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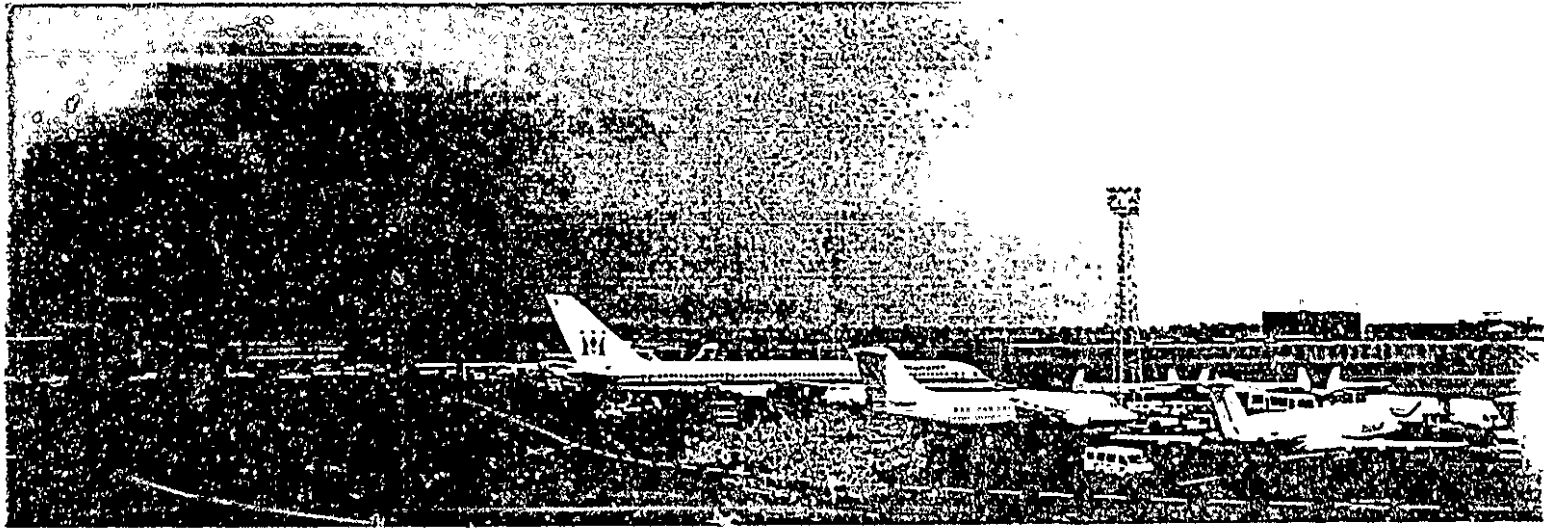
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Companies House would like to apologise for any inconvenience this may cause.

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LUTON INTERNATIONAL AIRPORT LIMITED 2020381



