



Blackpool

INTERNATIONAL

for Lancashire and the Lake District

BLACKPOOL AIRPORT LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Company No: 2084247

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Blackpool Airport Limited

Report and financial statements 2009

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Blackpool Airport Limited

Report and financial statements 2009

Officers and professional advisers

Directors

C Coleman
C W Condie
J S Kearsley
D F Kershaw (resigned 20 July 2009)
P J Lush
S Orrell
P Rankin (appointed 25 Feb 2010)
F A Romeu
I K Rylatt
J R C Spooner
B R Walker

Secretary

S T Kendrick (appointed 10 March 2009)
R Reid (resigned 16 January 2009)

Registered office

Blackpool Airport
Squires Gate Lane
Blackpool
Lancashire
FY4 2QY

Solicitors

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Bankers

NatWest Bank
Corporation St
Blackpool
Lancashire
FY1 1EL

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
2 Hardman Street
Manchester
M60 2AT
United Kingdom



Blackpool Airport Limited

Directors' report (continued)

Political and charitable donations

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

Going Concern

Having made appropriate enquiries, and based on the assumptions outlined in the Accounting policies in note 1, the directors consider it reasonable to assume that the company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the accounts

Auditors

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 auditors are 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 auditors are 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 auditors in the absence of an Annual General Meeting

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



S T Kendrick

Secretary

18 August 2010



Blackpool Airport Limited

Statement of directors' responsibilities

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.



We have audited the financial statements of Blackpool Airport Limited for the year ended 31 December 2009 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)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' Responsibilities, 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.

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 our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 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

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

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 (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Manchester
United Kingdom
18 August 2010



Profit and loss account
Year ended 31 December 2009

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

31 December 2009

Stewart Orrell
Director
18 August 2010



Blackpool Airport Limited

Notes to the financial statements Year ended 31 December 2009

1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below, all of which have been applied consistently throughout the current year and prior period.

Basis of preparation - Going concern

A letter of support has been provided to the directors of the company from the directors of the parent company, Balfour Beatty plc, to confirm that the parent will provide sufficient financial and other support to enable the company to discharge its liabilities as they fall due for a period of not less than twelve months from the date of signing of these financial statements.

This company is an integral part of the Balfour Beatty plc group, which manages its working capital on a pooled basis across the group. The directors believe that Blackpool Airport Limited is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Accounting convention

The financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

Cash flow statement

The company is a 95% subsidiary of Balfour Beatty plc and is included in the consolidated financial statements of Balfour Beatty plc, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under FRS 1 (Revised) 'Cash Flow Statements'.

Turnover

Turnover is recognised at the tax point of sale when invoiced and from the date of receipt when dealing with cash.

Turnover represents the value of services supplied to external customers during the period, including amounts not invoiced and excludes value added tax and similar sales-based taxes.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All other exchange differences are dealt with in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is calculated on the cost of tangible fixed assets and is charged on a straight-line basis so as to write down the cost of each asset, less estimated residual value, over its expected useful life.

The principal annual rates of depreciation used are as follows:

Freehold buildings	10 – 25 years
Runways	50 years
Resurfacing	10 years
Plant and machinery	5 – 10 years
Motor vehicles	4 – 5 years



Blackpool Airport Limited

Notes to the financial statements Year ended 31 December 2009

1. Accounting policies (continued)

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

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.



Notes to the financial statements
Year ended 31 December 2009

Pension costs

Two employees remain 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 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.

2. Turnover

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

3 Interest payable

	Year ended 31 December 2009 £	Period from 9 May 2008 to 31 December 2008 £
Bank interest payable	561	1,158
Intercompany interest payable	219,228	233,393
	<u>219,789</u>	<u>234,551</u>

4. Interest receivable

	Year ended 31 December 2009 £	Period from 9 May 2008 to 31 December 2008 £
Bank interest receivable	114	4,040



Blackpool Airport Limited

Notes to the financial statements Year ended 31 December 2009

5. Loss on ordinary activities before taxation

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

	Year ended 31 December 2009 £	Period from 9 May 2008 to 31 December 2008 £
Depreciation	846,671	534,947
Operating lease rentals - land and buildings	20,000	11,667
- hire of plant	5,231	2,580
Staff costs (see note 6)	3,644,824	2,626,015
Deferred capital grants released (see note 14)	(46,000)	(29,677)
Release of onerous lease provision	-	(410,518)
	<hr/>	<hr/>
Analysis of auditors' remuneration		
- audit of the company's financial statements	21,500	21,500
- non-audit services - tax	2,000	2,000
- accounts preparation	-	5,000
- completion accounts	-	9,000
	<hr/>	<hr/>
	23,500	37,500
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The above audit fees include audit fees for other subsidiaries within the Regional & City Airports (Blackpool) Holdings Limited group of £5,000 (period to 31 December 2008 £5,750) which have been recharged



Notes to the financial statements

Year ended 31 December 2009

Employee costs, including directors, during the year amounted to

The average monthly number of employees, including directors, was

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



Blackpool Airport Limited

Notes to the financial statements Year ended 31 December 2009

8. Taxation

	Year ended 31 December 2009 £	Period from 9 May 2008 to 31 December 2008 £
Current tax		
Current year	(983,900)	(693,391)
Prior year adjustment	(907)	-
	<u>(984,807)</u>	<u>(693,391)</u>
UK corporation taxation credit		
	<u>(984,807)</u>	<u>(693,391)</u>

The current tax charge for the year differs from the standard rate of corporation tax in the UK (28%) The differences are explained below

