers requiring assisted travel. The Airport has responded to this by enhancing their passenger assistance services to meet this growing demand.

Depreciation charges increased by 3.4% in the year reflecting new assets which were operational in the year, mainly the new security screening hall.

One of our key performance indicators is Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA), which improved by 15.4% to £105.4 million (2024: £91.4 million), reflecting the higher passenger volumes, increased commercial offering and strong cost control.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (*continued*)

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The operating profit, before exceptional items, improved by 22.6% to a profit of £74.0 million (2024: £60.4 million). The exceptional charge of £0.8 million (2024: £0.3 million) was principally due to transition costs for the transfer of Air Traffic Control services to NATS and costs associated with the start of updating our Master Plan, together with payments to staff leaving the Airport. Operating profit, after exceptional items, was £73.2 million (2024: £60.1 million).

The net interest cost reduced by £0.8 million to £10.9 million (2024: £11.7 million) mainly due to lower interest payable due to full year savings from repayment of a £30million US Private Placement loan note in December 2023 and higher interest receivable from higher cash balances.

The tax charge for the year was £17.3 million (2024: £14.9 million), including a corporation tax charge of £2.5 million (2024: £5.1 million) and a deferred tax charge of £14.8 million (2024: £9.8 million). This equates to an effective tax rate of 27.9% (2024: 30.8%) which is higher than the ordinary rate of UK corporation tax, reflecting the past ineligibility of industrial buildings for tax allowances.

For the year ended 31 March 2024 no final dividend was paid (2024: £nil). During the year interim dividends of £22.3 million (2024: £nil) and a special dividend of £75.0 million (2024: £nil) were paid. This resulted in a total dividend of £97.3 million (2024: £nil).

The Directors recommend a final dividend payment of £24.9 million be made in respect of the financial year ended 31 March 2025. In accordance with FRS 102 this dividend has not been recognised as a liability in the financial statements.

#### Capital expenditure

Cash outflow for capital projects amounted to £42.9 million (2024: £65.9 million). The main projects in the year focused on the terminal, including works for two additional security lanes, additional baggage capacity and immigration hall expansion, but also included of the solar PV installation, investment in code-C aircraft stands and Information Technology projects.

#### Cash flow

During the year, the Group generated cash of £101.1 million from operating activities (2024: £83.1 million), paid corporation tax of £8.9 million (2024: £7.4 million), paid capital expenditure of £42.9 million (2024: £65.9 million) and paid dividends of £97.3 million (2024: £nil). The Group received proceeds of £80 million from issuing private placement senior notes on 13 March 2025. The overall net cash position has increased by £15.9 million (2024: £32.0 million decrease) to £49.7 million (2024: £33.8 million). Looking forward, the Group has a strong liquidity position to meet its ongoing liabilities as and when they fall due. From May 2025 had access to a new undrawn £150 million Revolving Credit Facility established primarily to fund the capital programme in the coming years.

#### Security

The UK aviation threat level is Substantial.

We continue to work very closely with the Department for Transport, the Civil Aviation Authority, West Midlands Police, UK Border Force, the National Protective Security Authority (NPSA) and other agencies to continuously improve our Security Excellence Culture, focussing on personnel, equipment and processes to maintain high security standards and proactively address emerging security threats. The new Passenger Search Area (PSA) started operation in March 2024 and was fully operational in May 2024. To accommodate the increased passenger throughput, two additional security lanes have been installed in the 'old' search area. The PSA has the Next Generation Security equipment enhancing our security screening capabilities, although there are temporary regulatory restrictions in place which mean that we are unable to use the new NGSC machinery to its full potential. These are due to be lifted in summer 2025, meaning that passengers will be able to travel with up to two litres of liquids in their hand luggage.

## **Birmingham Airport Holdings Limited**

### **Strategic Report for the Year Ended 31 March 2025 (continued)**

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Our IT system security, particularly the security of our customer data, is extremely important to us. We have extensive defences within our IT environment and continuously review and upgrade our infrastructure and systems to the latest security standards. We review the risks, mitigations and controls around our critical systems and apply relevant mitigation and this was reflected in a successful CAA Cyber Security Audit.

#### **Health and Safety**

Birmingham Airport is committed to providing a safe and secure workplace and operational environment for all who use the Airport. Our Occupational Health and Safety Management System has continued to maintain the ISO 45001 standard.

There were 89 staff accidents during the year (2024: 68), of which 8 were lost time incidents (2024: 4) with 1 being reportable (2024: 0). The staff accident frequency rate was 0.43 (2024: 0.25) accidents per 100,000 hours worked.

We continue to encourage reporting of near misses with 4,092 reported in the year (2024: 4,323).

Good progress was made delivering key safety related projects and initiatives. A safety culture assessment was undertaken across all airport departments, as part of a 3-year safety culture programme, with a focus on building safety culture maturity based on continuous improvement.

#### **Sustainability**

In November 2019, the Airport published a Sustainability Strategy which sets out a number of objectives, including the Airport's commitment to become a net zero carbon airport by 2033. Despite the impact of the pandemic, the Airport remains steadfast in achieving its 2033 target. Progress has been made against each of the core themes of the Sustainability Strategy and the Airport remains committed to prioritise zero carbon airport operations, whilst minimising the use of carbon offsets. The carbon roadmap launched in March 2022 builds on a decade of learning and investments that had already seen a significant reduction in emissions which the Airport controls. Since 2019 emissions have reduced by 30% through investment in control systems, LED lighting, electric vehicles, onsite renewables, colleague engagement with energy and carbon management and other energy efficiency measures. We are very pleased that most of the emission reductions achieved during the pandemic when the Airport was substantially closed have still been retained as the Airport returns to pre-pandemic capacity.

In addition to climate change mitigation, the Airport's Sustainability Strategy focuses on our priorities to reduce environmental impacts and make improvements in the following core areas: climate change adaptation; local air quality; waste; supply chain & the circular economy; water; biodiversity; noise; community investment & wellbeing; and economic development & employment.

Managing noise is a top priority and we have updated our comprehensive Noise Action Plan to demonstrate how the Airport continues to measure, mitigate and engage on aircraft noise. We have listened to our neighbours to understand attitudes to aircraft noise, and in the year we secured agreement for a new three-year Night Flying Policy which is among the most stringent in the UK, developed in partnership with community representatives. We provide the community with accurate data and inform future noise contours and studies utilising our fixed community noise monitors. Our website hosts live aircraft tracking software, enabling the public to investigate flights and noise levels local to them. To further improve transparency and engagement we have launched a quarterly community newsletter, quarterly community noise report and re-launched our community X (formerly Twitter) page, providing sustainability updates and information.

In December 2021 our third Climate Change Adaptation Plan was approved and published by Defra. The plan includes a climate change risk register, allowing us to ensure that the airport remains resilient and prepared to adapt to a changing climate. Our fourth updated Climate Change Adaptation Plan was completed and submitted to DEFRA in December 2024, outlining how we are addressing climate change risks and opportunities across our operations.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (*continued*)

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We continue to take active steps to minimise the amount of waste we generate and optimise opportunities to recycle. A new waste contractor was appointed in 2023, and a novel waste management model adopted. Bidvest Noonan in partnership with The Green Block, installed a Material Segregation Unit (MSU) to improve recycling rates, which sees up to 80% of our waste recycled. We work closely with the Airport's onsite shops and restaurants to reduce waste and benefit community projects through the donation of goods and foodstuffs. A number of our food and beverage concessions have signed up to the 'Too Good To Go' app, reducing food waste across site. Over 30 tonnes of excess stock was donated to local charities including suitcases, clothes and pushchairs

We operate a dedicated local air quality monitoring station and we are working proactively to reduce emissions at the Airport, including the operation of a fleet of electric vehicles. The Airport is fully compliant with all air quality limits and to date have had no air quality limit exceedances with the exception of ozone, for which the Airport is not identified as the point source of the emissions.

We continue to make a positive contribution to biodiversity, operating a Historic Environment, Ecology and Landscape Management Plan (HEELMP) for a 42-hectare area of land to the south of the Airport and providing roosting opportunities for protected bats, birds and other species. We also support biodiversity initiatives through local tree planting schemes. In addition, we continue to invest in our local community with grants to local projects made through our Community Trust Fund. A total of £176,854 was awarded to 53 community projects in 2024/25.

During the year the Airport selected Birmingham Children's Hospital as its new charity partner, following a vote by Airport staff. The Airport raised £9,340 during 2024/25 for Birmingham Children's Hospital and Oasis Mental Health Support (our former Corporate Charity partner). Events included raffles, quizzes and street food vans. We continued to focus on supporting work-related learning, hosting a number of schools and academic institutions over the year, as well as launching a fully funded community employability programme.

Our achievements were recognised externally at the International CSR Excellence Awards where we won gold in both 'Charitable Giving' and 'Community Commitment' categories, competing against over 500 other nominees.

#### **Streamlined energy and carbon reporting**

Birmingham Airport is committed to becoming a net zero carbon Airport by 2033 (covering Scope 1 and 2 emissions), prioritising zero carbon Airport operations and minimising carbon offsets. Having first announced our ambition in 2019, we remain steadfast in achieving our 2033 target. In April 2022, building on a decade of learning and investments, we launched our Net Zero Carbon Plan, which details our roadmap to 2033.

We have voluntarily measured and reported our carbon footprint since 2012/13 and have a track record in achieving low carbon operations including operating a fleet of 22 electric vehicles, diverting 100% of waste from landfill and providing electricity for use by aircraft at the stand.

Our location-based greenhouse gas (GHG) emissions in 2024/25 (7,253 t/CO<sub>2</sub>e) decreased by 8% compared to the previous year (7,845 t/CO<sub>2</sub>e), despite passenger numbers increasing by 10%. Gas and electricity consumption account for the largest proportion of our carbon footprint. Gas consumption and carbon emissions decreased by 5% from 2023/24, despite the number of heating degree days (a measure of low temperatures requiring heating over the year) increasing by 8%, highlighting the impact of ongoing energy demand reduction activities. Grid electricity consumption and carbon emissions decreased by 12%, reflecting new on-site electricity generation from our solar PV array which was operational from August 2024. Total site consumption, including grid electricity (18,995,469 kWh) plus solar generation (2,719,092 kWh) was 21,714,561 kWh, 1% higher than 2023/24 (21,512,300 kWh). Lower temperatures on average, and the associated reduction in HVAC consumption was offset by higher passenger numbers, more air traffic movements, and the opening of our new passenger search area in the North Terminal and passenger queueing area in the South Terminal.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (continued)

Our market-based GHG emissions in 2024/25 (3,321 t/CO<sub>2</sub>e) decreased by 2% from 2023/24 (3,391 t/CO<sub>2</sub>e) with lower than forecast gas consumption, less generator usage and no refrigerant leaks, offset by an increase in diesel usage in Birmingham Airport owned vehicles (correlated to passengers) and an increase in de-icer consumption. This was due to snow events and substantial cold spells compared to the previous year.

Relative to pre-COVID, as the airport re-opened, we have retained the majority of the energy and carbon emission reductions achieved whilst there were fewer passengers and our GHG emissions are c.3,150 t/CO<sub>2</sub>e less than 2019/20, a 30% reduction.

We have continued to monitor and deliver energy savings through a combination of energy demand reduction, investment in more energy efficient equipment, onsite renewables, and colleague engagement with energy and carbon management.

