Registered No 2065958

Leeds Bradford International Airport Limited

Report and Financial Statements

31 March 2011

Registered No 2065958

Directors

Non Executive Directors
A S Lewis
A J M Williams

Executive Directors
A Hallwood
C Lapworth
R Memmott
J Parkin

Secretary
A G Secretarial Ltd

Auditors
Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Bankers
The Royal Bank of Scotland plc
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Leeds
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Whitehouse Lane
Leeds
LS19 7TU

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Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 March 2011

Directors
The Directors are listed before the contents page

The Company is a fully owned subsidiary of LBIA Holding Limited

Allotted share capital
As at 31 March 2011 the issued share capital of the Company comprises 14,999,999 Ordinary shares of £1 each and 1 Special Rights Preference Share of £1

Principal activity
The principal activity is the operation and management of a regional international airport

Review of business
Passengers for Leeds Bradford International Airport Limited for the year were 10 9% higher than the prior year due to increased capacity

During periods of April and May 2010 all flying in UK and much of European airspace was suspended with the creation of no fly zones by the Civil Aviation Authority (CAA) due to volcanic ash from the Icelandic volcano, Eyjafjallajoekull The Company lost approximately 65,000 passengers due to this one off incident Excluding the impact of the volcanic ash passenger growth was 13 5% year on year

The airport is forecasted to grow passenger numbers again during the forthcoming financial year due to a year on year increase in capacity

The profit and loss account for the year is included within the audit financial statements

The Directors report a loss before tax of £10,734,000 (2010 £4,703,000) The result includes net exceptional costs of £3,050,000 (2010 £593,000) which relate to restructuring costs Further detail is provided in the notes to the financial statements

Routes and services
Total passengers for the year were 2 80 million, an increase of 10 9% 2010/11 included the first full year of operations from the two Ryanair based aircraft that commenced at LBIA on 25 March 2010 In addition the year saw the first ever service from LBIA by easyJet who flew to Geneva for the Winter season In March 2011 KLM increased the frequency of their Amsterdam service to four rotations a day

New routes during the year included Gdansk, Kos, Madeira and Antalya Unfortunately the Gatwick service ceased operating in March 2011

Key scheduled airlines that operated through the Airport included Jet2 com, Ryanair, Air South West, BMI, Eastern Airways, Flybe, KLM, Manx2, Pakistan International Airlines and easyJet

Key charter operators included Thomas Cook, TUI and Balkan Holidays These operators offer a wide range of holidays in destinations including Egypt, Barbados, Ibiza and Greece

Disclosure statements

Financial Risk Management
The Company's operations and funding structure expose it to a variety of financial risks, liquidity risk, price risk and credit risk To manage this, the Company has a number of policies in place along with a risk management programme, which are reported to the Board and Audit Committee Where actions are necessary and are not covered by the policies in place, approval is sought from the relevant Board meeting

Liquidity Risk
The profile of debt outstanding at 31 March 2011 is disclosed within the notes to the financial statements The available resources, including £4 2m (2010 £3 3m) of cash, £39m (2010 £39m) capital expenditure facilities and £1 0m (2010 £1 0m) revolving credit facility are considered sufficient to meet the Company's future funding requirements for ongoing trading

The Company meets it day to day working capital requirements through its cash reserves and funds 90% of its capital expenditure through debt As detailed in the notes to the financial statements the capital expenditure facility, the terminal development facility and the revolving credit facility are not due for repayment until 2 May 2014

Covenant Risk
The Company along with its Parent Company form a Group The Group's covenants are monitored on an ongoing basis and reported to the Board on a monthly basis with formal testing being reported to the Board and the Banking group on a quarterly basis The Group continues to comply with all borrowing obligations and financial covenants

Price Risk
The Company is not exposed to any single significant element of price risk The largest single risk is salary inflation on which the Company has some influence through negotiation with its employees In 2009 Leeds Bradford International Airport Limited ('LBIA') agreed an eighteen month pay deal which came to an end in March 2011 LBIA is currently in the process of negotiating a further three year pay deal To support the pay negotiations in April 2011 management concluded a full review of market rates of pay and as a result is confident that market rates are in line with industry norms

Other exposures relate to energy costs and building costs during periods of significant capital expenditure To reduce risk and take advantage of preferable rates utility prices have been fixed until September 2012 and management regularly review the market to extend the fixed prices for future periods Building inflation/ deflation is monitored on a monthly basis for significant building projects such as Terminal Development

Credit Risk
The Company has limited its exposure to credit risk and operates a direct debit scheme for a significant number of customers The Airport also has powers under the Civil Aviation Authority (Airports Act 1986) to detain aircraft where aeronautical debts have not been paid

Accounting standards and policies
This Annual Report complies with all accounting standards issues by the Accounting Standards Board (ASB) as applicable to the financial statements at 31 March 2011

The Company is not required to adopt International Financial Reporting Standards (IFRS) but does continue to monitor the position with regards to voluntary adoption by groups of equivalent standing The Company acknowledges that United Kingdom Generally Accepted Accounting Standards (UK GAAP) is converging with IFRS and, therefore, the Directors have decided not to adopt IFRS for the current period but keep the situation under review

Risk management
The management of risk forms part of the strategic and operational processes of LBIA Risk is assessed formally through the organisation and reported at regular intervals to the Safety Security Health & Environmental Committee (SSHE) and the Audit Committee