	Year ended 31 December 2009 £	Period from 9 May 2008 to 31 December 2008 £
Current tax reconciliation		
Loss on ordinary activities before tax	(3,880,368)	(2,631,839)
Current tax at 28% (31 December 2008 28%)	<u>(1,086,503)</u>	<u>(736,915)</u>
Effects of		
Expenses not deductible for tax purposes	198,421	107,406
Accelerated capital allowances	(128,074)	(94,287)
Previous year adjustments	(907)	-
Other timing differences	6,857	-
Group relief surrendered for no payment	25,399	30,405
	<u>(984,807)</u>	<u>(693,391)</u>
Total current tax credit (see above)		
	<u>(984,807)</u>	<u>(693,391)</u>

A deferred tax asset of £3,281.662 (period to 31 December 2008 £3,400,568) has not been recognised in these financial statements The asset would be recognised if it was regarded as more likely than not that suitable profits would be made in the immediate future

The deferred tax asset relates to accelerated capital allowances (£474,265), tax losses carried forward (£2,800,029) and timing differences (£7,368)

Blackpool Airport Limited

Notes to the financial statements Year ended 31 December 2009

9. Tangible fixed assets

	Freehold buildings, runways and resurfacing £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2009	15,001,013	3,810,983	47,400	18,859,396
Additions	1,062,830	30,216	-	1,093,046
Disposals	-	-	(12,500)	(12,500)
At 31 December 2009	16,063,843	3,841,199	34,900	19,939,942
Accumulated depreciation				
At 1 January 2009	9,299,622	2,833,820	47,400	12,180,842
Charge for the year	663,737	182,934	-	846,671
Disposals	-	-	(12,500)	(12,500)
At 31 December 2009	9,963,359	3,016,754	34,900	13,015,013
Net book value				
At 31 December 2009	6,100,484	824,445	-	6,924,929
At 31 December 2008	5,701,391	977,163	-	6,678,554

10. Stocks

	31 December 2009 £	31 December 2008 £
Raw materials	134,753	92,038
Finished goods	67,631	71,965
	202,384	164,003

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 Year ended 31 December 2009

11. Debtors: amounts falling due within one year

	31 December 2009 £	31 December 2008 £
Trade debtors	598,370	881,112
Amounts due from group undertakings	5,526,432	5,541,182
Group relief recoverable	1,678,198	693,391
Other debtors	120,155	268,533
Prepayments and accrued income	209,882	181,512
	<u>8,133,037</u>	<u>7,565,730</u>

12. Creditors: amounts falling due within one year

	31 December 2009 £	31 December 2008 £
Trade creditors	270,663	546,264
Amounts due to group undertakings	15,273,529	11,254,869
Other creditors including taxation and social security	95,178	101,606
Accruals and deferred income	561,066	537,103
Bank overdraft	175,845	141,652
	<u>16,376,281</u>	<u>12,581,494</u>

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

	31 December 2009 £	31 December 2008 £
Accruals and deferred income (see note 14)	<u>765,000</u>	<u>811,000</u>



Notes to the financial statements
Year ended 31 December 2009

	31 December 2009 £	31 December 2008 £
Government grants		
Balance at 1 January 2009	811,000	840,677
Credited to profit and loss account in the year	(46,000)	(29,677)
	<hr/>	<hr/>
Balance at 31 December 2009	765,000	811 000

	31 December 2009 £	31 December 2008 £
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

	Profit and loss account £	Share premium account £	Total £
As at 1 January 2009	(15,677,400)	7,440	(15,669,960)
Retained loss for the year	(2,895,561)	-	(2,895,561)
At 31 December 2009	(18,572,961)	7,440	(18,565,521)



Blackpool Airport Limited

Notes to the financial statements Year ended 31 December 2009

17 Reconciliation of movements in shareholder's (deficit)/funds

	31 December 2009 £	31 December 2008 £
Loss for the financial year	(2,895,561)	(1,938,448)
Opening shareholder's funds	1,018,026	2,956,474
Closing shareholder's (deficit)/funds	<u>(1,877,535)</u>	<u>1,018,026</u>

18. Leasing commitments

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

	Land and buildings	
	31 December 2009 £	31 December 2008 £
Expiry date		
Over five years	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

19. Related parties transactions

On 31 December 2009 the company has an amount due from Blackpool Airport Properties Limited, a group undertaking, of £5,526,432 (31 December 2008 £5,541,182) During the year, Blackpool Airport Properties Limited has charged £20,000 (period to 31 December 2008 £11,667) in rent and the company has paid £5,250 (period to 31 December 2008 £750) of expenses on their behalf

On 31 December 2009, the company has an amount due from Balfour Beatty Group Limited, a group undertaking, of £1,678 198 (31 December 2008 £693 391) being tax recoverable recharged during the year and previous year

On 31 December 2009, the company has an amount due to Regional & City Airports (Blackpool) Limited (formerly City Hopper Airports (Blackpool) Limited), a group undertaking, of £4,958,691 (31 December 2008 £4,964,191) The company has paid expenses of £5,500 (period to 31 December 2008 £500) on their behalf during the year

On 31 December 2009, the company has an amount due to Regional & City Airports (Blackpool) Holdings Limited, a group undertaking, of £3,946,430 (31 December 2008 £3,811,882) and the company has been charged £134,548 (period to 31 December 2008 £169,531) in interest during the year

On 31 December 2009, the company has an amount due to Balfour Beatty Infrastructure Investments Limited, a group undertaking, of £6,368,408 (31 December 2008 £2,478,796) and the company has been charged £84,963 (period to 31 December 2008 £63,039) in interest during the year

Blackpool Airport Limited

Notes to the financial statements Year ended 31 December 2009

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.