Birmingham Airport is committed to working with our partners to reduce our indirect (Scope 3) carbon footprint. Scope 3 emissions are indirect emissions which are a consequence of our operation, but which occur from sources not owned or controlled by the Airport. The largest components of our indirect carbon footprint are emissions from the aircraft landing and take-off cycle and passenger travel to / from the Airport. We have been increasing our focus on these emission sources to understand how we can best assist and facilitate the transition to lower-carbon aircraft fuels and more sustainable surface access.

#### Greenhouse Gas Emissions reporting

Our GHG emissions footprint has been calculated using the GHG Reporting Protocol - Corporate Standard, in line with UK Government environmental reporting guidelines. A full report on the GHG emissions calculations and more information on our carbon reduction measures can be found on our website ([www.birminghamairport.co.uk](http://www.birminghamairport.co.uk)).

Energy & Transport Fuel Consumed			
	2024/25	2023/24	% Change
Energy & Transport Fuel (MWh)*	37,964	38,338	-1.0%

\*Includes gas, diesel, petrol, LPG, purchased electricity and onsite solar generation. Energy and transport fuel consumption for 2023/24 has been updated for generator fuel.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (continued)

Energy Usage & Tonnes of CO <sub>2</sub> e by Emissions Type							
Emissions Type	2024/25			2023/24			% Change Tonnes of CO <sub>2</sub> e
	Consumption	Unit	Tonnes of CO <sub>2</sub> e	Consumption	Unit	Tonnes of CO <sub>2</sub> e	
Scope 1 (Gas)*	12,637,878	kWh	2,311	13,263,095	kWh	2,426	-5%
Scope 1 (Fuel – Owned Transport)	284,249	litres	724	244,182	litres	612	18%
Scope 1 (Fuel – Diesel Generators)	51,959	litres	131	90,280	litres	227	-42%
Scope 1 (De-icer)	120,500	litres	132	49,100	litres	41	222%
	51,968	kg		13,525	kg		
Scope 1 (LPG)	4,658	litres	7	2,092	litres	3	123%
Scope 1 (CO <sub>2</sub> Fire Extinguishers)	20	kg	0	-	kg	0	-
Scope 1 (Refrigerants)	-	kg	0	40	kg	65	-100%
<b>Scope 1 (Total)</b>	-		<b>3,305</b>	-		<b>3,374</b>	<b>-2%</b>
Scope 2 (Purchased Electricity; Location-Based)*	18,995,469	kWh	3,933	21,512,300	kWh	4,455	-12%
Scope 2 (Purchased Electricity; Market-Based)**			1			1	38%
<b>Totals (Scope 1 &amp; 2; Location-Based)</b>	-		<b>7,238</b>	-		<b>7,829</b>	<b>-8%</b>
<b>Totals (Scope 1 &amp; 2; Market-Based)</b>	-		<b>3,306</b>	-		<b>3,375</b>	<b>-2%</b>
Scope 3 (Business Car Travel)***	7,910	miles	15	10,986	miles	16	-5%
	6,066	litres		6,006	litres		
<b>Totals (Scope 1, 2 &amp; 3; Location-Based)</b>	-		<b>7,253</b>	-		<b>7,845</b>	<b>-8%</b>
<b>Totals (Scope 1, 2 &amp; 3; Market-Based)</b>	-		<b>3,321</b>	-		<b>3,391</b>	<b>-2%</b>

\*Gas and electricity used by tenants and retail concessions are excluded as they are reported under SECR by these third-party companies.

\*\*100% of electricity procured through the Airport's group power contract is green, generated by renewable sources such as solar and wind power. Electricity used by the Airport's community noise monitors and community lighting are not part of the group contract, nor is electricity from public EV charging points used in personal/hire cars on business use.

\*\*\*Business car travel emissions were calculated using both mileage claims (miles) and fuel receipts (cost converted into litres). These were added together for an overall business car travel emissions figure.

### Intensity ratio

Birmingham Airport reports on carbon emissions per passenger, which is a widely used metric throughout the aviation industry. In 2024/25, GHG emissions per passenger decreased by 26% compared to 2023/24, due to passenger numbers increasing by 10% and our GHG emissions decreasing by 8%.

kg CO <sub>2</sub> per passenger – Scope 1, 2 & 3 emissions (location-based)					
Year	Passenger Numbers	Scope 1	Scope 2	Scope 3	Total
2023/24	11,816,935	0.29	0.38	0.00	0.66
2024/25	13,003,919	0.25	0.30	0.00	0.56

### Energy and carbon management

While we have a track record in achieving low carbon operations, we know that meeting our commitment will require more impactful and immediate action and new investment to deliver significant change across our Airport over a short time-period. The following projects demonstrate our commitment and the progress we are making on our journey to net zero carbon, specific to Scope 1 and 2 emissions:

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (*continued*)

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#### Energy demand reduction

- The greenest energy is the energy we don't use, that's why the Airport has continued to focus on energy demand reduction.
- Managing energy consumption using sub-metering, energy walkarounds and meetings of the Operational Energy and Cost Reduction Group, the Airport made 241 interventions, delivering savings of c. 543,000 kWh of energy. This included HVAC optimisation and switching off assets not in use.
- 'You can't manage what you can't measure'.
  - The Airport has continued to invest in our metering this year with 63 new meters installed as part of the Next Generation Security project, and we have continued working to reconnect meters that have lost communication with our energy management system.
- In addition to energy efficiency, water conservation was also a focus this year:
  - We identified and fixed a significant water leak reducing water consumption by 9%.
- A focus on engaging colleagues.
  - The Airport's Sustainability team ran our second Sustainability Week in 2024, a series of events and activities for the Airport's employees and business partners to raise awareness of energy management and our Sustainability Strategy.
  - We also unveiled our new Sustainability Walls in the South Terminal and International Pier, highlighting the key themes and actions that drive our sustainability strategy. It's a great way for both colleagues and customers to learn more about the steps we're taking for a greener future.
  - Finally, we ran a winter saving campaign, empowering our employees to better control energy consumption.

#### Energy efficiency investments

- High Mast LED floodlights have been upgraded on stands 40 to 57, delivering a c.50% reduction in energy use. The remaining LED upgrades to stands 58 through to 86 are due to take place in the upcoming financial year.
- Moving away from gas for space heating and hot water is a priority for the Airport. This year we have started on our HVAC strategy to 2033, commissioning a thermal modelling study of the terminal to understand current heating and cooling loads and opportunities to improve the building fabric. This will feed into the HVAC design project in 2025/26.

#### Renewables

- Our 6.8 MW 'Alpha Bund' solar PV array started generating electricity in August 2024. The array generated 2,717 MWh of electricity in 2024/25, saving c.560 t/CO<sub>2</sub>e.
- The Airport also installed a third solar installation of 90 kW light-weight solar film on the roof of the North Terminal in February 2025 for further solar energy generation.

#### Management

- Airport Carbon Accreditation (ACA) - the Airport achieved Level 3 (optimisation) of the ACA scheme for a third year. The ACA scheme, overseen by Airports Council International (ACI), is a global carbon management standard for airports. The scheme brings the Airport's decarbonising activities and reporting under ACI's framework of scrutiny, including comparison with other airports worldwide.
- We have continued to develop and implement an ISO50001 aligned energy management system.
- The Airport has continued to embed energy and carbon performance evaluation during procurement and the design stage of capital projects.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (*continued*)

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- Collaboration - the Airport understands that collaboration with internal and external stakeholders is key to reducing emissions. The Airport continues to be an active member of the Airport Sustainability Forum, a consortium of UK airports working together to overcome the challenges to decarbonising airport operations. We continue to be a part of the Hydrogen Valley consortium, working across the Midlands to develop the hydrogen economy. In 2023, the Airport entered a long-term partnership agreement with ZeroAvia to make hydrogen refuelling and domestic flights of zero-emission aircraft a reality. The Airport continues to be an active member of the Solihull Sustainability Visioning Group, has joined the West Midlands Net Zero Business Pledge, and restarted Operation Pathfinder, a collaborative project led by the Airport Sustainability team, working with ATC and airlines to improve environmental performance during the landing and take-off cycle.

#### **Statement by the Directors on performance of their statutory duties in accordance with s172(1) Companies Act 2006**

The Board of Directors of Birmingham Airport Holdings Limited have acted in a way they consider to be most likely to promote the success of the Group for the benefit of its members as a whole in the decisions taken during the year ended 31 March 2025. In doing so, the Directors have regard to:

*(i) the likely consequences of any decision in the long term*

The Airport's 4-year Business Plan is updated and reviewed annually. This important strategic plan guides our internal decision-making and how we work with our many stakeholders to balance competing priorities and find mutually acceptable ways forward.

In the past year, a number of strategic decisions have been made to position ourselves advantageously within the growing aviation sector. These decisions include enlarging and refreshing our commercial estate; meticulous cost management, and managing a growing workforce ensuring diversity, inclusivity, and cultural sensitivity along with sustainable operations as passenger numbers grow. In addition, we have increased our Capital Investment Programme, with capacity expansion projects to meet future growth, enhance our facilities with a focus on improving customer service, and replacing aging assets, so we are well-prepared to capitalise on the sector's growth.

For each of the above decisions s172 has been considered and all decisions made are to maintain the strongest possible position as the aviation sector continues to grow, considering the long-term interests of the Company's existing and new employees, as well as suppliers, customers and all other stakeholders.

*(ii) the interests of the Group's employees*

Our employees are fundamental to the delivery of our strategic ambitions as well as our day-to-day operations, to ensure our customers have an efficient and positive experience throughout the Airport.

Birmingham Airport continually aims to increase employee awareness and engagement around wellbeing, with significant focus on all aspects including mental health and financial wellbeing. As we continue to focus on our Wellbeing Policy following its launch in 2022/23, a Wellbeing Forum was established with representatives across the business, which has resulted in the launch of a number of wellbeing initiatives such as Occupational Health on Tour, evening Pilates classes, running club and a fortnightly on-site fitness 'bootcamp'.

Two employees are Mental Health First Aid Instructors and we are currently supporting another employee to become an instructor, to date we have successfully trained 60 employees as Mental Health First Aiders supported by 18 Mental Health Ambassadors within the business. Employees have access to a dedicated Headspace Garden where they can relax and recharge away from the noise and stresses of the busy terminal areas. A second Headspace Garden which is located closer to the terminal is due to open in June 2025.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (*continued*)

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The Airport's Wellbeing Team won the Best Wellbeing Team for Large Company award at the Great British Workplace Wellbeing Awards 2025. This recognition highlights our strong commitment to colleague wellbeing, including initiatives like mental health first aid training and various physical and mental health programs.

During the year we continued to focus on our five Corporate Values: Dedicated, Respectful, Supportive, Inclusive and Curious. A dedicated Values Forum is led by five Values Leads and 35 Values Ambassadors. As a result, and with the introduction of the 'BHXProudPerks' system to nominate colleagues for great work in line with the Values, nearly 1,000 nominations have been received from colleagues across the business, demonstrating strong engagement and buy-in.

From April 24 to March 25, 12 monthly Values Forums have taken place with 70 winners of the monthly 'Proud Award' amounting to £3,500 in vouchers given out on the BHXProudPerks platform. Values Winners recognised by executive team with pin badge presentation and recognition at the start of the monthly Business Performance Review.