The Company maintains a Risk Register the updating of which, is a continuous process involving the identification, evaluation and management of risks by individual managers Risk exposure is assessed by profiling individual risks in respect of their potential impact and likelihood of occurrence, after consideration of mitigating and controlling actions that are in place There are measures in place to ensure the effectiveness of risk mitigations which are currently being developed and embedded into the business

The process is overseen by the Executive Directors whose remit is to moderate the process and to ensure completeness of the Risk Register Key issues are reported upwards through senior management and ultimately to the Board The assessment of risk is also integrated with day-to-day management processes and links to the capital investment and project management procedures The key corporate risks and mitigation profile are detailed below

Security
Security of customers and staff is ranked as one of the most important operational risks that the airport has to manage The security continues to be out sourced to Omni serv Omni serv invest in training security staff to meet Department for Transport (DfT) requirements and deliver a high standard of security service to passengers The airport company makes significant capital investment in the technology required to meet security requirement Close co-operation is maintained with government agencies and the police to ensure that the security regime is responsive to all changes in external threats, such as the growing environmental activist movements

Health and safety
The health and safety of customers and staff is also viewed as a priority operational risk for the airport teams to manage Management are supported in the execution of their responsibilities through the provision of training, auditing and specialist advice The assessment of health and safety risks is inbuilt into daily management routines and is

monitored by a comprehensive structure of health and safety committees that in turn are overseen by the Board

Environmental compliance

The industry faces increased scrutiny and transparency in regard to its responsibilities on environmental issues The airport is accountable to the local planning authority in regard to noise and flight track movements We have a Traffic Services team who are dedicated to monitoring and reporting on air traffic movements and environmental impact assessment They have been working closely with the main airlines that operate out of LBIA to improve tracking performance of aircraft taking off from the runway

The industry is also actively working with the airlines to research ways to operate in more environmentally efficient ways The airport has developed a sophisticated system to ensure that surface water from the runways does not contaminate local streams through a series of treatment lagoons There are nine treatment lagoons and monitors which capture and treat the runoff, separating contaminated water from the local watercourses

Leeds Bradford International Airport Limited was the second airport in the United Kingdom to achieve the ISO 14001 environmental standard and have achieved this standard since 2005

Competition

The development of competitor airports clearly presents a challenge to LBIA Within the context of a dynamic market, considerable efforts are being made to maintain and develop airline routes and services and ensure that the proposition to customers is attractive in all aspects of their travelling experience

Changes in demand

The reality of the airport business is that there is a constant threat of a downturn in demand due to adverse global economic factors or specific events, such as fuel price, a terrorist incident, avian flu and disruption caused by volcanic ash however as at March 2011 LBIA is currently the fastest growing airport in terms of passenger numbers in the UK

During April and May 2010 there was disruption caused by volcanic ash resulting in the creation of a no fly zone Initially there were six full days of no flying imposed on the airport, with the initial rule prohibiting air travel if there was any ash in the atmosphere The Civil Aviation Authority (CAA) then revised the rules to allowing flying to resume with some ash in the atmosphere, this reduced disruption when the ash returned in May 2010

The position as at May 2011 is that the CAA highlights the areas with the highest concentration of ash and airlines decide if they will operate in the areas of highest concentration Although the majority of airlines will not operate in the very highest concentrations of ash, this revision of the rules means the level of disruption caused by the volcanic ash is likely to be reduced dramatically should further ash come into European air space This has been demonstrated during May 2011 when LBIA did not suffer any disruption If the CAA's original rules had been in place for this period then the airport would have been in a no fly zone Although the volcanic ash is disruptive to operations, this and other risks are managed within the business

Risks are mitigated by the application of prudent financial controls, the gathering of business intelligence and contingency planning The combined effect of these mitigating actions is to assist the Company to make a flexible response in the event of a business downturn or interruption

Capacity shortfall

Plans are being progressed to develop the terminal building over the next three years in order to support forecast growth to 2015 These plans are the subject of discussion and consultation with the planning authority, consultants and advisors and the airport's Board

Maintenance of mandatory certification

The airport has been audited by both departments (Aerodrome and ATS) of the aviation safety regulator in accordance with all aspects of current national and European regulations and found to be compliant

Income

Turnover for the year of Leeds Bradford International Airport Limited ('LBIA') was £21,012,000 (2010 £19,952,000) which is 5 3% higher than the prior year Excluding the impact of the volcanic ash, revenue would be 7 2% up year on year, a positive performance The reduction in income from aeronautical revenue has been compensated for by increased revenue from retail, car parking and property To support this strategy, in July 2010, LBIA took the executive lounge in house from the out source provider and invested in improving the facility which was then re-launched as The Yorkshire Premier Lounge Future prices to airlines are expected to continue to remain under pressure and in turn there is a continued focus on driving operating efficiencies throughout the business and enhancing the retail and car parking offerings

Operating costs

Operating costs within Leeds Bradford International Airport Limited continue to be tightly controlled

There was an increase in staff costs (£445,000, 6 6%) due to an increase in the service cost of the defined benefit pension scheme, staff costs relating to taking The Yorkshire Premier Lounge in house and the full year impact of a revised structure in the commercial team

Pension costs relating to the defined benefit scheme continue to be a concern for the business New employees are not eligible for the defined benefit scheme and instead can become a member of the defined contribution scheme where the Company matches employee contributions up to a certain level

