



Blackpool

INTERNATIONAL

for Lancashire and the Lake District

BLACKPOOL AIRPORT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Company No: 2084247

SATURDAY



A1HZRR43

A45

22/09/2012

#129

COMPANIES HOUSE

Blackpool Airport Limited

Report and financial statements 2011

Contents	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9



Blackpool Airport Limited

Directors' report (continued)

Political and charitable donations

No donations for political or charitable purposes were made during the year or prior year

Going concern

As outlined in the Accounting policies in note 1, the directors have concluded that there is a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern. Nevertheless, after making enquiries and considering the uncertainty, the directors continue to adopt the going concern basis of accounting in preparing the financial statements

Auditor

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board of Directors and signed on behalf of the Board



Stewart Orrell
Director

17 September 2012



Blackpool Airport Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 auditor's report to the members of Blackpool Airport Limited

We have audited the financial statements of Blackpool Airport Limited for the year ended 31 December 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 20. 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 auditor

As explained more fully in the directors' responsibilities statement, 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 and express an opinion on 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 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 December 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.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern.

The company has reported an operating loss for the year and relies on financial support from its ultimate parent company to enable it to discharge its liabilities as they fall due, however the ultimate parent company has reserved the right to withdraw its support on three months' notice.

These conditions, as explained in more detail in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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.



Independent auditor's report to the members of Blackpool Airport Limited (continued)

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



Timothy Edge BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

21 September 2012



Blackpool Airport Limited

Profit and loss account Year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	2	8,078,461	7,197,054
Cost of sales		(4,769,003)	(3,811,457)
Gross profit		3,309,458	3,385,597
Administrative expenses		(5,419,245)	(6,612,146)
Operating loss		(2,109,787)	(3,226,549)
Exceptional items	5	(1,042,222)	(309,813)
Interest payable and similar charges	3	(127,152)	(112,191)
Interest receivable	4	264	8,120
Loss on ordinary activities before taxation	5	(3,278,897)	(3,640,433)
Tax on loss on ordinary activities	8	876,872	1,029,518
Loss on ordinary activities after taxation and retained for the financial year	16, 17	(2,402,025)	(2,610,915)

All amounts above relate to continuing operations of the company

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented



Balance sheet
As at 31 December 2011

Blackpool Airport Limited

Notes to the financial statements (continued) Year ended 31 December 2011

1 Accounting policies (continued)

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value

Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

Pension costs

Certain employees of the company participate in the Lancashire County Council Superannuation Fund. The Lancashire County Council Superannuation Fund is a defined benefit scheme of which Blackpool Airport is one of several participating employers. The assets are held in external funds invested by professional investment managers

Only one employee remains within the scheme by virtue of the company's previous status as a subsidiary of Blackpool Borough Council. As part of the transfer of the airport to its new owners, all the deferred and pensioner members remain the liability of Blackpool Borough Council

As it is not possible for Blackpool Airport Limited to identify its share of the underlying assets and liabilities of the scheme, FRS 17 "Retirement Benefits" requires these financial statements to report the scheme as if it were a defined contribution scheme

Consequently, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable and contributions actually paid are shown as either accruals or prepayments in the balance sheet



Blackpool Airport Limited

Notes to the financial statements (continued) Year ended 31 December 2011

2. Turnover

Turnover relates to the company's main activity which is carried out in the United Kingdom

3. Interest payable

	2011 £	2010 £
Bank interest payable	648	297
Intercompany interest payable	126,504	111,894
	<u>127,152</u>	<u>112,191</u>

4. Interest receivable

	2011 £	2010 £
Bank interest receivable	264	1,799
Other interest receivable	-	6,321
	<u>264</u>	<u>8,120</u>

5. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting)

	2011 £	2010 £
Depreciation	536,946	522,774
Operating lease rentals- land and buildings	20,000	20,000
- hire of plant	5,160	5,160
Staff costs (see note 6)	2,774,559	3,681,329
Deferred capital grants released (see note 14)	(46,000)	(46,000)
Exceptional items	1,042,222	309,813
Analysis of auditor's remuneration		
- audit of the company's financial statements	20,000	20,000
- non-audit services - tax	2,000	2,000
- consultancy	-	26,000
	<u>22,000</u>	<u>48,000</u>