Third-party partners onsite have expressed an interest in getting involved in our engagement initiatives due to their success, as we work towards becoming one cohesive airport community.

Our "have your say" annual employee survey took place in November 2024 and achieved a response rate of 77% (November 2023 survey 75%). The Trust Index remained broadly flat year-on-year and 59% of participants said the Airport is a great place to work, an increase on previous years (November 2023 survey 56%). We continue our journey from good to great, keeping a strong focus on areas where we need to improve whilst continuing with the things we do well.

Leadership - the Executive Team's focus in 2024/25 was to continue to build trust through social connection, with back to the floor visits to chat with employees. In addition, the CEO holds regular meetings with our Heads of Department to provide an opportunity for senior managers to share views. Additionally, employees had more opportunities for close interaction with the CEO through out-of-work walks, including hikes up Snowdon, Scafell Pike, and Ben Nevis. The management leadership and development programme continued through 2024 with a key focus on upskilling our managers and supervisors. We continue to train and support our apprentices and we had 8 apprentices in year working directly for the Airport. We are also proud to have the UK's first successful Air Traffic Control Officer Apprentice.

*(iii) the need to foster the Group's business relationships with suppliers, customers and others*

We know that a great customer experience is not only about our facilities but also how our staff operate and interact with our customers every day to consistently deliver a great service. We have sought to ensure that our customers continue to feel safe and comfortable in the Airport environment and hence we continued to adhere to safety measures where practical and in response to customer and employee sentiment.

As passenger numbers continued to grow in 2024/25 we have been working in close collaboration with our on-site partners, such as ground handling agents, airlines, concessions etc. to host careers fairs to support our respective recruitment drives and staffing requirements. These have proved to be a great success as most Airport-based partners have found it challenging to re-recruit in line with the pace of growth.

We continue to work closely with the business community across the region, including major corporates, the Chambers of Commerce, the Mayor's office and travel management companies, to understand their plans and make sure we are meeting their demand for additional destinations and frequency of service. We are continually updating our view on air travel, monitoring uncertainties (e.g. the ongoing Russia/Ukraine and Israel/Gaza conflicts continue to impact fuel prices and flight routes, with cost-of-living pressures affecting consumer spending and travel demand) and revising our aviation strategy accordingly.

## Birmingham Airport Holdings Limited

### Strategic Report for the Year Ended 31 March 2025 (*continued*)

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We have strong relationships with a wide range of airlines including members of each of the three leading airline alliances (Star Alliance, Oneworld & SkyTeam) serving domestic, short-haul and long-haul markets. Our Aviation Development team are ambassadors for the region, constantly engaging with existing airline partners and with potential new carriers to Birmingham, raising the awareness of the Midlands and focussing their attention on the opportunities to fulfil route demand from our region. We are in constant dialogue with our airline partners, working collaboratively to accommodate the growth in passenger volumes and the increasing demand for travel.

We consider our supply chain as critical to enabling the Airport to achieve its objectives. Our Procurement Strategy seeks to segment our supply chain by criticality and level of expenditure so that procurement activities can be focused on delivering best practice supply chain solutions which represent value for money, are innovative, and have an emphasis on sustainability and health & safety. Through the delivery of effective procurement, there is also a commitment to engage with local small and medium enterprises (SMEs) with a recognition of the need to be socially responsible. To this end, the Airport has procured frameworks with a number of locally based businesses to deliver professional services to support the Capital Investment Programme.

#### *(iv) the impact of the Group's operations on the community and the environment,*

We take our community responsibilities seriously and work closely with local residents, who are represented on our Airport Consultative Committee, on a wide range of projects and initiatives. The Airport makes annual contributions to a Community Trust Fund and its independent trustees allocate the funds to worthwhile causes in the areas surrounding the Airport and this work has continued throughout 2024/25.

We have also continued our work with Schools and Colleges, supporting young people in developing essential skills and in gaining valuable experience of the aviation industry.

Our charity partnership with Mind came to an end in December 2024. After a shortlisting process driven by the airport's employees, who voted after meeting with several local charities during an open day, we formed a new partnership in January 2025 with Birmingham Children's Hospital Charity. The overwhelming support for Birmingham Children's Hospital Charity demonstrates the recognition of the charity's vital, life-changing work carried out every day.

This partnership will last for the next three years and will involve a range of activities including fundraising, volunteering, and raising awareness of the charity's mission. Birmingham Airport aims to engage its colleagues and third-party suppliers in a calendar of events designed to support the hospital's initiatives. In March 2025 we had our first charity takeover day where all staff were encouraged to wear red. A mobile Food and Beverage unit was organised, and a percentage of the proceeds went to our charity partner.

We also take our environmental responsibilities very seriously across areas such as noise, carbon reduction, water and waste. Our objectives in these areas are set out in our Sustainability Strategy which was published in 2019, followed up with the publication of our Net Zero Carbon Plan in 2022 and we are now using electricity generated solely from renewable sources along with additional solar generation which came online in 2024. Further information is set out in the Sustainability section of this report.

Our strategy is to make the best use of our existing runway, in line with the Department for Transport's policy. Now passenger volumes have returned and exceeded pre-pandemic levels, our capital planning will focus on ensuring that we maximise the potential of the existing site and runway.

#### *(v) the desirability of the Group maintaining a reputation for high standards of business conduct, and*

The Airport is a public-private partnership that has a high profile and generates significant public interest, particularly in the Midlands region. This makes it particularly important that the standards of business conduct are maintained at a high standard. This is achieved through a suite of company policies which are regularly reviewed and subject to review by the Audit Committee.

## **Birmingham Airport Holdings Limited**

### **Strategic Report for the Year Ended 31 March 2025 (continued)**

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*(vi) the need to act fairly as between members of the Group.*

The relationship between the Group and its members is primarily guided by a Shareholder Agreement and the trust deeds which govern the employee share scheme.

#### **Financial risk management**

##### **Objectives and policies**

The Group has a number of policies in place to manage its financial risks, along with a risk management programme which is regularly reported to the Board and Audit Committee. Where actions are necessary and not covered by the policies in place, approval is sought from the Board.

##### **Assessment of principal risks and uncertainties**

###### **Interest rate risk**

The Group's policy is to maintain an appropriate mix of credit facilities within Board approved parameters. The Group reviewed the debt structure in year and raised a further £80 million US private placement senior notes in March 2025 and a new £150 million Revolving Credit facility was in place in May 2025 replacing the previous £25 million facility. The interest costs are fixed for the long-term borrowings, with the only variable interest costs being on the revolving credit facility which is currently undrawn.

The Group's cash is invested under strict Board approved parameters, which places a cap on the amount which can be invested with a single institution. Throughout the year, cash is invested in the money markets which, whilst exposing the Group to interest rate risk, does maximise returns, whilst maintaining liquidity and access to funds.

###### **Liquidity risk**

It is the Group's policy to ensure continuity of funding by active management of working capital and maintaining sufficient cash or committed facilities to meet anticipated funding requirements, whilst ensuring that the Group is not exposed to excessive refinancing in any one year. In addition to the £49.8 million cash balance, there is an undrawn revolving credit facility for £150 million. Together these are considered sufficient to meet the Company's ongoing liquidity requirements.

###### **Credit risk**

The Group's policy requires appropriate credit checks of potential customers prior to the commencement of operation and regular reviews thereafter. In addition, focus has been directed at frequent reviews and management of this risk, due to the economic climate. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

###### **Cost risk**

The Group has no significant exposure to any single element of price risk. The largest risks are wage and energy price inflation, the Group has some influence through negotiations with its employees and has hedged the majority of its energy prices for the forthcoming year. Discussions are ongoing with unions for salary increases from April 2025, with agreement reached so far for the largest employee group. Other cost exposures relate to general market inflation and building material costs as there is a large development programme as we expand to accommodate future passenger growth. In addition, the Valuation Office Agency (VOA) is changing the basis of business rates assessment for airports in England & Wales. This change has the potential to significantly increase the business rates charge from April 2026.

## **Birmingham Airport Holdings Limited**

### **Strategic Report for the Year Ended 31 March 2025 (continued)**

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#### Competition risk

The key competitive risks are passengers and/or airline operators switching to other airports. These risks are mitigated by maintaining strong relationships with our airline customers and through continuous improvement targets to enhance the customer experience.

#### Covenant risk

The Group continues to comply with the financial covenants, relating to gearing and interest cover which are required by the private placement senior loan note holders and the bank Revolving Credit Facility. These are monitored on an ongoing basis with formal testing reported to the Audit committee and for the bank facility the year end position is certified by the auditors.

#### Brexit risk

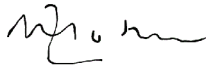
The UK successfully negotiated a new trade deal with the EU which came into effect on 1 January 2021, therefore the risks associated with Brexit have largely been removed.

#### Passenger demand

Whilst we will closely monitor the impacts of geopolitical and economic developments (e.g. Russia/Ukraine conflict, cost of living pressures, inflation and higher interest rates) that could adversely impact passenger confidence and volumes, the Airport continues to be optimistic that demand for air travel will remain strong and growth will continue, it has already surpassed pre-pandemic levels and the long-term prospects remain positive.

We would like to take this opportunity to thank all colleagues who have worked so hard for the Airport over the past year as it completed its recovery from the pandemic and delivered record passenger volumes. Their dedication and engagement in helping the Airport recover and grow whilst maintaining customer service has been exemplary and very much appreciated.

Approved and authorised by the Board on 15 July 2025 and signed on its behalf by:



.....  
Sir H M Robertson  
Chairman



.....  
K Garrett  
Company Secretary

## **Birmingham Airport Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2025**

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The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 March 2025.

#### **Future developments, dividends and financial risk management**

The Strategic Report on pages 2 to 18 includes details of the Group's financial performance, dividends, future developments, statement of engagement with suppliers, customers and others in a business relationship with the Company which is covered by s172(1) Companies Act 2006, stakeholder engagement, financial risk management objectives and policies, and its greenhouse gas emissions, energy consumption and energy efficiency action.

#### **Directors of the Group**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

N Barton - Chief Executive  
P T A Bateman  
M A Bird  
N J Jansa  
J D McNicholas  
P Nakou  
Sir H M Robertson - Chairman  
R K Sleigh  
D M Stanton  
S A Thompson (appointed 17 September 2024)  
P C Tilsley  
M R Toms

#### **Company Secretary**

K Garrett

#### **Directors' liabilities**

The Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained Directors' and Officers' liability insurance in respect of itself and its Directors throughout the financial year.

## **Birmingham Airport Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2025 (continued)**

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#### **Going concern**

The Directors have reviewed the prospects for the group and company through to March 2027 (twenty four months from the balance sheet date) in the context of the economic impacts of the war in Ukraine, other geopolitical events and the inflation and interest rate environment.

Passenger volumes have fully recovered from the pandemic and in 2024/25 were 13.0 million (7.3% above the volume in 2019/20, the last pre-pandemic year, and the highest ever volume at the Airport). Looking forward, 2025/26 passenger volume is forecast to grow to 13.9 million. This will increase revenue, profitability and operating cash inflow.

At the balance sheet date, the Group had strong liquidity, with a cash balance of £49.8 million and an undrawn £25 million revolving credit facility. The Directors have carried out financial modelling of a range of trading forecasts, uncertainties in achieving those forecasts, along with the actions which could be taken in response. In assessing the going concern position, the Directors have considered the Group's cash flow and liquidity and the associated impact on the Group's lending covenant compliance.