Other operating charges increased (£549,000, 6 2%) due to inflationary pressure, particularly on energy costs In addition there were exceptional operating charges of £3,088,000 (2010 £644,000) relating to restructuring items These are explained in more detail in the notes to the financial statements

Deprecation within Leeds Bradford International Airport Limited increased (£927,000, 13 4%) on the prior year due to further capital expenditure during the year invested in the business

Inflationary pressures, particularly in relation to energy costs continue to be a concern for the business and procurement strategies are in place to secure competitive prices

Developments
Achieving high standards of customer service remains a key objective for the Company and significant investment was made during the year to support this objective The anticipated growth in passenger throughput will continue to present challenges for the future and opportunities to maximise commercial revenues

Planning permission for the terminal development has now been approved by Leeds City Council and includes significantly more commercial space to accommodate a new and enlarged duty free and tax free shop, an enlarged book shop, greater variety of retail units and significantly enhanced food and beverage facilities airside

This major terminal development scheme will also address other pinch points within the airport to ensure they will support the future growth of the airport over the coming 5 years

Charitable donations
During the year the Company has supported a number of local charities and community projects, including the Yorkshire Air Ambulance, to a total value of £27,654 (2010 £31,985)

There were no political contributions during the year (2010 £nil)

Employee involvement and employment of disabled persons
Within the grounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Company and are of interest and concern to them as employees

The Company gives equal opportunity to the employment of disabled persons where practicable

It is the policy of the Company that training, career development and promotion opportunities should be available to all employees

Corporate governance
In achieving high standards of corporate governance the Company has taken into account the relevant features of the Principles of Good Governance and Code of Best Practice (The Combined Code)

The Company maintains a comprehensive register of business risks which are reported regularly to the Board

Going Concern Basis of Preparation
The Directors have considered the basis of preparation of the statutory accounts in line with the requirements of the guidelines issued by the Financial Reporting Council (FRC) in October 2009 entitled "Going Concern And Liquidity Risk Guidance For Directors Of UK Companies 2009" After a review of the business, the business plan and risks and sensitivities around the plan the Directors have concluded that the business is a going concern and the statutory accounts should be prepared on a going concern basis

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Profits, dividends and transfers to reserves
The Company's loss for the year, after taxation, amounted to £10,686,000 (2010 loss £4,420,000) which has been transferred to reserves

During the year the company did not pay a dividend (2010 £nil) and the Directors do not propose any further dividends for the year

Information to auditors
So far as each of the Directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and

- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

By order of the Board

J Parkin
Chief Executive Officer
29 June 2011

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditors' report

to the members of Leeds Bradford International Airport Limited

We have audited the financial statements of Leeds Bradford International Airport Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 23 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditors' report

to the members of Leeds Bradford International Airport Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Stuart Watson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
5 July 2011

Profit and loss account

for the year ended 31 March 2011

	Notes	2011 £000	2010 £000
Turnover	2	**21,012**	19,952
Operating costs			
Staff costs	5	**(7,144)**	(6,699)
Depreciation and amortisation	8,9	**(7,832)**	(6,905)
Other operating charges	3	**(9,359)**	(8,810)
Exceptional operating charges	4	**(3,088)**	(644)
		(27,423)	(23,058)
Operating loss		**(6,411)**	(3,106)
Exceptional items	4	**38**	51
Interest receivable		**32**	-
Interest payable	6	**(4,421)**	(1,654)
Other finance income		**28**	6
		(4,323)	(1,597)
Loss on ordinary activities before taxation		**(10,734)**	(4,703)
Tax credit on ordinary activities	7	**48**	283
Loss for the financial year		**(10,686)**	(4,420)

All amounts relate to continuing operations

Note of historical cost profits and losses for the year ended 31 March 2011	2011 £000	2010 £000
Reported loss on ordinary activities before taxation	**(10,734)**	(4,703)
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	**3,269**	3,541
Historical cost loss on ordinary activities before taxation	**(7,465)**	(1,162)
Historical loss for the year after taxation	**(7,417)**	(879)

Statement of total recognised gains and losses

for the year ended 31 March 2011

	2011 £000	2010 £000
Loss for the financial year	**(10,686)**	(4,420)
Unrealised (deficit)/surplus on revaluation of investment properties	**(35)**	90
Gain realised on disposal of revalued asset	**172**	-
Actuarial loss recognised in the pension scheme	**(58)**	(161)
Current/deferred tax relating to the actuarial loss	**16**	45
Total losses recognised in the year	**(10,591)**	(4,446)

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Balance sheet

at 31 March 2011

	Notes	**2011 £000**	2010 £000
Fixed assets			
Tangible	8	**130,208**	133,852
Intangible	9	**1,644**	2,512
Investments	10	**1**	1
		131,853	136,365
Current assets			
Stocks	11	**383**	330
Debtors	12	**14,591**	13,500
Cash at bank and in hand		**4,238**	3,256
		19,212	17,086
Creditors: amounts falling due within one year	13	**(8,521)**	(10,002)
Net current assets		**10,691**	7,084
Total assets less current liabilities		**142,544**	143,449
Creditors: amounts falling due after more than one year	14	**(41,147)**	(31,225)
Provisions for liabilities and charges	15	**-**	(64)
Net assets excluding pension liabilities		**101,397**	112,160
Pension		**-**	-
Net assets		**101,397**	112,160
Capital and reserves			
Called up share capital	16	**15,000**	15,000
Share premium account		**477**	477
Revaluation reserve	17	**73,282**	76,758
Profit and loss account	17	**12,638**	19,925
Shareholders' funds		**101,397**	112,160