The above audit fees include audit fees for other subsidiaries within the Regional & City Airports (Blackpool) Holdings Limited group of £7,500 (2010 £5,000) which have been recharged

Exceptional items of £1,042,222 (2010 £200,000 legal costs and £109,813 redundancy costs) relate to the costs incurred by the company in relation to legal costs



Notes to the financial statements (continued)
Year ended 31 December 2011

Employee costs, including directors, during the year amounted to

The average monthly number of employees, including directors, was

	2011 No.	2010 No.
Operations	15	20
Ground services	76	128
Administration	5	9
	<u>96</u>	<u>157</u>

The directors did not receive any emoluments as directors of the company during the current year or prior year



Blackpool Airport Limited

Notes to the financial statements (continued) Year ended 31 December 2011

8. Taxation

	2011 £	2010 £
Current tax		
Group relief receivable	(865,764)	(1,029,518)
Prior year adjustment	(11,108)	-
Current tax credit	(876,872)	(1,029,518)

The current tax charge for the year differs from the standard rate of corporation tax in the UK
The differences are explained below

	2011 £	2010 £
Current tax reconciliation		
Loss on ordinary activities before tax	(3,278,897)	(3,640,433)
Current tax at 26.5% (2010: 28%)	(868,908)	(1,019,321)
Effects of		
Expenses not deductible for tax purposes	69,055	55,947
Rate difference	(4,570)	(5,794)
Accelerated capital allowances	(76,175)	(75,415)
Prior year adjustment	(11,108)	-
Other timing differences	-	96
Group relief surrendered for no payment	14,834	14,969
Total current tax credit (see above)	(876,872)	(1,029,518)

A deferred tax asset of £2,824,974 (2010: £3,017,494) has not been recognised in these financial statements
The asset would be recognised if it was regarded as more likely than not that sufficient profits would be made in the immediate future to enable the asset to be utilised

The deferred tax asset relates to accelerated capital allowances - £324,131 (2010: £416,617), tax losses carried forward - £2,500,026 (2010: £2,600,027) and timing differences - £817 (2010: £850)



Blackpool Airport Limited

Notes to the financial statements (continued) Year ended 31 December 2011

9. Tangible fixed assets

	Leasehold improvements (buildings, runways and resurfacing) £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2011	3,789,527	3,886,066	30,500	7,706,093
Additions	141,189	86,028	-	227,217
Disposals	-	-	(20,000)	(20,000)
At 31 December 2011	3,930,716	3,972,094	10,500	7,913,310
Accumulated depreciation				
At 1 January 2011	1,269,142	3,198,287	30,500	4,497,929
Charge for the year	355,362	181,584	-	536,946
Disposals	-	-	(20,000)	(20,000)
At 31 December 2011	1,624,504	3,379,871	10,500	5,014,875
Net book value				
At 31 December 2011	2,306,212	592,223	-	2,898,435
At 31 December 2010	2,520,385	687,779	-	3,208,164

10. Stocks

	2011 £	2010 £
Raw materials	176,731	139,943
Finished goods	113,326	103,034
	290,057	242,977

The directors believe there to be no material difference between the replacement cost and the carrying value of stock



Blackpool Airport Limited

Notes to the financial statements (continued) Year ended 31 December 2011

11. Debtors: amounts falling due within one year

	2011 £	2010 £
Trade debtors	445,364	488,829
Amounts due from group undertakings	5,528,480	5,508,932
Group relief receivable	2,891,197	2,014,325
Other debtors	253,086	123,500
Prepayments and accrued income	301,537	165,869
	<u>9,419,664</u>	<u>8,301,455</u>

12. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	539,633	510,977
Amounts due to group undertakings	21,755,727	17,310,070
Other creditors including taxation and social security	113,067	140,422
Accruals and deferred income	474,846	929,569
	<u>22,883,273</u>	<u>18,891,038</u>

13. Creditors: amounts falling due after more than one year

	2011 £	2010 £
Accruals and deferred income (see note 14)	<u>673,000</u>	<u>719,000</u>

14. Deferred income

	2011 £	2010 £
Government grants		
Balance at 1 January 2011	719,000	765,000
Credited to profit and loss account in the year	<u>(46,000)</u>	<u>(46,000)</u>
Balance at 31 December 2011	<u>673,000</u>	<u>719,000</u>