The Group has external debt facilities of £421 million private placement loan notes and on 21 May 2025 the existing undrawn revolving credit facility of £25 million was replaced by a new facility of £150 million for a period of 5 years, with the option to extend for a further 2 years.

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.

#### **Political donations**

There were no political donations during the year.

#### **Employment of disabled persons**

The Group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of gender, race, colour, disability or marital status. The Group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. We are committed to being a Disability Confident employer. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group. If members of staff become disabled the Group continues employment either in the same or an alternative position, where possible, with appropriate retraining being given if necessary.

## Birmingham Airport Holdings Limited

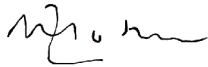
### Directors' Report for the Year Ended 31 March 2025 (*continued*)

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#### Employee involvement

Employee contribution to our business is key to our success. The Group 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 Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group.

Approved and authorised by the Board on 15 July 2025 and signed on its behalf by:



.....  
Sir H M Robertson  
Chairman



.....  
K Garrett  
Company Secretary

## **Birmingham Airport Holdings 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 prepared the Group and the 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, 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 for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and 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 Group and Company will continue in business.

The Directors are 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 are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's 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 are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Directors' confirmations**

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's 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's and Company's auditors are aware of that information.

Approved and authorised by the Board on 15 July 2025 and signed by order of the Board by:

*Kristin Garrett*

.....  
K Garrett  
Company Secretary

## **Birmingham Airport Holdings Limited**

### **Independent Auditors' Report to the members of Birmingham Airport Holdings Limited**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Birmingham Airport Holdings Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's and Company's profit and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Statement of Financial Position as at 31 March 2025; ; the Consolidated Income Statement; the Consolidated Statement of Comprehensive Income; the Consolidated and Company Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **Birmingham Airport Holdings Limited**

### **Independent Auditors' Report to the members of Birmingham Airport Holdings Limited (*continued*)**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the Directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

##### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## **Birmingham Airport Holdings Limited**

### **Independent Auditors' Report to the members of Birmingham Airport Holdings Limited (*continued*)**

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Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Civil Aviation Authority (CAA) regulations, employment law, pensions legislation, and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of fraudulent journals and manipulating the Group's key performance indicators to meet externally communicated targets. Audit procedures performed by the engagement team included:

- Inquiring of management and those charged with governance, as to whether the entity is in compliance with such laws and regulations, including consideration of actual or potential litigation and claims;
- Inspecting correspondence with the relevant authorities;
- Review of evidence including the involvement of pension and valuations experts to review financial assumptions and fair values of assets;
- Identifying and testing journal entries focussing on entries with unusual account combinations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing minutes of meetings of those charged with governance, and reviews of legal expenses;
- Review of estimates for evidence of bias; and
- Incorporating elements of unpredictability within audit procedures.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Birmingham Airport Holdings Limited**

### **Independent Auditors' Report to the members of Birmingham Airport Holdings Limited (continued)**

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#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



.....  
**Paul Norbury (Senior Statutory Auditor)**  
**For and on behalf of PricewaterhouseCoopers LLP,**  
**Chartered Accountants and Statutory Auditor**  
**Birmingham**

15 July 2025

**Birmingham Airport Holdings Limited**  
**Consolidated Income Statement for the Year Ended 31 March 2025**

	Note	2025 £ 000	2024 £ 000
Turnover	4	221,715	184,257
Staff costs	9	(48,832)	(40,994)
Depreciation and other amounts written off tangible and intangible fixed assets	6	(32,206)	(31,126)
Other operating expenses		(66,653)	(51,749)
Exceptional administrative expenses	5	<u>(834)</u>	<u>(266)</u>
Operating profit		<u>73,190</u>	<u>60,122</u>
Other interest receivable and similar income	11	2,384	2,285
Interest payable and similar expenses	12	<u>(13,310)</u>	<u>(13,976)</u>
		<u>(10,926)</u>	<u>(11,691)</u>
Profit before tax		62,264	48,431
Tax on profit	13	<u>(17,341)</u>	<u>(14,919)</u>
Profit for the financial year		<u>44,923</u>	<u>33,512</u>
<b>Profit attributable to:</b>			
Owners of the company		<u>44,923</u>	<u>33,512</u>

The above results were derived from continuing operations.

**Birmingham Airport Holdings Limited****Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2025**

	<b>Note</b>	<b>2025</b> <b>£ 000</b>	<b>2024</b> <b>£ 000</b>
Profit for the financial year		<u>44,923</u>	<u>33,512</u>
Deferred tax on disposal of revalued investment property		40	-
Remeasurement gain/(loss) on net defined benefit pension liability		1,786	(5,074)
Deferred tax effect on actuarial gain/(loss) recognised on net defined benefit pension liability		<u>(447)</u>	<u>1,269</u>
Other comprehensive income/(loss) for the year		<u>1,379</u>	<u>(3,805)</u>
<b>Total comprehensive income for the year</b>		<u><u>46,302</u></u>	<u><u>29,707</u></u>

**Birmingham Airport Holdings Limited****(Registration number: 03312673)****Consolidated Statement of Financial Position as at 31 March 2025**

	Note	2025 £ 000	2024 £ 000
<b>Fixed assets</b>			
Tangible assets	14	558,697	546,920
Investment property	15	9,542	9,690
		<u>568,239</u>	<u>556,610</u>
<b>Current assets</b>			
Inventories	17	1,011	1,117
Debtors	18	39,895	31,474
Cash at bank and in hand	19	49,761	33,832
		<u>90,667</u>	<u>66,423</u>
<b>Creditors: Amounts falling due within one year</b>	20	<u>(69,917)</u>	<u>(65,362)</u>
<b>Net current assets</b>		<u>20,750</u>	<u>1,061</u>
<b>Total assets less current liabilities</b>		588,989	557,671
Creditors: Amounts falling due after more than one year	20	(441,222)	(361,782)
Provisions for liabilities	24	(62,284)	(47,011)
Post employment benefits	25	(2,866)	(13,678)
		<u>(82,617)</u>	<u>(135,200)</u>
<b>Net assets</b>		<u>82,617</u>	<u>135,200</u>
<b>Capital and reserves</b>			
Called up share capital	26	3,240	3,240
Revaluation reserve	27	84,884	89,582
Merger reserve	27	25,588	25,588
(Accumulated losses)/Retained earnings		<u>(31,095)</u>	<u>16,790</u>
<b>Total equity</b>		<u>82,617</u>	<u>135,200</u>

The financial statements on pages 27 to 64 were approved and authorised by the Board on 15 July 2025 and signed on its behalf and signed on its behalf by:

*Nick Barton*

.....  
N Barton

Chief Executive

*Sir H M Robertson*

.....  
Sir H M Robertson

Chairman

The notes on pages 34 to 64 form an integral part of these financial statements.

**Birmingham Airport Holdings Limited****(Registration number: 03312673)****Company Statement of Financial Position as at 31 March 2025**

	Note	2025 £ 000	2024 £ 000
<b>Fixed assets</b>			
Investments	16	143,745	143,745
<b>Current assets</b>			
Debtors	18	168,154	128,718
Cash at bank and in hand	19	464	11
		168,618	128,729
<b>Creditors: Amounts falling due within one year</b>	20	(240,234)	(209,117)
<b>Net current liabilities</b>		(71,616)	(80,388)
<b>Total assets less current liabilities</b>		72,129	63,357
Creditors: Amounts falling due after more than one year	20	(15,384)	(15,384)
<b>Net assets</b>		56,745	47,973
<b>Capital and reserves</b>			
Called up share capital	26	3,240	3,240
Merger reserve	27	51,380	51,380
Retained earnings/(Accumulated losses)		2,125	(6,647)
<b>Total equity</b>		56,745	47,973

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual income statement. Its profit for the financial year was £107.657 million (2024: £8.042 million loss).

The financial statements on pages 27 to 64 were approved and authorised by the Board on 15 July 2025 and signed on its behalf and signed on its behalf by:

*Nick Barton*

.....  
N Barton  
Chief Executive

*Sir H M Robertson*

.....  
Sir H M Robertson  
Chairman

## Birmingham Airport Holdings Limited

### Consolidated Statement of Changes in Equity for the Year Ended 31 March 2025

	Note	Called up Share capital £ 000	Revaluation reserve £ 000	Merger reserve £ 000	Retained earnings/ (Accumulated losses) £ 000	Total equity £ 000
At 1 April 2023		3,240	94,332	25,588	(17,420)	105,740
Profit for the financial year		-	-	-	33,512	33,512
Other comprehensive loss		-	-	-	(3,805)	(3,805)
Total comprehensive income		-	-	-	29,707	29,707
Revaluation reserve profit transfer (net of deferred tax)		-	(4,750)	-	4,750	-
Net sale of own shares from share trust		-	-	-	(125)	(125)
Movement in reserves of own trust		-	-	-	(122)	(122)
At 31 March 2024		3,240	89,582	25,588	16,790	135,200
At 1 April 2024		3,240	89,582	25,588	16,790	135,200
Profit for the financial year		-	-	-	44,923	44,923
Other comprehensive income		-	-	-	1,379	1,379
Total comprehensive income		-	-	-	46,302	46,302
Dividends	28	-	-	-	(97,286)	(97,286)
Revaluation reserve profit transfer (net of deferred tax)	27	-	(4,698)	-	4,698	-
Net sale of own shares from share trust	27	-	-	-	(1,577)	(1,577)
Movement in reserves of own trust		-	-	-	(22)	(22)
At 31 March 2025		3,240	84,884	25,588	(31,095)	82,617

**Birmingham Airport Holdings Limited****Company Statement of Changes in Equity for the Year Ended 31 March 2025**

	Note	Called up Share capital £ 000	Merger reserve £ 000	(Accumulated losses)/ Retained earnings £ 000	Total equity £ 000
At 1 April 2023		3,240	51,380	1,642	56,262
Loss for the financial year		-	-	(8,042)	(8,042)
Net sale of own shares from share trust		-	-	(125)	(125)
Movement in reserves of own trust		-	-	(122)	(122)
At 31 March 2024		<u>3,240</u>	<u>51,380</u>	<u>(6,647)</u>	<u>47,973</u>
At 1 April 2024		3,240	51,380	(6,647)	47,973
Profit for the financial year		-	-	107,657	107,657
Dividends	28	-	-	(97,286)	(97,286)
Net sale of own shares from share trust	27	-	-	(1,577)	(1,577)
Movement in reserves of own trust		-	-	(22)	(22)
At 31 March 2025		<u>3,240</u>	<u>51,380</u>	<u>2,125</u>	<u>56,745</u>

**Birmingham Airport Holdings Limited****Consolidated Statement of Cash Flows for the Year Ended 31 March 2025**

	Note	2025 £ 000	2024 £ 000
Cash flow from operating activities	29	101,132	83,066
Income taxes paid		<u>(8,885)</u>	<u>(7,388)</u>
<b>Net cash flow generated from operating activities</b>		<u>92,247</u>	<u>75,678</u>
<b>Cash flow from investing activities</b>			
Interest received	11	2,347	2,037
Purchase of tangible assets		(42,858)	(65,941)
Proceeds from sale of tangible assets	6	<u>547</u>	<u>-</u>
Net cash used in investing activities		<u>(39,964)</u>	<u>(63,904)</u>
<b>Cash flow from financing activities</b>			
Interest paid	12	(11,491)	(12,478)
Repayment of private placement notes	21	-	(30,000)
Proceeds from private placements senior notes	30	80,000	-
Interest on preference shares		(4,854)	-
Dividends paid		(97,286)	-
Lease/leaseback premium	33	(1,124)	(1,078)
Net sale of own shares from share trust		(1,577)	(125)
Movement in reserves of own trust		<u>(22)</u>	<u>(122)</u>
<b>Net cash used in financing activities</b>		<u>(36,354)</u>	<u>(43,803)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		15,929	(32,029)
Cash and cash equivalents at the beginning of the year		<u>33,832</u>	<u>65,861</u>
Cash and cash equivalents at the end of the year	19	<u><u>49,761</u></u>	<u><u>33,832</u></u>

## **Birmingham Airport Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

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#### **1 General information**

The Company and its subsidiaries ("the Group") are private companies limited by shares and incorporated in England, United Kingdom.