DIRECTORS

D B Johnston

Chairman

R G Dean

Vice Chairman

W D Bates

I H Benson

P J Donoghue

E D Fountain

M W L Hardy

W D McKenzie

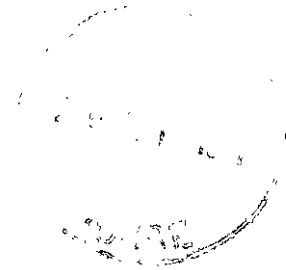
W A H May

R A Most

G Moore

R H A Rogers

M F Smith





OFFICERS & PROFESSIONAL ADVISERS

SECRETARY

Luton Borough Council

REGISTERED OFFICE

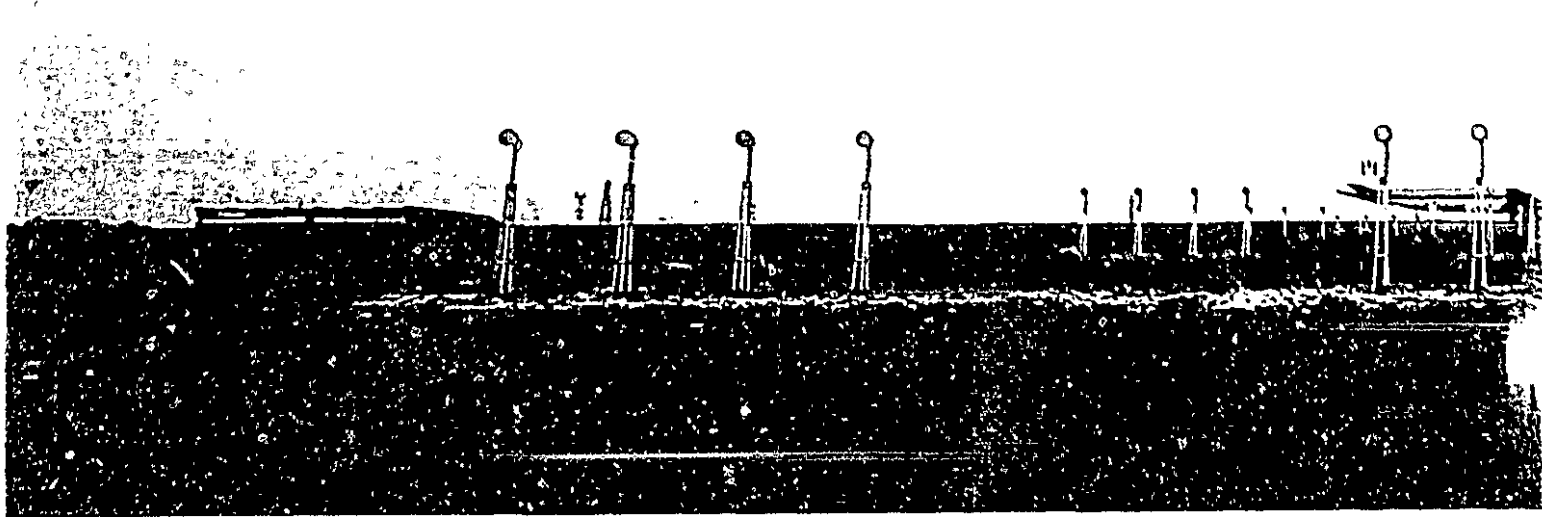
Town Hall, Luton
Bedfordshire LU1 2BQ

AUDITORS

Touche Ross & Co
Chartered Accountants

BANKERS

Barclays Bank Plc



The directors present their report and the audited financial statements for the year ended 31st March 1990.