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 29 June 2011

John Parkin
Chief Executive Officer

29 June 2011

Robert Memmott
Finance Director

29 June 2011

Notes to the financial statements

at 31 March 2011

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties, and are prepared in accordance with applicable accounting standards

The company is a wholly owned subsidiary of LBIA Holding Limited and is included in the consolidated financial statements of LBIA Holding Limited, which are publicly available Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996)

Turnover

Turnover represents invoiced sales less allowances, trade discounts and value added tax

Traffic income, concession income and car parking income is recognised in the period to which it relates

Lease income

Rental income is recognised on a straight line basis over the period of the lease agreement

Interest bearing loans and borrowings

All interest bearing loans and borrowings are initially recognised at net proceeds After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount

Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses Amortisation is provided at rates calculated to write off the cost of the asset on a straight line basis over the expected useful economic life of the asset as below

Other intangible asset 2 – 3 years

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable Impairment losses relating to intangible assets are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation, modified by the revaluation of all significant operational property, in addition to integral fixtures and fittings and plant and machinery, to depreciated replacement cost in May 2007 Depreciated replacement cost is the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation

Notes to the financial statements

at 31 March 2011

1. **Accounting policies** (continued)

Depreciation is provided at rates calculated to write off the cost or revaluation of fixed assets on a straight line basis over their expected useful lives on the following bases There is a broad range of expected useful economic lives for the runways, taxiways & aprons as there are various layers within the runway which have differing useful economic lives

Freehold land is not depreciated

Freehold buildings	20 - 40 years
Runways, taxiways & aprons	3 - 100 years
Plant, equipment & fittings	5 - 15 years
Vehicles	5 - 15 years
Noise insulation	40 years

Investment properties

Investment properties are accounted for in accordance with Statement of Standard Accounting Practice 19 (SSAP 19) and are revalued annually and are not depreciated This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the Company The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year

Investments

Fixed asset investments are stated at cost less provision for impairment

Operating leases

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term

Stocks

Stocks comprise consumable stores held for subsequent use by the airport and are valued at the lower of cost and net realisable value

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date

Notes to the financial statements

at 31 March 2011

1. **Accounting policies** (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred before that date that will result in either an obligation to pay more tax, or a right to pay less or to receive more tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pensions

The Company made contributions to the West Yorkshire Pension Fund, a multi employer defined benefit scheme, up to 2 May 2007 (date of acquisition of the Company by LBIA Holding Limited) During 2008/09 the Company paid £1,994,000 to the West Yorkshire Pension Fund to discharge all liability relating to this fund Subsequent to the acquisition by LBIA Holding Limited, the company established its own defined benefit pension fund and this is accounted for under the requirements of Financial Reporting Standard 17 'Retirement Benefits' Assets and liabilities arising from the Company's share of the scheme are shown at fair value For further details see the pensions note to the financial statements

The cost of providing benefits under the defined benefit plans is determined using the Projected Unit Method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice Past service costs are recognised in profit or loss on a straight line basis over the vesting period or immediately if the benefits have vested When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year

Notes to the financial statements

at 31 March 2011

1. Accounting policies (continued)

The expected return on plan assets is based on an assessment made at the beginning of the year of long term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year The difference between the expected return on plan assets and the interest costs is recognised in the income statement as other finance income or expense

Actuarial gains and losses are recognised in full in the statement of recognised gains and losses in the period in which they occur The defined benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly Fair value is based on market price information and in the case of quoted securities is the published mid-market price The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme

Exceptional items

The Company presents as exceptional items on the face of the income statement, those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users of the financial statements to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance

2. Turnover

An analysis of turnover by class of business is given below

		2011		2010
	£000	**%**	*£000*	%
Traffic income from passengers and aircraft	**7,036**	**33.48**	7,352	36 85
Commercial income	**13,976**	**66.52**	12,600	63 15
Total	**21,012**	**100.00**	19,952	100 00

All turnover arose within the United Kingdom Commercial income includes £1,226,345 (2010 £1,327,223) from operating lease rentals

Notes to the financial statements

at 31 March 2011

3. Operating loss

The operating loss is stated after charging/(crediting)

	2011 £000	2010 £000
Amortisation of intangible fixed assets	870	27
Depreciation of tangible fixed assets	6,963	6,878
Auditors' remuneration (see below)	35	32
Operating lease rentals – plant and machinery	8	9
Profit on sale of tangible fixed assets	(2)	(2)

The remuneration of the auditors is further analysed as follows

	2011 £000	2010 £000
Audit of the financial statements of the company	35	30
Other fees to auditors		
other services	-	2
taxation services	-	-
	35	32

4. Exceptionals

	2011 £000	2010 £000
Restructuring costs	(2,751)	(213)
Restructure of banking documentation	-	(116)
Restructure of interest rate hedge	(337)	(315)
Exceptional operating charges	(3,088)	(644)
Profit on disposal of fixed asset	38	51
Exceptional items	38	51
	(3,050)	(593)