The address of its registered office is:

Diamond House  
Birmingham Airport  
Birmingham  
West Midlands  
B26 3QJ

The principal activity of the Group is the operation and management of Birmingham Airport and the provision of facilities and services associated with those operations.

#### **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, except for a change in segmental presentation of turnover (see note 4).

##### **Statement of compliance**

The Group and Company financial statements of Birmingham Airport Holdings Limited were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), taking into account updates of the 2018 triennial review 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 to include the revaluation of certain assets in accordance with applicable accounting standards and the Companies Act 2006.

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 the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual income statement. Its profit for the financial year was £107.657 million (2024: £8.042 million loss).

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

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

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from the requirements of FRS 102 paragraph 33.7 as the key management personnel and Directors are the same; and
- from the requirement to disclose transactions with Group members under FRS102 paragraph 33.1A.

#### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2025. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

A subsidiary is an entity controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

#### Going concern

The Directors have reviewed the prospects for the Group and Company through to March 2027 (twenty four months from the balance sheet date) in the context of the economic impacts of the war in Ukraine, other geopolitical events and the inflation and interest rate environment, as outlined in the Directors report on page 20. At the balance sheet date, the group had strong liquidity, with a cash balance of £49.8 million and an undrawn £25 million revolving credit facility. Passenger volume in 2024/25 was 13.0 million. Looking forward, 2025/26 passenger volume is forecast to grow to 13.9 million. This will increase revenue, profitability and operating cash inflow.

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.

#### Revenue recognition

Turnover represents the amounts derived from the provision of services which fall within the Group's principal activity of the operation and management of Birmingham Airport and its related activities. All turnover is generated in the United Kingdom. Turnover comprises:

- (i) Aeronautical income - sales related to aeronautical activities net of rebates, incentives and value added tax and is recognised at the point of passenger and aircraft departure.
- (ii) Concession income - concession rentals net of value added tax relating to retail activities on the site. Income for car parking is recognised at the end of the parking stay and all other concession income is recognised in the year to which it relates on an accruals basis.
- (iii) Property income and recharges - revenues relating to property lettings, service charges and utility recharges. All income is recognised in the year to which it relates on an accruals basis.

## **Birmingham Airport Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)**

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

##### **Government grants**

Government grants that do not impose specified future performance-related conditions are recognised in other operating income when the grant proceeds are received or receivable. Grants that impose specified future performance-related conditions are recognised in income only when the performance-related conditions are met.

##### **Other grants**

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected lives of the relevant assets by equal annual instalments.

##### **Exceptional administrative expenses**

The Group classifies certain one-off charges or credits as 'exceptional administrative expenses'. These are disclosed separately in note 5 to provide further understanding of the financial performance of the Group.

##### **Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except where it is attributable to an item of income or expense recognised as other comprehensive income where it is recognised directly in the Statement of Comprehensive Income or in equity.

The current 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 Group and Company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the Group and Company. Deferred 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.

Current and deferred tax assets and liabilities are not discounted.

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

#### 2 Accounting policies (continued)

##### Tangible assets

Land, buildings and infrastructure are revalued and carried at their fair value at the date of valuation less any accumulated depreciation and accumulated impairment losses. Due to the specialist nature of the land, buildings and infrastructure fair value is based on an income or depreciated replacement cost approach. An independent valuation of operational assets was undertaken at 31 March 2023.

Tangible assets are revalued with sufficient regularity so as to ensure there are no significant differences between carrying and fair value. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and the revaluation reserve. However, the increase shall be recognised in the Income Statement to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Income Statement. The decrease of an asset's carrying amount as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in the revaluation reserve, in respect of that asset. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in the revaluation reserve in respect of that asset, the excess shall be recognised in the income statement. The additional depreciation charge based on the asset's revalued carrying amount and the asset's original cost in the profit and loss account is transferred from revaluation reserve to retained earnings over the remaining useful life of the asset.

Plant and machinery is measured at cost less any accumulated depreciation and any accumulated impairment losses. The cost of plant and machinery includes original purchase price and directly attributable incremental costs incurred in bringing the asset to its working condition for its intended use.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial amount of time to get ready for their intended use are added to the cost of those assets. All other borrowing costs are recognised in the income statement in the year they are incurred.

##### Depreciation

Depreciation is provided on all tangible fixed assets, other than land and assets in the course of construction, at rates calculated to write off cost or valuation, less estimated residual value of each asset evenly over its expected useful life. In addition, the carrying values of tangible fixed assets are reviewed for continued applicability in future periods if events or changes in circumstances indicate the carrying value may not be recoverable. The principal useful lives are as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Buildings	between 5 and 50 years
Infrastructure	between 10 and 50 years
Plant and machinery	between 4 and 30 years
Motor vehicles (included in plant & machinery)	between 4 and 15 years

##### Investment property

Investment property including freehold land, buildings (including off site residential properties and parts of a building held to earn rental income) are held at fair value based on rental income, where the fair value can be measured reliably without undue cost or effort. Fair value is measured at each reporting date with changes in fair value recognised in the income statement.

## **Birmingham Airport Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)**

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

##### **Investments**

Investments in subsidiary companies are held at cost less accumulated impairment losses. Investments are assessed for impairment at the end of each reporting year. If there is an indication of impairment the recoverable amount of the investment is impaired to its carrying amount. The recoverable amount of the investment is the higher of fair value less cost to sell and value in use. Value in use is defined as if the recoverable amount of the investment is lower than its carrying amount an impairment is recognised in the income statement.

##### **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.

##### **Trade debtors**

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, and then carried at amortised cost. A provision for the impairment of trade debtors is established when there is objective evidence that the Group or Company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Inventories**

Stores of consumable items and development land held within stock are valued at the lower of purchase cost or estimated net realisable value. At the end of each reporting year inventories are assessed for impairment. If an item of inventory is impaired the impairment charge is recognised in the income statement. Costs associated with holding the land are expensed as incurred.

##### **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 Group or Company does not have an unconditional right, at the end of the reporting year, 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 undiscounted amount of cash or consideration expected to be paid.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group or Company as an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **Birmingham Airport Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)**

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

##### **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the Group or Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Details of provisions are disclosed in note 24.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Rents receivable under operating leases are included in turnover on an accruals basis.

##### **Financial instruments**

Financial instruments are all categorised as basic financial instruments under section 11 of FRS 102. The Company has chosen not to measure the basic financial instruments at fair value through the Income Statement.

##### **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.

##### **Dividends**

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the reporting year in which the dividends are approved by the shareholders.

## **Birmingham Airport Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)**

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

##### **Employee benefits**

###### Share incentive plan

The Birmingham Airport Holdings Limited Group has a Share Incentive Plan (SIP) which is available to all permanent employees of the Group companies. The All Employees Share Ownership Plan (AESOP) was set up to enable employees to have a greater involvement in the Company and share in its future success and has been approved by HM Revenue and Customs. Most years employees have the opportunity to join the plan and save to purchase Partnership shares in the Group. The scheme relaunched in 2022/23 following the covid pandemic. For every three Partnership shares purchased the employee is given a Matching share by the Employee Share Trust. The shares are held in trust for the employees and they are entitled to receive a dividend from Birmingham Airport Holdings Limited, if a dividend is declared, while the shares are held in trust.

###### Defined contribution plan

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

###### Defined benefit plan

A defined benefit plan defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Consolidated Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of the plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in sterling, and that have terms to maturity approximation to the terms of the related pension liability. The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses are charged or credited to other comprehensive income in the year in which they arise. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurement of net defined benefit liability'.

The cost of the defined benefit plan is recognised in the Income Statement as employee costs and comprises, increases in the liability arising from employee service and cost of benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Income Statement as a 'finance expense'.

## **Birmingham Airport Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)**

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#### **3 Critical accounting judgements and estimations of uncertainty**

The Group and 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 judgements 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.

#### **Key accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **(i) Defined benefit pension scheme**

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the pension obligation in the Statement of Financial Position. The assumptions reflect historical experience and current trends. Details of the pension scheme are disclosed in note 25.

##### **(ii) Tangible assets**

The Group's tangible fixed assets are carried at either their fair value at date of valuation or cost, less any accumulated depreciation. Management estimates the useful economic life of assets based on historical experience and professional guidance from suppliers and subject matter experts. Asset impairments are based on estimates of current and future development plans. Details of the tangible assets are disclosed in note 14.

##### **(iii) Customer rebates**

The Group has accruals for expected rebates with customers. Such estimates are based on analyses of existing contractual obligations, historical trends and the Group experience. After assessment by management, the total accruals for these items are appropriate, based upon currently available information and contractual positions. As these deductions are based on management estimates, the actual rebate costs might differ from these estimates.

##### **(iv) Going concern**

The Directors have 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, as outlined in the Directors' report on page 20.

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 4 Turnover

The analysis of the group's turnover for the year by class of business is as follows:

	<b>2025</b>	<b>Re-presented</b>
	<b>£ 000</b>	<b>2024</b>
		<b>£ 000</b>
Aeronautical income	104,596	83,242
Concessions income	96,820	83,836
Property income and recharges	20,299	17,179
	<u>221,715</u>	<u>184,257</u>

All turnover is generated in the United Kingdom.

The Group has reclassified certain income relating to the transfer of passengers through the airport from Property income and recharges to Aeronautical income to bring reporting in line with other UK airports. The prior year turnover has been re-presented to show a direct year-on-year comparison.

#### 5 Exceptional administrative expenses

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Restructuring costs	240	266
Master plan costs	271	-
Other exceptional costs	323	-
	<u>834</u>	<u>266</u>

During the year £0.240 million (2024: £0.266 million) restructuring costs were incurred for employees leaving the business as a result of redundancy programmes. During the year there were costs associated with the transition of air traffic control to a new provider of £0.323 million (2024: £nil) and master plan cost of £0.271 million (2024: £nil). Included within taxation on profit/(loss) is tax on exceptional items at the current UK tax rate of 25% (2024: 25%) amounting to £0.209 million (2024: £0.067 million).