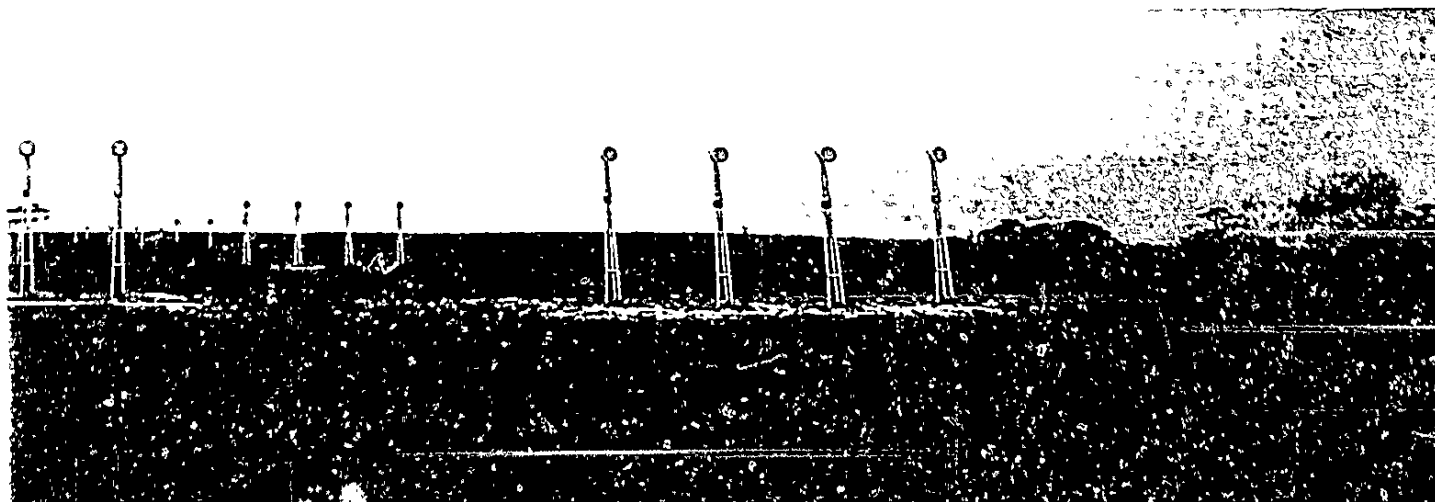
PRINCIPAL ACTIVITIES

The principal activities of the company are the ownership, operation and management of Luton International Airport including the provision of services and facilities required. A review of the year's operations and the development of the business are contained in the Managing Director's Report.

DIVIDENDS & TRANSFERS FROM RESERVES

The company made a profit before exceptional items and taxation of £590,000 (£2,621,000). After deducting exceptional items and taxation the loss for the year amounted to £506,000. Profit £1,325,000. The directors recommend a dividend of 0.33p net per ordinary share of 1p. After dividend £1,100,000 has been transferred from reserves.





DIRECTORS' REPORT

PORT DEVELOPMENTS

During the financial year a considerable amount of work was undertaken in the planning and forecasting of future traffic growth which will enable the directors to set a long term strategy for the airport's development. Further details are given in the Chairman's Review.

FIXED ASSETS

During the year the company assessed a further £8,941,000 in the continuing development of the airport facilities.

DIRECTORS & THEIR INTERESTS

The directors who served during the year were as follows:

D. B. Johnston (Chairman), R. G. Dean (Vice Chairman), W. D. Bates, I. H. Benson, P. J. Donoghue, I. D. Fountain, M. W. F. Hardy, W. D. McKenzie, W. A. H. May, R. A. Moore, G. Moore, R. H. A. Rogers, M. J. Smith.

The composition of the Board of Directors is in compliance with the Articles of

Association. Three directors, W. D. Bates, P. J. Donoghue, R. A. Moore, are full time executives of the company. One director, G. Moore, is a director nominated by the Trade Union. Five directors are elected members of Luton Borough Council, which owns all the share capital of the company. Councillor R. G. Dean was appointed Vice Chairman of the Board on the 16 August 1989 following the resignation of Councillor Benson as Vice Chairman. On the same date, No director held or held any interest in the share capital of the company.

DONATIONS

During the year charitable donations made by the company amounted to £14,115. No political donations were made.

EMPLOYEE INVOLVEMENT

Employee involvement and commitment is encouraged by the directors through regular contact and exchanges of information

between management and employees. A series of workshops have taken place for the company and its related businesses.

EMPLOYMENT & TRAINING OF DISABLED

Full and part time disabled employees are recruited and employed on the basis of equal opportunities having regard to their particular aptitudes and abilities. Training and development programmes are the same as those for non-disabled employees but adapted to specific job requirements.

AUDITORS

Arsalan & Co. Chartered Accountants & Co. as auditors will be proposed at the Annual General Meeting.