Notes to the financial statements

at 31 March 2011

5. Directors' emoluments and benefits and Staff costs

	2011 £000	2010 £000
Executive directors' emoluments	**648**	777

None of the non-executive directors received any emoluments other than the reimbursement of their necessary expenses

None of the directors were accruing benefits under the defined benefit pension scheme during the year

The highest paid director received emoluments and benefits as follows

	2011 £000	2010 £000
Emoluments	**217**	254

Staff costs, including directors' emoluments, were as follows

	2011 £000	2010 £000
Wages and salaries	**5,980**	5,612
Social security costs	**555**	538
Other pension costs	**609**	549
	7,144	6,699

The average monthly number of employees, including executive directors, during the year was as follows

	2011 No.	2010 No
Administration	**22**	16
Emergency services	**48**	47
Air traffic control	**37**	37
Support services	**66**	62
	173	162

6. Interest payable

	2011 £000	2010 £000
Bank loans – not repayable by instalments	**1,452**	1,117
Other loans – amounts owed to parent company	**2,969**	537
	4,421	1,654

Notes to the financial statements

at 31 March 2011

7. Taxation

(a) Analysis of tax credit in year

	2011 £000	2010 £000
UK corporation tax		
Adjustments in respect of prior periods	-	(107)
Total UK taxation	-	(107)
Deferred tax		
Changes in deferred tax balances arising from		
Origination or reversal of timing differences	**(1)**	(243)
Adjustments in respect of prior periods	**(46)**	67
Effect of tax rate change on opening balance	**(1)**	-
	(48)	(176)
Tax credit on loss on ordinary activities	**(48)**	(283)

(b) Factors affecting the tax credit for the year

The tax credit for the year is higher (2010 higher) than would be expected by multiplying loss on ordinary activities by the standard rate of corporation tax in the UK of 28% (2010 28%) The differences are reconciled below

	2011 £000	2010 £000
Loss on ordinary activities before tax	**(10,734)**	(4,703)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 28% (2010 28%)	**(3,006)**	(1,317)
Effects of		
Expenses not deductible for tax purposes	**34**	-
Depreciation on non-qualifying assets	**1,209**	1,302
Decelerated capital allowances and depreciation	**666**	585
Short-term timing differences	**(193)**	(303)
Adjustments to tax charge in respect of prior periods	**-**	(107)
Unrelieved tax losses carried forward	**1,413**	-
FRS17 adjustments	**(16)**	(45)
Industrial buildings allowances	**(107)**	(222)
Current credit for the year	-	(107)

Notes to the financial statements

at 31 March 2011

7. **Taxatıon** (contınued)

(c) Deferred tax

There ıs an unrecognısed deferred tax asset of £1,734,000 (2010 £nıl) ın relatıon to tax losses carrıed forward A deferred tax asset has not been recognısed ın respect of these losses as the use of these losses ıs uncertaın

No provısıon has been made for deferred tax on gaıns recognısed on revaluıng property to ıts market value Such tax would become payable only ıf the property were sold wıthout ıt beıng possıble to claım rollover relıef After takıng ınto account ındexatıon allowances accrued from the date of acquısıtıon to the balance sheet date, the total amount not provıded for ıs £12,335,000 (2010 £13,886,000) At present, ıt ıs not envısaged that any tax wıll become payable ın the foreseeable future No provısıon has been made for deferred tax on gaıns recognısed on revaluıng property to ıts market value Such tax would become payable only ıf the property were sold

(d) Factors that may affect future tax charges

The Fınance (No 2) Act receıved Royal Assent on 27 July 2010 and announced a reductıon ın the maın rate of corporatıon tax from 28% to 27% wıth effect from 1 Aprıl 2011 The budget on 23 March 2011 announced that the corporatıon tax rate would reduce to 26% wıth effect from 1 Aprıl 2011 The budget on 23 March 2011 also announced further reductıons of 1% per annum ın the maın rate of corporatıon tax down to 23% by 1 Aprıl 2014

Notes to the financial statements

at 31 March 2011

8. Tangible assets

	Freehold land	Freehold buildings	Runways, taxiways & aprons	Plant, equipment & fittings	Vehicles	Noise insulation	Assets under construction	**Total**
	£000	£000	£000	£000	£000	£000	£000	**£000**
Cost or valuation								
At 1 April 2010	33,992	52,056	69,643	21,509	3,559	3,282	2,757	**186,798**
Reclassification	-	649	-	-	-	-	(649)	**0**
Additions at cost	27	1,927	610	1,419	507	14	1,170	**5,674**
Revaluation of investment properties	-	(35)	-	-	-	-	-	**(35)**
Disposals	-	(2,148)	-	-	(9)	-	-	**(2,157)**
Disposal of revalued assets	-	(172)	-	-	-	-	-	**(172)**
At 31 March 2011	**34,019**	**52,277**	**70,253**	**22,928**	**4,057**	**3,296**	**3,278**	**190,108**
Depreciation								
At 1 April 2010	-	19,222	16,260	14,409	2,121	934	-	**52,946**
Charge for year	-	2,240	2,867	1,460	310	86	-	**6,963**
Disposals	-	-	-	-	(9)	-	-	**(9)**
At 31 March 2011	**-**	**21,462**	**19,127**	**15,869**	**2,422**	**1,020**	**-**	**59,900**
Net book value								
At 31 March 2011	**34,019**	**30,815**	**51,126**	**7,059**	**1,635**	**2,276**	**3,278**	**130,208**
At 31 March 2010	33,992	32,834	53,383	7,100	1,438	2,348	2,757	**133,852**