Blackpool Airport Limited

Notes to the financial statements (continued) Year ended 31 December 2011

15. Called-up share capital

	2011 £	2010 £
Authorised:		
17,000,000 ordinary shares of £1 each	17,000,000	17,000,000
Issued and fully paid:		
16,687,986 ordinary shares of £1 each	16,687,986	16,687,986

16. Reserves

	Profit and loss account £	Share premium account £	Total £
As at 1 January 2011	(24,530,951)	7,440	(24,523,511)
Retained loss for the year	(2,402,025)	-	(2,402,025)
At 31 December 2011	(26,932,976)	7,440	(26,925,536)

17. Reconciliation of movements in shareholder's deficit

	2011 £	2010 £
Loss for the financial year	(2,402,025)	(2,610,915)
Opening shareholder's deficit	(7,835,525)	(5,224,610)
Closing shareholder's deficit	(10,237,550)	(7,835,525)

18. Leasing commitments

Annual commitments under non-cancellable operating lease rentals are as follows

	Land and buildings	
	2011 £	2010 £
Expiry date		
Between two and five years	20,000	20,000



Blackpool Airport Limited

Notes to the financial statements (continued) Year ended 31 December 2011

19. Related parties transactions

On 31 December 2011 the company has an amount due from Blackpool Airport Properties Limited, a group undertaking, of £5,523,480 (2010 £5,508,932) During the year, Blackpool Airport Properties Limited has charged £20,000 (2010 £20,000) in rent and the company has paid £34,548 (2010 £2,500) of expenses on their behalf

On 31 December 2011, the company has an amount due from Balfour Beatty Group Limited, a group undertaking, of £2,891,197 (2010 £2,014,325) being tax recoverable recharged during the year and previous years

On 31 December 2011, the company has an amount due from Regional & City Airports (Blackpool) Limited, a group undertaking, of £2,500 (2010 £4,956,191 payable) The company has paid expenses of £2,500 (2010 £2,500) on their behalf during the year The amount due to Regional & City Airports (Blackpool) Limited as at February 2011 was assigned to Blackpool Airport Properties Limited (£2,456,191) and Balfour Beatty Infrastructure Investments Limited (£2,500,000) in March 2011

On 31 December 2011, the company has an amount due from Regional & City Airports (Blackpool) Holdings Limited, a group undertaking, of £2,500 (2010 £4,012,517 payable) The company has been charged £11,930 (2010 £68,586) in interest during the year and the company has paid £2,500 (2010 £2,500) of expenses on their behalf The amount due to Regional & City Airports (Blackpool) Holdings Limited as at February 2011 was assigned to Blackpool Airport Properties Limited (£4,024,447) in March 2011

On 31 December 2011, the company has an amount due to Blackpool Airport Properties Limited, a group undertaking, of £6,546,249 (2010 £nil) The amount due was assigned in March 2011 from Regional & City Airports (Blackpool) Limited (£2,456,191) and Regional & City Airports (Blackpool) Holdings Limited (£4,024,447) The company has been charged £65,611 (2010 £nil) in interest during the year

On 31 December 2011, the company has an amount due to Balfour Beatty Infrastructure Investments Limited, a group undertaking, of £2,500,000 (2010 £nil) The amount due was assigned in March 2011 from Regional & City Airports (Blackpool) Limited

On 31 December 2011, the company has an amount due to Balfour Beatty Group Limited, a group undertaking, of £12,646,596 (2010 £8,341,362) and the company has been charged £48,963 (2010 £43,309) in interest during the year

20. Ultimate parent company

The company's immediate parent company is Regional & City Airports (Blackpool) Limited The ultimate parent company and controlling entity is Balfour Beatty plc, which is incorporated in Great Britain

The smallest group in which the results of Blackpool Airport Limited are consolidated is Regional & City Airport (Blackpool) Holdings Limited The consolidated financial statements of this group are available to the public and may be obtained from Regional & City Airports (Blackpool) Holdings Limited, Blackpool Airport, Squires Gate Lane, Blackpool, Lancashire FY4 2QY

The largest group in which the results of Blackpool Airport Limited are consolidated is Balfour Beatty plc The consolidated financial statements of this group are available to the public and may be obtained from Balfour Beatty plc, 130 Wilton Road, London SW1V 1LQ