#### 6 Operating profit

Arrived at after charging/(crediting):	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation expense (note 14)	32,443	31,363
Capital grant release	(10)	(10)
Government capital grant release (note 7)	(227)	(227)
Increase in fair value of investment property (note 15)	(799)	(220)
Operating lease expense - plant and machinery	93	81
Loss on disposal of tangible assets	7	63
Impairment of trade receivables	31	41
	<u>31</u>	<u>41</u>

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 7 Government grants

In 2019 the Group received a grant of £1.375 million from the Department of Transport for the deployment and operation of ultra-low emission buses, including any supporting infrastructure and also received the final instalment of £1.353 million grant from the European Commission Innovation and Networks Executive Agency for collaborative decision making. The grants are being amortised to the Income Statement over the life of the assets.

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Opening balance at 1 April	1,786	2,013
Utilised	(227)	(227)
Closing balance at 31 March	<u>1,559</u>	<u>1,786</u>

#### 8 Auditors' remuneration

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Audit of company and consolidated financial statements	45	46
Audit of the financial statements of subsidiaries of the company pursuant to legislation	155	154
	<u>200</u>	<u>200</u>
<b>Other fees to auditors</b>		
Audit-related assurance services	<u>19</u>	<u>18</u>

Other fees includes bank covenant certificates, advice on specific transactions and audit of costs for service charges and passengers with reduced mobility.

#### 9 Staff costs

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

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	42,815	35,882
Social security costs	4,528	3,773
Other pension costs, defined contribution scheme (note 25)	2,489	2,006
Other pension costs, defined benefit scheme (note 25)	496	566
	<u>50,328</u>	<u>42,227</u>

The aggregate payroll costs include exceptional items of £0.240 million (2024: £0.266 million) and employee costs capitalised of £1.256 million (2024: £0.967 million).

The Company had 2 employees (2024: 2) who received wages and salaries of £1.486 million (2024: £1.443 million), with national insurance costs of £0.211 million (2024: £0.192 million).

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 9 Staff costs (continued)

The average monthly number of persons employed by the Group (including Directors) during the year, analysed by category were as follows:

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
Engineering	51	54
Operations and security	590	498
Support services	266	234
	<u>907</u>	<u>786</u>

#### 10 Directors' emoluments

The Directors' emoluments for the year were as follows:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Aggregate emoluments	<u>1,075</u>	<u>1,037</u>

No Directors are part of a share options scheme or accrued post-employment benefits under defined benefits plan or as a member of defined contribution pension scheme (2024: £nil).

In respect of the highest paid Director:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Aggregate emoluments	<u>935</u>	<u>911</u>

Executive remuneration is determined by a Remuneration Committee established by the Board and made up of non-executive Directors. The Remuneration Committee independently considers relevant market comparators that are required to attract and retain high calibre people. The remuneration structure is made up of salary and incentive schemes related to individual performance and behaviours which support the delivery of the Airport's strategy and performance. No individual executive is involved in deliberations in relation to their own remuneration.

#### Key management compensation

Key management includes the members of senior management. The compensation paid or payable to key management for employee services is shown below: There were 10 members of senior management in the year (2024: 10).

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Salaries and other short term benefits	3,004	2,746
Post employment benefits	72	70
	<u>3,076</u>	<u>2,816</u>

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 11 Other interest receivable and similar income

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest income on financial assets	1	2
Bank interest receivable	2,383	2,283
	<u>2,384</u>	<u>2,285</u>

#### 12 Interest payable and similar expenses

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Private placements senior notes interest	11,245	11,910
Interest on preference shares	971	971
Lease/leaseback interest	1,124	1,078
Pension scheme net finance charge (note 25)	428	488
Other interest payable	241	345
Less: capitalised interest	(699)	(816)
	<u>13,310</u>	<u>13,976</u>

#### 13 Tax on profit

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

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	6,646	5,368
Adjustment in respect of prior years	(4,171)	(317)
	<u>2,475</u>	<u>5,051</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	11,238	9,440
Adjustment in respect of prior years	3,628	428
	<u>14,866</u>	<u>9,868</u>
Tax on profit	<u>17,341</u>	<u>14,919</u>

**Birmingham Airport Holdings Limited****Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)****13 Tax on profit (continued)****(b) Tax charged/(credited) in other comprehensive income**

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Arising from origination and reversal of timing difference	407	(1,269)
	<u>407</u>	<u>(1,269)</u>

**(c) Reconciliation of tax charge**

The tax on profit for the year is higher than the standard rate of corporation tax in the UK (2024: higher than the standard rate of corporation tax in the UK) of 25% (2024: 25%).

The differences are reconciled below:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit before tax	<u>62,264</u>	<u>48,431</u>
Corporation tax at standard rate	15,566	12,108
Effect of expense not deductible in determining taxable profit	2,921	2,700
Income not taxable	(603)	-
Adjustment in respect of prior years	<u>(543)</u>	<u>111</u>
Total tax charge	<u>17,341</u>	<u>14,919</u>

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 14 Tangible assets

Group	Freehold Land and buildings £ 000	Leasehold land and buildings £000	Infrastructure £ 000	Plant and machinery £ 000	Assets in the course of construction £ 000	Total £ 000
<b>Cost or valuation</b>						
At 1 April 2024	312,398	200	133,005	254,823	61,673	762,099
Additions	-	-	-	-	43,129	43,129
Capitalised interest	-	-	-	-	699	699
Transfers	8,665	-	15,869	34,340	(58,874)	-
Transfers from/to investment property	392	-	-	-	-	392
At 31 March 2025	<u>321,455</u>	<u>200</u>	<u>148,874</u>	<u>289,163</u>	<u>46,627</u>	<u>806,319</u>
<b>Accumulated depreciation</b>						
At 1 April 2024	11,667	-	14,343	189,169	-	215,179
Charge for the year	12,851	-	9,716	9,876	-	32,443
At 31 March 2025	<u>24,518</u>	<u>-</u>	<u>24,059</u>	<u>199,045</u>	<u>-</u>	<u>247,622</u>
<b>Carrying amount</b>						
<b>At 31 March 2025</b>	<u>296,937</u>	<u>200</u>	<u>124,815</u>	<u>90,118</u>	<u>46,627</u>	<u>558,697</u>
At 31 March 2024	<u>300,731</u>	<u>200</u>	<u>118,662</u>	<u>65,654</u>	<u>61,673</u>	<u>546,920</u>

Included within the net book value of land and buildings above is £296.937 million (2024: £300.731 million) in respect of freehold land and buildings and £0.200 million (2024: £0.200 million) in respect of long leasehold land and buildings. Included in land and buildings is land at a value of £92.868 million (2024: £92.868 million) which is not depreciated.

Birmingham Airport Limited entered into a lease/leaseback arrangement with the West Midlands District Councils which covers all the land, buildings and infrastructure of the airport site. Details of the transaction are included in note 33.

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 14 Tangible assets (*continued*)

##### Revaluation

The Group's operational assets were revalued on 31 March 2023 by an independent valuer, Knight Frank LLP, in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors and with FRS 102. Due to the specialist nature of the airport's assets, the fair value is based on income and the depreciated replacement cost methodology for land, buildings and infrastructure assets. These revaluations were incorporated into the financial statements and the resulting revaluation surplus of £66.283 million was taken to the revaluation reserve (net of deferred tax).

##### Historical cost

On a historical cost basis the gross cost of land and buildings assets would have been included as £344.137 million (2024: £335.295 million) and the net book value would have been £172.527 million (2024: £172.859 million). The gross cost of infrastructure assets would have been £222.141 million (2024: £206.271 million) and the net book value would have been £80.445 million (2024: £70.266 million).

##### Capitalised interest

Within capitalised interest are capitalised borrowing costs of £0.699 million (2024: £0.816 million). The capitalisation rate used to determine the amount of finance costs capitalised during the year was 3.87% (2024: 3.95%).

##### Company

The Company had no tangible assets at 31 March 2025 (2024: £nil)

#### 15 Investment property

##### Group

	£ 000
At 1 April 2024	9,690
Disposals	(555)
Transfers to property, plant and equipment	(392)
Fair value adjustments	799
	<hr/>
At 31 March 2025	<u>9,542</u>

Investment properties held by Birmingham Airport Limited have been revalued at 31 March 2025, by Knight Frank LLP undertaken in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors and with FRS 102, the valuation identified an increase of £0.191 million (2024: £0.065 million reduction) which has been recognised in the income statement.

Investment properties held by First Castle Developments Limited have been revalued at their fair value in accordance with the appraisal and valuation manual of the Royal Institute of Chartered Surveyors on 31 March 2025 by Fisher German LLP. The valuation identified a gain of £0.608 million (2024: £0.285 million) which has been recognised in the income statement.

##### Company

The Company had no investment properties at 31 March 2025 (2024: £nil).

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 16 Investments

##### Company

	2025 £ 000	2024 £ 000
Investments in subsidiaries	143,745	143,745

##### Details of subsidiaries

Details of the investments that the Group and Company holds are as follows:

	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2025	2024
<b>Subsidiary undertakings</b>				
Birmingham Airport Operations Limited	England	Ordinary Shares	100%	100%
Birmingham Airport Limited	England	Ordinary Shares	100%	100%
Birmingham Airport (Finance) plc	England	Ordinary Shares	100%	100%
First Castle Developments Limited	England	Ordinary Shares	100%	100%
BHX Fire and Rescue Limited	England	Ordinary Shares	100%	100%
Birmingham Airport Air Traffic Limited	England	Ordinary Shares	100%	100%
Birmingham Airport Services Limited	England	Ordinary Shares	100%	100%
Birmingham Airport Developments Limited	England	Ordinary Shares	100%	100%
Euro-hub (Birmingham) Limited	England	Ordinary Shares	100%	100%
Birmingham Airport Pension Trustees Limited	England	Ordinary Shares	100%	100%
BHX (Scotland) Limited	Scotland	Ordinary Shares	100%	100%
BHX Limited Partnership	Scotland	Capital Contribution	100%	100%

The registered address of these investments is the same as the parent company with the exception of BHX (Scotland) Limited and BHX Limited Partnership whose registered address is c/o Anderson Strathern LLP, 58 Morrison Street, Edinburgh, EH3 8BP.

## **Birmingham Airport Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)**

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#### **16 Investments (continued)**

The principal activity of Birmingham Airport Operations Limited is operation and management of Birmingham Airport Limited, Birmingham Airport (Finance) plc and Euro-hub (Birmingham) Limited.

The principal activity of Birmingham Airport Limited is airport terminal management and operation.

The principal activity of Birmingham Airport (Finance) plc is financing.

The principal activity of First Castle Developments Limited is property holding company.

The principal activity of BHX Fire and Rescue Limited is airport rescue and fire fighting services.

The principal activity of Birmingham Airport Air Traffic Limited is provision of air traffic services.

The principal activity of Birmingham Airport Services Limited is provision of services at Birmingham Airport.

The principal activity of Birmingham Airport Developments Limited is site development.

The principal activity of Euro-hub (Birmingham) Limited is property holding company.

The principal activity of Birmingham Airport Pension Trustees Limited is pension trustees.

The principal activity of BHX (Scotland) Limited is property holding and investment.

The principal activity of BHX Limited Partnership is property holding and investment.

Birmingham Airport Holdings Limited is the parent undertaking of Birmingham Airport Operations Limited and Birmingham Airport Pension Trustees Limited.

Birmingham Airport Limited, Euro-hub (Birmingham) Limited and Birmingham Airport (Finance) plc are direct subsidiaries of Birmingham Airport Operations Limited. Birmingham Airport Limited is the parent undertaking of Birmingham Airport Developments Limited, BHX Fire and Rescue Limited, Birmingham Airport Air Traffic Limited, Birmingham Airport Services Limited, First Castle Developments Limited, BHX (Scotland) Limited and BHX Limited Partnership.