By order of the Board

J. C. Southwell (Company Secretary)

22nd August 1989



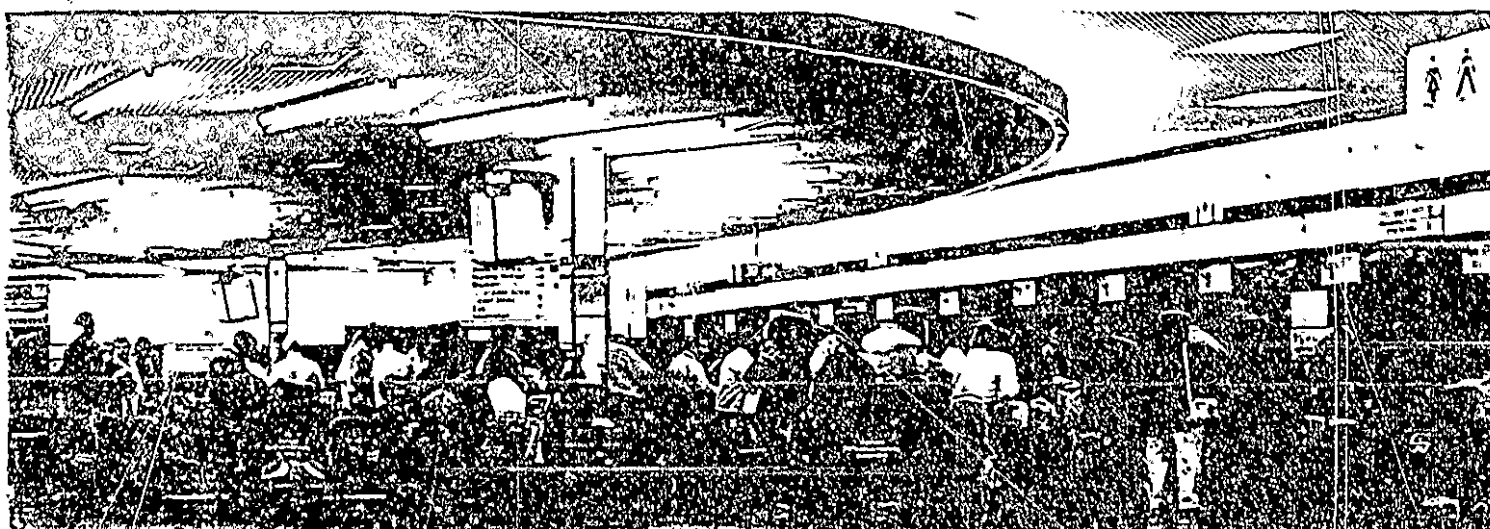
AUDITORS' REPORT

To the members of Luton International Airport Ltd

We have audited the financial statements on pages 13 to 21 in accordance with Auditing Standards. In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31st March 1990 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co

Touche Ross & Co Chartered Accountants Milton Keynes 22nd August 1990



PROFIT AND LOSS ACCOUNT

Year ended 31st March 1990

		1990	1989
	Note	£000's	£000's
Turnover	1	29,105	26,667
Operating costs		26,806	23,610
Operating profit	2	2,299	3,057
Interest receivable		924	761
Interest payable	5	3,864	(1,197)
Profit before exceptional items		359	2,621
Exceptional items	6	(632)	-
Loss: profit on ordinary activities before tax		(273)	2,621
Tax on (loss) profit on ordinary activities	7	(293)	(1,293)
(Loss) profit on ordinary activities after taxation		(566)	1,328
Dividends paid and proposed	8	(150)	(338)
(Loss) profit for the year		(716)	990
Retained profit brought forward		1,933	943
Retained profit carried forward		1,217	1,933



BALANCE SHEET

As at 31st March 1990

	Note	1990 £'000's	1989 £'000's
FIXED ASSETS			
<i>Tangible assets</i>	9	60,964	59,156
CURRENT ASSETS			
<i>Stock</i>		534	468
<i>Debtors</i>	10	3,839	2,912
<i>Short term deposits</i>		8,050	9,225
<i>Cash at bank and in hand</i>		2	258
		<u>12,425</u>	<u>12,861</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(5,786)</u>	<u>(7,398)</u>
NET CURRENT ASSETS		<u>6,639</u>	<u>5,465</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		67,603	64,821
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	(20,496)	(17,298)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(1,053)	(753)
NET ASSETS		<u><u>46,054</u></u>	<u><u>46,770</u></u>
CAPITAL AND RESERVES			
<i>Called up share capital</i>	14	44,837	44,837
<i>Profit and loss account</i>		<u>1,217</u>	<u>1,933</u>
		<u><u>46,054</u></u>	<u><u>46,770</u></u>

The financial statements were approved by the Board of Directors on 22nd August 1990