Notes to the financial statements

at 31 March 2011

8. Tangible assets (continued)

Included within tangible assets are investment properties as follows

	2011	2010
	£000	*£000*
Land and buildings	**1,905**	4,260

The investment properties have been subject to external valuations at 31 March 2011 on the basis of open market value by Debenham Tie Leung (DTZ) Limited These valuations were prepared in accordance with the appraisal and valuation manual issued by the Royal Institution of Chartered Surveyors One investment property was disposed of during the year

Historical cost

	Freehold land	Freehold buildings	Runways, taxiways & aprons	Plant, equipment & fittings	Vehicles	Noise insulation	**Total**
At 31 March 2010	5,257	43,707	21,247	21,126	3,716	3,282	**98,335**
Aggregate depreciation based on cost	-	17,136	7,177	16,326	2,654	964	**44,257**
At 31 March 2011	5,285	44,135	21,857	22,545	4,214	3,296	**101,332**
Aggregate depreciation based on cost	-	18,591	7,623	17,706	2,981	1,050	**47,951**

Notes to the financial statements

at 31 March 2011

9. Intangible assets

	Other intangibles *£000*
Cost:	
At 31 March 2010	2,539
Additions	50
Impairment	(25)
Exchange rate adjustment	(23)
At 31 March 2011	**2,541**
Amortisation:	
At 31 March 2010	27
Provided during the year	870
At 31 March 2011	**897**
Net book value:	
At 31 March 2011	**1,644**
At 31 March 2010	2,512

10. Fixed asset investments

	Shares in subsidiary undertakings *£000*
Cost	
At 1 April 2010 and 31 March 2011	1

At the year end, the Company holds investments in 100% of the ordinary share capital of Yorkshire International Airport Limited and Yorkshire Airport Limited

11. Stocks

	2011	2010
	£000	*£000*
Consumables	**383**	330

Notes to the financial statements

at 31 March 2011

12. Debtors: amounts falling due within one year

	2011 £000	2010 £000
Trade debtors	**2,015**	2,985
Prepayments and accrued income	**597**	812
Amounts owed by parent company	**11,979**	9,693
Other debtors	**-**	10
	14,591	13,500

13. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Trade creditors	**1,795**	1,436
Other tax and social security	**208**	97
Accruals	**6,518**	8,469
	8,521	10,002

14. Loans

Loans fall due for payment as follows

	2011 £000	2010 £000
Other Loans		
After more than five years	**41,147**	31,225

Details of other loans due after five years are as follows

	2011 £000	2010 £000
Capital expenditure facility	**15,100**	9,600
Terminal development facility	**2,900**	2,900
Amounts owed to parent company	**23,147**	18,725
	41,147	31,225

Notes to the financial statements

at 31 March 2011

14. Loans (continued)

Capital expenditure and terminal development facility

The facilities are repayable on 2 May 2014 and they carry an interest rate of LIBOR plus a margin The margin is between 2 05% and 2 65% depending on the covenant ratio The facilities are secured on the assets of the business

Amounts owed to parent company

The amount owed to parent company carries interest at 0 5% above the cost of borrowing and has no fixed repayment schedule The directors do not anticipate repaying this for at least the next year It has therefore been classified within amounts falling due after more than one year

15. Provisions for liabilities and charges

	Deferred taxation
	£000
Deferred tax liability at 31 March 2010	64
Credit to the Profit and loss account	(48)
Credit to the STRGL	(16)
Deferred tax position at 31 March 2011	**0**

Provisions for liabilities and charges (continued)

Deferred tax is analysed as follows

	2011	2010
	£000	*£000*
Accelerated capital allowances	-	269
Other timing differences	-	(205)
Deferred tax liability	-	64

Notes to the financial statements

at 31 March 2011

16. Share capital

Authorised	**2011**	2010
	£	£
22,499,999 Ordinary Shares of £1 each	**22,499,999**	22,499,999
1 Special Rights Preference Share of £1 each	**1**	1
	22,500,000	22,500,000

Allotted, called up and fully paid	**2011**	2010
	£	£
14,999,999 Ordinary shares of £1 each	**14,999,999**	14,999,999
1 Special Rights Preference Share of £1 each	**1**	1
	15,000,000	15,000,000

The total issued capital of the Company comprises 14,999,999 Ordinary shares of £1 each and 1 Special Rights Preference Share of £1

Special rights preference share

The Ordinary Shares and the Special Rights Preference Share ('Special Share') are separate classes of shares On distribution of capital on winding up of the Company, the Special Share shall rank pari passu with the Ordinary Shares but shall only be entitled to receive £1 by way of a return of capital The Special Share shall have no other rights to participate in a return of capital by the Company or to participate in any dividend or distribution

Other than special airport meetings as defined in the articles of association of the Company or general meetings at which any of the matters set out in articles S15 1 1 to S15 1 6 are to be considered, the Special Share shall have no right to receive notice of or attend or vote at any meeting of the Company