The Company, in its role as parent company to the Group, has provided a statutory guarantee to certain subsidiaries for all outstanding liabilities at 31 March 2025. This enables them to take the audit exemption from obtaining a signed statutory audit opinion under section 479A of the Companies Act 2006. For the year ending 31 March 2025 the following subsidiaries were provided with a statutory guarantee:

BHX Fire and Rescue Limited (Reg no: 05997636)  
 Birmingham Airport Developments Limited (Reg no: 02295119)  
 Birmingham Airport Operations Limited (Reg no: 09915844)  
 First Castle Developments Limited (Reg no: 02783202)  
 Birmingham Airport Services Limited (Reg no: 08203043)  
 Euro-hub (Birmingham) Limited (Reg no: 02403252)  
 Birmingham Airport Air Traffic Limited (Reg no: 08201487)

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 17 Inventories

	Group		Company	
	2025 £ 000	2024 £ 000	2025 £ 000	2024 £ 000
Stocks	1,011	1,117	-	-

There is no provision provided for the impairment of stock in the year (2024: £nil).

There is no material difference between replacement cost of inventory and its carrying amount (2024: £nil).

#### 18 Debtors

	Group		Company	
	2025 £ 000	2024 £ 000	2025 £ 000	2024 £ 000
Trade debtors	9,905	8,804	-	-
Amounts owed by group undertakings	-	-	165,078	122,997
Corporation tax	9,498	3,089	2,447	5,334
Other debtors	61	117	-	-
Finance lease receivables	-	8	-	-
Deferred tax assets	-	-	579	332
Prepayments and accrued income	20,431	19,456	50	55
	<u>39,895</u>	<u>31,474</u>	<u>168,154</u>	<u>128,718</u>

Trade debtors are stated after provisions for impairment of £1.007 million (2024: £0.977 million).

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. The interest receivable on intercompany loans is based on the blended third party interest payable plus 0.5 per cent.

The Company has deferred tax assets of £0.579 million in the current year relating to non-trading timing differences and other timing differences (2024 £0.332 million).

#### 19 Cash at bank and in hand

	Group		Company	
	2025 £ 000	2024 £ 000	2025 £ 000	2024 £ 000
Cash on hand	4	5	-	-
Cash at bank	49,757	33,827	464	11
	<u>49,761</u>	<u>33,832</u>	<u>464</u>	<u>11</u>

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

#### 20 Creditors

	Group		Company	
	2025 £ 000	2024 £ 000	2025 £ 000	2024 £ 000
<b>Amounts falling due within one year</b>				
Trade creditors	7,341	8,395	-	-
Amounts owed to group undertakings	-	-	234,828	200,831
Other taxation and social security	855	228	28	6
Accruals and deferred income	61,721	56,739	5,378	8,280
	<u>69,917</u>	<u>65,362</u>	<u>240,234</u>	<u>209,117</u>
<b>Amounts falling due after more than one year</b>				
Loans and borrowings	424,258	344,558	-	-
Preference shares (note 26)	15,384	15,384	15,384	15,384
Accruals and deferred income	1,580	1,840	-	-
	<u>441,222</u>	<u>361,782</u>	<u>15,384</u>	<u>15,384</u>

The amounts owed to 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. The interest payable on intercompany loans is based on the blended third party interest payable plus 0.5 per cent.

#### 21 Loans and borrowings

	Group		Company	
	2025 £ 000	2024 £ 000	2025 £ 000	2024 £ 000
<b>Non-current Loans and borrowings</b>				
Loans and borrowings	419,526	339,826	-	-
Net premium arising on lease and leaseback	4,732	4,732	-	-
Preference shares (note 26)	15,384	15,384	15,384	15,384
	<u>439,642</u>	<u>359,942</u>	<u>15,384</u>	<u>15,384</u>

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 21 Loans and borrowings (*continued*)

Within loans and borrowings, the series B private placement senior notes are payable in four years and the remaining non-current loans and borrowings are payable in full after five years. Loans and borrowings are shown net of £1.474 million transaction costs (2024: £1.174 million). All loans are repayable in full at the end of the loan term. See note 23 for further information.

All loans and borrowing are unsecured.

#### 22 Finance lease obligations

##### Group

The total of future minimum lease payments is as follows:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Not later than one year	1,160	1,124
Later than one year and not later than five years	4,641	4,497
Later than five years	<u>133,425</u>	<u>130,412</u>
Total gross payments	139,226	136,033
Less: finance charges	<u>(134,494)</u>	<u>(131,301)</u>
Carrying amount of liability	<u><u>4,732</u></u>	<u><u>4,732</u></u>

The above lease is repayable after more than five years and includes contingent rent clauses, see note 33 for further information.

#### 23 Financial instruments

##### Group

The Group's principal financial instruments comprise private placement senior notes and bank loan. The main purpose of these financial instruments is to raise and provide finance for the parent's and its subsidiaries operations. The Group does not enter into any form of derivative financial instruments.

##### Funding

The Group's funding is provided by its £45 million 4.557 per cent Series B senior notes maturing on 3 December 2028, £76 million 3.8 per cent senior notes maturing on 30 March 2041, £90 million 3.21 per cent 2019 senior notes maturing on 24 January 2049, £85 million 2.44 per cent senior notes 2020 Series A maturing on 24 January 2050, £45 million 2.49 per cent senior notes 2020 Series B maturing on 21 May 2050, £80 million 5.65 per cent senior notes maturing on 13 March 2032, £25 million bank facility and £49.8 million cash reserves.

##### Interest Rate Risk

The interest rates on both the Series B senior notes are fixed at 4.557 per cent. The interest rate on the £76 million senior notes is fixed at 3.8 per cent. The interest rate on the £90 million 2019 senior notes is fixed at 3.21 per cent. The interest rate on the £85 million 2020 senior notes Series A is fixed at 2.44 per cent. The interest rate on the £45 million 2020 senior notes Series B is fixed at 2.49 per cent. The interest rate on the £80 million 2025 senior notes is fixed at 5.65 per cent. The interest rate on the loan facility is 0.7 per cent above the bank borrowing rate.

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

#### 23 Financial instruments (continued)

The Group's financial instruments are all categorised as basic financial instruments under section 11 of FRS 102. The Group has chosen not to measure the basic financial instruments at fair value through the Income Statement, therefore no further disclosures are required.

Fixed rate financial liabilities	<b>2025 Years remaining</b>	<b>2024 Years remaining</b>
Sterling: Private placement senior notes series B	4	5
Sterling: Private placement senior notes	16	17
Sterling: Private placement senior notes 2019	24	25
Sterling: Private placement senior notes 2020 series A	25	26
Sterling: Private placement senior notes 2020 series B	26	27
Sterling: Private placement senior notes 2025	<u>7</u>	<u>-</u>

#### 24 Provisions for liabilities

<b>Group</b>	<b>Deferred taxation £ 000</b>
At 1 April 2024	47,011
Increase in existing provisions	14,866
Additions through statement of comprehensive income	<u>407</u>
At 31 March 2025	<u>62,284</u>

There are no provisions in the company (2024: none).

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 24 Provisions for liabilities (*continued*)

##### Deferred tax

##### Group

##### Deferred tax assets and liabilities

<b>2025</b>	<b>Asset £ 000</b>	<b>Liability £ 000</b>
Capital allowances in advance of depreciation	-	(22,360)
Other timing differences	586	-
Post employment benefits	716	-
Revaluation of land, buildings and infrastructure	-	(43,999)
Revaluation of investment property	-	(1,448)
Tax losses	4,123	-
Non trading timing differences	-	(7)
UK Property losses	105	-
	<u>5,530</u>	<u>(67,814)</u>
<b>2024</b>	<b>Asset £ 000</b>	<b>Liability £ 000</b>
Capital allowances in advance of depreciation	-	(13,733)
Other timing differences	1,785	-
Post employment benefits	3,420	-
Revaluation of land, buildings and infrastructure	-	(45,965)
Revaluation of investment property	-	(1,287)
Tax losses	8,678	-
Non trading timing differences	-	(14)
UK Property losses	105	-
	<u>13,988</u>	<u>(60,999)</u>

The value of deferred tax liabilities expected to reverse in the next year is £0.142 million (2024: £9.079 million).

#### 25 Post employment benefits

##### Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £2.489 million (2024: £2.006 million).

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 25 Post employment benefits (continued)

##### Defined benefit pension schemes

##### Birmingham Airport Limited Pension Scheme

A subsidiary undertaking operates a defined benefit pension arrangement called the Birmingham Airport Limited Pension Scheme (the scheme). The scheme provides benefits on a defined benefit basis. The following disclosures relate only to the scheme and to unfunded benefits supported by the Company.

The most recent full actuarial valuation was carried out with an effective date of 31 October 2021 using the projected unit method. During 2024/25 members pay 5.5 per cent of pensionable earnings, and the Group pays contributions so that overall contributions of 25.0 per cent of pensionable earnings are paid, taking account of salary sacrifice adjustments. Scheme expenses, other than life insurance premiums, are payable by the Group. The Group agreed a deficit recovery plan with the scheme, with £1.2 million payable in 2025/26 and £0.7 million payable in 2026/27.

On 28 March 2013, Birmingham Airport Limited agreed an asset backed funding arrangement with the trustees of the pension scheme to help address the pension funding deficit. In connection with the arrangement, property with a fair value of £33.3 million was leased and subsequently leased back to a limited partnership established by the Group. The partnership is controlled by the Group. On 28 March 2013, Birmingham Airport Limited made a special contribution to the pension scheme of £25.3 million and on the same day the pension scheme used this contribution to acquire an interest in the partnership for its fair value of £25.3 million. The interest entitles the pension scheme to a distribution from the income of the partnership of £2 million per annum, increasing by 4 per cent per annum for fifteen years, with distribution payments made quarterly.

##### *Principal actuarial assumptions*

The principal actuarial assumptions at the Statement of Financial Position date are as follows:

	<b>2025</b>	<b>2024</b>
	%	%
Discount rate	5.80	4.90
Future salary increases	3.40	3.35
Future pension increases (RPI)	3.25	3.30
Future pension increases (CPI)	2.65	2.60

##### *Post retirement mortality assumptions*

	<b>2025</b>	<b>2024</b>
	<b>Years</b>	<b>Years</b>
Current UK pensioners at retirement age - male	21.00	21.00
Current UK pensioners at retirement age - female	24.00	24.00
Future UK pensioners at retirement age - male	23.00	23.00
Future UK pensioners at retirement age - female	26.00	26.00

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 25 Post employment benefits (*continued*)

##### **Reconciliation of scheme assets and liabilities to assets and liabilities recognised**

The amounts recognised in the statement of financial position are as follows:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Fair value of scheme assets	126,425	132,433
Present value of defined benefit obligation	<u>(129,291)</u>	<u>(146,111)</u>
Defined benefit pension scheme deficit	<u>(2,866)</u>	<u>(13,678)</u>

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

Changes in the defined benefit obligation are as follows:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Present value at start of year	(146,111)	(146,567)
Current service cost	(602)	(668)
Interest cost	(6,994)	(6,888)
Actuarial gains	17,553	1,789
Benefits paid	6,899	6,261
Contributions by scheme participants	<u>(36)</u>	<u>(38)</u>
Present value at end of year	<u>(129,291)</u>	<u>(146,111)</u>

##### **Fair value of scheme assets**

Changes in the fair value of scheme assets are as follows:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Fair value at start of year	132,433	133,767
Interest income	6,566	6,400
Actuarial losses	(15,767)	(6,863)
Employer contributions	10,056	5,352
Contributions by scheme participants	36	38
Benefits paid	<u>(6,899)</u>	<u>(6,261)</u>
Fair value at end of year	<u>126,425</u>	<u>132,433</u>

##### **Analysis of assets**

The major categories of scheme assets are as follows:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Cash and cash equivalents	1,219	805
Diversified growth funds	<u>125,206</u>	<u>131,628</u>
	<u>126,425</u>	<u>132,433</u>

Diversified growth funds are predominately made up of equity and debt instruments.