DR Johnston

DR Johnston Chairman

RG Dean

RG Dean Vice Chairman



STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended 31st March 1990

	1990		1989	
	£000's	£000's	£000's	£000's
SOURCE OF FUNDS				
(Loss)/Profit on ordinary activities before taxation and dividends and after exceptional items		(273)		2,621
Adjustment for items not involving the movement of funds:				
Exceptional items	632			
Depreciation	3,663		3,349	
Loss on disposal of fixed assets	25	4,320	90	3,439
Total generated from operations		4,047		6,060
FUNDS FROM OTHER SOURCES				
Borrowing under lease obligations	1,681		512	
Loans received	2,860		8,561	
Proceeds of sale of fixed assets	12	4,553	14	9,087
		8,600		15,147
APPLICATION OF FUNDS				
Purchase of fixed assets	5,941		13,615	
Repayment of lease obligations	446		349	
Repayment of loans	501		229	
Dividends paid	338		238	
Taxation	1,296	8,522	429	14,860
		78		287
INCREASE IN NET CURRENT ASSETS				
Increase in stocks	66		60	
Increase in debtors	858		323	
Decrease/(increase) in creditors	658	1,582	(995)	(612)
(Decrease)/increase in net liquid funds		(1,504)		899
		78		287

Net liquid funds consist of short term deposits and cash at bank and in hand less bank overdraft.

ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

TURNOVER

Turnover represents the amounts derived from sales, net of VAT, invoiced to customers in respect of traffic operations and amounts falling due under rental and concession agreements.

DEPRECIATION

This is provided on a straight line basis so as to write off the cost of fixed assets, except freehold land, over their estimated useful lives as follows:

Runway and lighting between 15 and 40 years

Buildings between 10 and 40 years

Plant, equipment and vehicles between 5 and 15 years

Electrical, fencing and drainage between 10 and 25 years

No depreciation is provided on assets in the course of construction.

LEASED ASSETS

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to profit and loss account in equal amounts over the periods of the leases.

STOCK

Stock (mainly goods for resale) is valued at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

PENSION COSTS

Retirement benefits to employees are provided by defined benefit schemes which are funded by contributions from the company and employees. Payments are made to pension schemes which are financially separate from the company. The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the schemes, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1990

	1990	1989
	£000's	£000's
1. TURNOVER		
Traffic	15,329	14,652
Commercial	13,776	12,015
	<u>29,105</u>	<u>26,667</u>

	1990	1989
	£000's	£000's
2. OPERATING PROFIT		
Operating profit is stated after charging:		
Depreciation on owned assets	3,328	3,097
Depreciation on leased assets	335	252
Directors' emoluments (note 3)	117	99
Hire of plant and machinery	191	107
Auditors' remuneration	22	18

The majority shareholder, (apart from three shares, all of the shares are held by Luton Borough Council,) provides operational and administration services to the company. Charges to the company for these services are on commercial terms based on an allocation of the costs of those Council staff and facilities associated with Airport affairs.

	1990	1989
	£000's	£000's
3. DIRECTORS' EMOLUMENTS		
Fees	20	17
Other emoluments	97	82
	<u>117</u>	<u>99</u>
Remuneration of the Chairman	~	~
Remuneration of the highest paid Director	38	33
The remuneration of the other Directors, excluding pension contributions were as follows:		
£ 0 - £5,000	No. 9	No. 13
£20,000 - £25,000	~	2
£25,001 - £30,000	2	~

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1990

	1990 £000's	1989 £000's
4. STAFF COSTS		
Wages and salaries	10,780	8,455
Social security costs	886	677
Other pension costs	596	458
	<u>12,262</u>	<u>9,590</u>

The average weekly number of employees during the year was made up as follows:

	No.	No.
Operations and security	430	391
Engineering	54	51
Terminal services	82	71
Support services	34	32
	<u>620</u>	<u>545</u>

	1990 £000's	1989 £000's
5. INTEREST PAYABLE		
Charges under finance leases	362	276
Interest on debenture loans	2,497	20
Interest on short term loans	5	1
	<u>2,864</u>	<u>1,197</u>
On borrowing repayable within 5 years	196	86
On borrowing repayable in more than 5 years	2,668	1,111
	<u>2,864</u>	<u>1,197</u>

6. EXCEPTIONAL ITEMS

These costs are in respect of accelerated depreciation charges arising from the renewal and enhancement of the runway and taxiway lighting systems.