Notes to the financial statements

at 31 March 2011

17. Reserves

	Revaluation reserve	Profit and loss account
	£000	*£000*
At 31 March 2010	76,758	19,925
Loss for the year	-	(10,686)
Actuarial loss net of deferred tax	-	(42)
Revaluation of investment properties	(35)	-
Disposal of revalued asset	(172)	172
Transfer from revaluation reserve to profit and loss account	(3,269)	3,269
At 31 March 2011	**73,282**	**12,638**

The transfer from the revaluation reserve to the profit and loss account represents the difference between the depreciation charge for the year based on the revalued amount and the depreciation charge for the year based on the historic cost

The banking agreements of the parent company (LBIA Holding Limited) impose certain restrictions on the ability of the Company to distribute the retained profits as follows

Except when permitted via a Permitted Distribution[1], the Company cannot

i declare or pay any dividend, fee or other distribution (or interest on any of the above), whether in cash or in kind, in respect of any class of its share capital,

ii repay or distribute any dividend or share premium reserve,

iii pay any management or other fee to any of the shareholders of the Company, any fund managed by the Shareholders or any related fund of the Shareholders,

iv redeem, repurchase or repay any of its share capital, or resolve to do so

[1] A Permitted Distribution is defined as

a) the payment of a dividend to LBIA Holding Limited, and,
b) the payment of a monitoring fee to Bridgepoint Capital (Nominees) Limited by the Company of an amount not greater than £250,000 (exclusive of VAT) per annum

Notes to the financial statements

at 31 March 2011

18. Shareholders' funds

	2011	2010
	£000	*£000*
Shareholders' funds at 1 April	**112,160**	116,606
Loss for the year	**(10,686)**	(4,420)
Actuarial loss net of deferred tax	**(42)**	(116)
(Deficit)/surplus on revaluation of investment properties	**(35)**	90
Shareholders' funds at 31 March	**101,397**	112,160

19. Capital commitments

At 31 March 2011 the Company had entered into contracts for capital expenditure, provided for in these accounts, amounting to approximately £589,000 (2010 £1,441,000) There are no further capital commitments for which the company has not provided (2010 nil)

20. Other commitments

At 31 March 2011 the company had annual commitments under operating leases for plant and machinery are as follows

	2011	2010
	£000	*£000*
Expiry date		
Within one year	**2**	7
Between one and five years	**26**	24

Notes to the financial statements

at 31 March 2011

21. Transactions with related parties

With regard to shareholders having an investment of greater than 20% in the company, the following transactions have taken place during the year Bridgepoint Capital Limited was the only shareholder with an investment of greater than 20% in the Company during 2011

	Bridgepoint Capital Ltd	
	2011	2010
	£000	*£000*
Paid to shareholders		
Fees	-	250
Other	16	17

The company has taken advantage of the exemptions allowed under FRS8 from disclosing transactions with related parties that are part of the LBIA Holding Limited group, or investees of the group

Notes to the financial statements
at 31 March 2011

22. Pension costs

The Company participates in the Federated Pension Plan (FPP) which is a multi-employer defined benefit scheme Until 2 May 2007, the company had participated in the West Yorkshire Pension Fund (WYPF) but due to a change in its ownership it ceased to participate in the WYPF on 2 May 2007 and employees started to accrue pension benefits in the FPP FPP is closed to new entrants The current service cost is calculated using the Projected Unit Method under FRS17 The FPP finances are independent of the Company's finances

An actuarial valuation of the Company's section of the FPP will be performed at intervals of not more than three years and the rates of contribution will be determined by the trustees on the advice of the Scheme Actuary having regard to the results of the actuarial valuation The company is currently paying an initial rate of contributions to the FPP pending the first formal actuarial valuation of the Company's section of the FPP

The major assumptions at 31 March 2011 used by the actuary were

	31 March 2011	31 March 2010	31 March 2009
Inflation rate (%)	**3.6**	3 5	2 9
Rate of increase in salaries (%)	**3.6**	3 5	3 7
Rate of increase in pensions in payment (%)	**3.6**	3 5	2 9
Discount rate applied to scheme liabilities (%)	**5.5**	5 7	6 1

The mortality assumptions adopted imply the following life expectancies

	31 March 2011	31 March 2010	31 March 2009
Male retiring now at age 63	**25.1**	24 0	23 9
Male retiring in 20 years at age 63	**27.2**	25 1	25 0

Notes to the financial statements

at 31 March 2011

22. Pension costs (continued)

Fair value and expected return on assets

	Long-term rate of expected return at 31 March 2011	**Value at 31 March 2011**	Long-term rate of expected return at 31 March 2010	Value at 31 March 2010	Long-term rate of expected return at 31 March 2009	Value at 31 March 2009
	%	***£000***	%	*£000*	%	*£000*
Equities	**7.54**	**2,418**	7 22	1,816	7 40	906
Government bonds	**4.54**	**1,207**	3 82	906	4 60	452
Cash	**0.50**	**71**	-	-	-	-
Total market value of assets		**3,696**		2,722		1,358
Present value of scheme liabilities		**(3,696)**		(2,722)		(1,358)
Surplus/(deficit) in the scheme		-		-		-
Related deferred tax (liability)		-		-		-
		-		-		-

Movements in the year

	2011	2010
	£000	*£000*
Asset in scheme at start of year	-	-
Movement in year		
Current service cost	**(526)**	(391)
Contributions	**556**	546
Other finance income	**28**	6
Actuarial loss	**(58)**	(161)
Position of scheme at the year end	-	-