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 25 Post employment benefits (continued)

##### Return on scheme assets

	2025 £ 000	2024 £ 000
Return on scheme assets	<u>(9,201)</u>	<u>(463)</u>

The pension scheme has not invested in any of the Company's own financial instruments.

Total cost recognised as an expense totalled £0.602 million (2024: £0.668 million) for current service cost and £0.428 million (2024: £0.488 million) for interest cost. Included in the service cost is £0.102 million (2024: £0.107 million) relating to salary sacrificed.

We are not aware of any evidence of issues relating to the High Court's June 2023 judgement in the case of Virgin Media Limited vs NTL Pension Trustees II Limited in respect of the Trust. The trustees have undertaken a limited review of the scheme amendment deeds but has not completed the investigation into the impact of the judgement. A full assessment will be completed and the Company is not aware of any evidence suggesting a material impact due to the judgement at this time.

#### 26 Called up share capital

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

	2025		2024	
	No. 000	£ 000	No. 000	£ 000
A Ordinary shares of £0.01 each	315,083	3,151	315,083	3,151
B Ordinary shares of £0.01 each	8,910	89	8,910	89
C Ordinary shares of £0.01 each	1	-	1	-
1 special (non participating) voting share of £1 each	-	-	-	-
	<u>323,994</u>	<u>3,240</u>	<u>323,994</u>	<u>3,240</u>

The 'B' ordinary shares carry the same rights as the 'A' ordinary shares except they have no voting rights. The 'C' ordinary shares only have voting rights relating to the appointment or removal of Directors. They are not entitled to participate in any dividend or any other distribution of income declared, made or paid by the Company, but have full distribution rights on winding up. The preference shares are classified as liabilities in the balance sheet (note 20). The 6.31% cumulative preference shares carry a fixed cumulative preferential dividend at the rate of 6.31% per annum, payable half yearly in arrears on 31 December and 30 June. On a winding up of the Company preference shareholders have a right to receive, in preference to payments to ordinary shareholders, 1p per share plus any outstanding dividend payable. The preference shares carry no voting rights. The holder of the special voting share is not entitled to participate in any dividend or any other distribution of income declared, made or paid by the Company. On winding up, the holder of the special voting share has a right to receive the nominal value following payments to preference and ordinary shareholders.

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 27 Reserves

The merger reserve was created in 1997 when Birmingham Airport Holdings Limited acquired its interest in Birmingham Airport Limited and Euro-hub (Birmingham) Limited. The revaluation reserve was created in March 2016 when land, buildings and infrastructure assets were revalued and these assets were revalued again in March 2019. Certain operational assets whose fair value is based on income were revalued in March 2020. The assets were revalued in March 2023 with details included in note 14. The revaluation reserve transfer relating to the additional depreciation incurred in the income statement as a result of this revaluation was £4.698 million (2024: £4.750 million).

#### ESOP Shares

Birmingham Airport Holdings Limited is the sponsoring Company of an ESOP Trust. 'B' ordinary shares to the value of £2.750 million were issued on 26 March 1997 by Birmingham Airport Holdings Limited.

The financial statements of the Trust are fully consolidated in the Company's financial statements because the Company is deemed to have a de facto control until such time as the shares held by the Trust vest unconditionally with the employees. A scheme has been agreed with HMRC under the All Employee Share Ownership Plan (AESOP) legislation with the first shares being bought by and gifted to employees in September 2001. The Trust bears its own expenses and has waived its right to the payment of dividends.

	<b>Own Shares Number</b>	<b>Own Shares £ 000</b>
Investment at 1 April 2024	4,915,288	3,579
Shares purchased from employees	<u>1,245,455</u>	<u>1,577</u>
Investment at 31 March 2025	<u><u>6,160,743</u></u>	<u><u>5,156</u></u>

#### 28 Dividends

	<b>2025 £ 000</b>	<b>2024 £ 000</b>
Interim dividend of 7.0122 (2024: Nil) pence per share	22,286	-
Special dividend of 23.6009 (2024: Nil ) pence per share	<u>75,000</u>	-
	<u><u>97,286</u></u>	<u><u>-</u></u>

The Directors are proposing a final dividend of 7.836 pence per share totalling £24.904 million (2024: £Nil). This dividend has not been recognised as a liability in the Statement of Financial Position.

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 29 Note to the cash flow statement

	2025 £ 000	2024 £ 000
<b>Cash flows from operating activities</b>		
Profit for the financial year	44,923	33,512
Adjustments to cash flows from non-cash items		
Depreciation and other grant release	32,206	31,126
Changes in fair value of investment property	(798)	(220)
Loss on disposal of tangible assets	7	63
Finance income	(2,384)	(2,285)
Finance costs	13,310	13,976
Income tax charge	17,341	14,919
	<u>104,605</u>	<u>91,091</u>
Working capital adjustments		
Decrease in inventories	106	280
Increase in trade and other receivables	(1,709)	(6,217)
Increase in trade and other payables	7,584	2,619
Decrease in retirement benefit obligation net of actuarial changes	(9,454)	(4,684)
Decrease in provisions	-	(23)
	<u>101,132</u>	<u>83,066</u>

#### 30 Reconciliation of changes in net debt

	At 1 April 2024 £ 000	Cash flow £ 000	Non-cash changes £ 000	At 31 March 2025 £ 000
Cash and cash equivalent	33,832	15,929	-	49,761
Private placement notes	(339,826)	(80,000)	300	(419,526)
Finance lease	(4,732)	-	-	(4,732)
Preference shares	(15,384)	-	-	(15,384)
Total investment	<u>(326,110)</u>	<u>(64,071)</u>	<u>300</u>	<u>(389,881)</u>

#### 31 Commitments

##### Group

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £22.865 million (2024: £4.269 million).

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

#### 31 Commitments (*continued*)

##### Operating leases

The total of future minimum lease payments is as follows:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Not later than one year	385	226
Later than one year and not later than five years	649	350
	<u>1,034</u>	<u>576</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £0.093 million (2024: £0.081 million).

##### Operating lease arrangements where the group is lessor

The future minimum rentals receivable under non-cancelling operating leases are as follows:

	<b>2025</b>	<b>2024</b>
	<b>£ 000</b>	<b>£ 000</b>
Not later than one year	1,437	1,437
Later than one year and not later than five years	5,765	5,858
Later than five years	43,561	44,906
	<u>50,763</u>	<u>52,201</u>

These non-cancellable leases have remaining terms of between four and eighty six years. All leases include a provision for upward rent reviews in accordance with specific lease terms at prevailing market conditions.

## **Birmingham Airport Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)**

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#### **32 Contingent liabilities**

##### **Group**

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 were for a period of ten years maturing on 3 December 2023 and carry a fixed interest rate of 4.472 per cent per annum, these were repaid on 1 December 2023. Series B senior notes of £45 million are for a period of fifteen years maturing on 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. The notes are for a period of twenty five years maturing on 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 24 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 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 13 March 2025, the Company, along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £80 million private placement senior notes issued by Birmingham Airport (Finance) PLC on 13 March 2025. The senior notes are for a period of 7 years maturing 13 March 2032 and carry a fixed interest rate of 5.65 per cent per annum.

##### **Company**

The Company, in its role as parent company to the Group, has provided a statutory guarantee to certain subsidiaries for all outstanding liabilities as 31 March 2025. The details of the statutory guarantees are included in note 16.

## Birmingham Airport Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)

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#### 33 Related party transactions

##### West Midlands District Councils

Birmingham City Council, Coventry City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Solihull Metropolitan Borough Council, Walsall Metropolitan Borough Council and Wolverhampton City Council ("The Districts") are shareholders. The dividends paid to the Districts in the year amounted to £48.600 million (2024: £nil).

In 1995 Birmingham Airport Limited entered into an arms length lease arrangement with Solihull Metropolitan Borough Council on behalf of The Districts, all of which were shareholders in the Airport at that time. Under such arrangements, the Airport granted a 999 year lease over land and buildings situated at Birmingham Airport in exchange for a total fair value premium of £100 million and a peppercorn rent. At the same time the shareholders granted Birmingham Airport Limited a 150 year lease over the same property for a total fair value premium of £96.5 million. The net premium arising as adjusted for associated stamp duty and legal costs has been treated as a finance lease in the financial statements of the Group and is disclosed in Note 21. Under the lease arrangement, the Company pays a basic rent of £0.6 million per annum from 1 April 2007 subsequently index linked each year for the remaining lease period. In addition, a turnover based rent is payable calculated as 0.4% of turnover less the basic rent in the period. The total amount payable in the year was £1.124 million (2024: £1.078 million). The amount at the end of the year was £4.732 million (2024: £4.732 million), all of which is due after more than one year.

In February 2002 the group completed a 150 year lease agreement with Birmingham City Council for land adjacent to the Airport site. A lease premium of £0.2 million was paid with a peppercorn rent for the remaining lease term along with costs of £0.002 million. The lease payments have been treated as a finance lease in the financial statements of the Group. The amount due at the end of the year was £nil.

##### Solihull Metropolitan Borough Council

Solihull Metropolitan Borough Council is the local authority for the Airport and transacts with the Group in a number of areas including business rates, planning applications and building control services. All of these transactions are carried out on an arms length basis at a full commercial rate. The business rates payable for 2024/25 were £5.676 million (2024: £3.616 million).

##### Airport Group Investments Limited

Airport Group Investments Limited (AGIL) are shareholders and received dividends of £47.856 million during the year (2024: £nil).

#### 34 Parent and ultimate parent undertaking

Birmingham Airport Holdings Limited is owned by the Districts (see note 33), who hold 49 per cent of the ordinary shares, Airport Group Investments Limited, who hold 48.25 per cent of the ordinary shares and the Employee Share Ownership Plan who hold 2.75 per cent of the shares. No party or group of parties have ultimate control of the Group.

## **Birmingham Airport Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2025 (*continued*)**

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#### **35 Non adjusting events after the financial period**

Subsequent to the balance sheet date, the existing Royal Bank of Scotland £25 million undrawn banking facility was cancelled on 5 June 2025. On 21 May 2025 a new £150 million facility was made available to Birmingham Airport Holdings Limited, with Barclays Bank PLC, Credit Agricole Corporate and Investment Bank, National Westminster Bank PLC and Siemens Bank GMBH. The facility is for a period of five years with an expiry date of 21 May 2030, with an option to extend by 2 further 12 month periods. At the date of signing these statements, the total amount outstanding under this facility is £nil (2024: £nil).