	1990 £000's	1989 £000's
7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES		
United Kingdom corporation tax at 35% based on the profit for the year	47	786
Deferred taxation	263	535
	<u>310</u>	<u>1,321</u>
Adjustment in respect of prior years		
Current tax	8	(358)
Deferred tax	(25)	330
	<u>293</u>	<u>1,293</u>

Despite the loss for the year a charge for tax is required because there is no tax relief for the depreciation of certain assets and the allowances on other assets are less than the depreciation charge.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1990

	1990	1989
	Per £1 share	Per £1 share
8. DIVIDENDS PAID & PROPOSED		
Proposed dividend	0.33p	0.75p
	£000's	£000's
	150	338

9. TANGIBLE FIXED ASSETS

	Total	Runway and Lighting	Freehold Land and Buildings	Plant, Equipment and Vehicles	Electrical, Fencing and Drainage	Assets in course of Construction
	£000's	£000's	£000's	£000's	£000's	£000's
Cost						
As at 1st April 1989	65,875	23,645	30,887	4,274	1,775	5,294
Reclassification of assets in course of construction	~	1,148	3,585	278	283	(5,294)
Additions	5,941	557	195	3,384	114	1,691
Disposals	(826)	(760)	~	(66)	~	~
As at 31st March 1990	70,990	24,590	34,667	7,870	2,172	1,691
Owned assets	67,473	24,181	34,667	5,214	2,062	1,349
Leased assets	3,517	409	~	2,656	110	342
As at 31st March 1990	70,990	24,590	34,667	7,870	2,172	1,691
Depreciation						
As at 1st April 1989	6,519	2,699	1,945	1,641	234	~
Charge for the year	3,663	1,724	1,093	702	144	~
Disposals	(156)	(127)	~	(29)	~	~
As at 31st March 1990	10,026	4,296	3,038	2,314	378	~
Owned assets	9,252	4,217	3,038	1,619	378	~
Leased assets	774	79	~	695	~	~
As at 31st March 1990	10,026	4,296	3,038	2,314	378	~
Net book value						
As at 31st March 1990	60,964	20,294	31,629	5,556	1,794	1,691
As at 1st April 1989	59,356	20,946	28,942	2,633	1,541	5,294

Capital Commitments

The outstanding capital expenditure at 31st March 1990

not included in these financial statements amounts to:

	1990	1989
	£000's	£000's
Contracted for but not provided in the financial statements	1,944	3,268
Authorised and approved but not contracted for	2,687	633

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1990

10. DEBTORS	1990	1989
	£000's	£000's
<i>Due within one year:</i>		
Trade debtors	3,446	2,483
Other debtors and prepayments	247	381
Advance Corporation Tax recoverable	39	-
	<u>3,762</u>	<u>2,864</u>
<i>Due after more than one year:</i>		
Other debtors	77	48
	<u>3,839</u>	<u>2,912</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1990	1989
	£000's	£000's
Bank overdraft	73	-
Trade creditors	3,238	3,504
Other creditors	204	760
Taxes and social security	778	1,848
Proposed dividend	150	338
Obligations under finance leases	674	446
Debenture loan repayments	669	502
	<u>5,786</u>	<u>7,398</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1990	1989
	£000's	£000's
Debenture loans	17,880	15,522
Obligations under finance leases	3,959	2,724
	<u>21,839</u>	<u>18,246</u>
<i>Less amounts falling due within one year</i>	<u>1,343</u>	<u>948</u>
	<u>20,496</u>	<u>17,298</u>
<i>Amounts falling due after more than one year and within five years</i>		
Debenture loans	2,951	2,266
Obligations under finance leases	2,769	1,848
<i>Due after more than five years</i>		
Debenture loans	14,260	12,754
Obligations under finance leases	516	430
	<u>20,496</u>	<u>17,298</u>