Analysis of amount charged to operating loss

	2011	2010
	£000	£000
Current service cost (excluding member contributions)	**526**	391

Notes to the financial statements

at 31 March 2011

22. Pension costs (continued)

Analysis of the amount credited to other finance income

	2011	2010
	£000	£000
Expected return on pension scheme assets	**195**	105
Interest on pension scheme liabilities	**(167)**	(99)
Net gain	**28**	6

Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)

	2011	2010
	£000	*£000*
Actual return less expected return on pension scheme assets	**178**	583
Changes in assumptions underlying the present value of the scheme liabilities	**(236)**	(744)
Actuarial loss recognised in STRGL	**(58)**	(161)

History of experienced gains and losses

	2011	2010	2009	2008
Difference between the expected and actual return on scheme assets				
- amount (£000)	**178**	583	(390)	(151)
- percentage of scheme assets (%)	**4.8**	21 4	29 0	17 0
Experienced gains and losses on scheme liabilities				
- amount (£000)	**(130)**	72	25	-
- percentage of the present value of the scheme liabilities (%)	**3.5**	2 6	1 8	0 0
Total amount recognised in statement of total recognised gains and losses				
- amount (£000)	**(58)**	(161)	(189)	(141)
- percentage of the present value of the scheme liabilities (%)	**1.5**	5 9	13 9	16 0

The best estimate of contributions to be paid by the Company to the scheme for the period beginning after 31 March 2011 is £447,000

Notes to the financial statements

at 31 March 2011

23. Parent undertaking and controlling party

The Company's parent undertaking is LBIA Holding Limited, a Company registered in England Its group financial statements are available on application to the Company Secretary, LBIA Holding Limited, Whitehouse Lane, Leeds, LS19 7TU

In the directors' opinion the Company's ultimate controlling party is Bridgepoint Capital (Nominees) Limited, a company incorporated in England and Wales A copy of the group financial statements can be obtained from Bridgepoint Capital (Nominees) Limited, 30 Warwick Street, London, W1B 5AL

Ernst & Young

5 July 2011

The Directors
Leeds Bradford International Airport Limited
Whitehouse Lane
Leeds
LS19 7TU

SWW/JQ/Regulated

Direct Line 0113 298 2247
e-mail swatson1@uk ey com

We have performed the procedures agreed with you and set out below with respect to the Economic Regulation Statement ("the Statement") Our engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed-upon procedures engagements The procedures were performed solely to assist you in preparation of the Statement in accordance with the requirements of the Accounts Conditions issued by the Civil Aviation Authority under section 41(1) of the Airports Act 1986 and are as follows

1 Reperform procedures to agree the clerical accuracy of the Statement prepared by the directors in accordance with the requirements of the Accounts Conditions issued by the Civil Aviation Authority under section 41(1) of the Airports Act 1986,

2 Agree that the information included in the Statement has been properly extracted from the financial statements of the company,

3 Select a sample of 10 accounts each from the income and expenditure as reported in the Statement and agree appropriate classification between Airport Charges and Other Income in accordance with the requirements of the Accounts Conditions issued by the Civil Aviation Authority under section 41(1) of the Airports Act 1986

We report our findings below

(a) With respect to item 1 we found that the Statement is clerically accurate,
(b) With respect to item 2 we found that the information in the Statement is properly extracted from the financial statements of the company, and
(c) With respect to item 3 we found that the sample of 10 accounts each from the income and expenditure selected were appropriately classified between Airport Charges and Other Income in accordance with the requirements of the Accounts Conditions issued by the Civil Aviation Authority under section 41(1) of the Airports Act 1986

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices), we do not express any assurance on the Statement as of 31 March 2011

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (UK and Ireland) or International Standards on Review Engagements, we might have identified other issues that would be of relevance to you

ERNST & YOUNG

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties This report relates only to the accounts and items specified above and does not extend to any financial statements of Leeds Bradford International Airport Limited, taken as a whole To the fullest extent permitted by law, we do not assume responsibility to anyone other than Leeds Bradford International Airport Limited for this report

Ernst & Young LLP

Ernst & Young LLP
Leeds
5 July 2011

Economic Regulation Statement

The airport company is subject to economic regulation under the Airports Act 1986 which requires the airport to hold permission from the Civil Aviation Authority to levy airport charges

From 1 April 1988 the operational activities are required to be allocated between airport charges levied in connection with the 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 majority of income and costs are directly allocated to each activity Other support costs, which cannot be directly attributed, are allocated between the activities as indirect charges or overheads on appropriate bases, including turnover, direct expenditure, area occupied and staff deployed

The following disclosures are in accordance with the accounting policies disclosed within the financial statements of Leeds Bradford International Airport Limited for the year ended 31 March 2011

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

		2011		2010
	£000	***£000***	*£000*	*£000*
Airport operational activities				
Airport charges - Revenue	**7,036**		7,352	
- Costs	**(17,440)**		(17,953)	
		(10,404)		(10,601)
Other income - Revenue	**13,976**		12,600	
- Costs	**(6,895)**		(4,461)	
Exceptional operating charges	**(3,088)**		(644)	
		3,993		7,495
Operating Loss		**(6,411)**		(3,106)

Non-operational activities

The Company has no such activities under the Airports Act 1986

Company loss after tax for the year	**(10,686)**	(4,420)

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 period of these accounts