LOANS

Debenture loan 1 interest fixed at 12%	4,795	4,972
Debenture loans 2 & 3 interest at 4% over three months London Inter Bank Offer Rate	10,225	10,550
Debenture loan 4 interest at LIBOR for the first 12 months and then at 4% over three month LIBOR	2,860	-
	<u>17,880</u>	<u>15,522</u>

The debenture loans are from Luton Borough Council, the majority shareholder (apart from three shares, all of the shares are held by the Borough Council) and are repayable over twenty years by half-year instalments calculated on the basis of a 5% sinking fund. (debenture Loan 4 is repayable by half-yearly equal instalments). The loans are secured by a floating charge over all the Company's undertaking and property.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1990

	1990 £000's	1989 £000's
13. PROVISIONS FOR LIABILITIES AND CHARGES		
<i>This represents deferred taxation for which full provision has been made as follows:</i>		
<i>Capital allowances in excess of depreciation</i>	1,028	793
<i>Other timing differences</i>	75	72
	<u>1,103</u>	<u>865</u>
<i>Less advance corporation tax recoverable</i>	50	112
	<u>1,053</u>	<u>753</u>
	1990 £000's	1989 £000's
14. CALLED UP SHARE CAPITAL		
<i>Authorised ordinary shares at £1 each</i>	60,000	0,000
<i>Allotted and fully paid</i>	44,837	44,837

15. PENSION SCHEMES

The company operates its own defined benefit pension scheme and in addition continues to make contributions to the Bedfordshire Superannuation Fund which is part of the Local Government Superannuation Scheme. Contributions to the Bedfordshire Superannuation Fund are for employees who transferred from the employment of Luton Borough Council on the incorporation of the company and who wish to stay in this scheme and are made at the rate specified by the Fund. The total pension costs for the company for both schemes was £596,000. The pension costs for the company scheme are assessed in accordance with the advice of independent qualified actuaries on the basis of the projected unit method using the assumptions shown below.

The company scheme was established on 1 April 1987 to provide pensions for subsequent employees of the company. At its commencement the scheme held no assets and therefore was neither in surplus or deficiency. The first full actuarial valuation of the scheme due as at 31st March 1990 has only recently commenced and the results are not yet available.

The most recent published actuarial valuation for the Bedfordshire Superannuation Fund as at 31st March 1984 showed the market value of the Fund's assets to be £114.1 million. The actuarial value of the assets was sufficient to cover 115% of the benefits that had accrued to members after allowing for expected future increase in earnings.

The main actuarial assumptions are as follows:

	Company Scheme	Local Authority Scheme
<i>Investment return</i>	9%	9%
<i>Salary increases</i>	7%	7%
<i>Pension increases</i>	5 1/2%	4 1/2%

AUDITORS' SPECIAL REPORT TO THE CIVIL AVIATION AUTHORITY

We have audited the financial statements on pages 13 to 21 (for which the directors of the company are solely responsible), in accordance with Auditing Standards.

We have reported to the Members of Luton International Airport Ltd on the financial statements on pages 13 to 21. We make a special report on the schedule on page 23 in accordance with the requirements of the Accounts Conditions issued by the CAA under Section 40 (1) (a) and 41 (1) of the Airports Act 1986.

In our opinion, the schedule on page 23 presents fairly the information set forth therein and is in accordance with the requirements of the Accounts Conditions.

Touche Ross & Co

Touche Ross & Co Chartered Accountants Milton Keynes 22nd August 1990

ECONOMIC REGULATION

The Airport Company is subject to economic regulation under the Airport's Act 1986 which requires the airport to hold permission from the Civil Aviation Authority to levy airport charges.

From 1st April 1988 the operational activities are required to be allocated between airport charges levied in connection with landing, parking and taking-off of aircraft (including passenger related charges) and other operational income.

All revenue and costs arising from non-operational activities, such as items where the income is not primarily from airport users, is required to be shown in a separate category.

The following have been quantified by means of apportioning the use of the Airport's accommodation and services.

Unless specified elsewhere in the notes to the financial statements the company received no preferential treatment or financial support from any associated person or organisation during the year