

APPENDIX 9.2
(referred to in paragraph 9.57 and 9.62)

Financial projections in nominal terms

TABLE 1 Financial projections from the CC base case assumptions: profit and loss and key performance indicators (nominal prices)

	£'000, nominal prices					
	Years ending 31 March					
	Q3 2003	Q4 2004	2005	2006	2007	2008
<i>Profit and loss (historical cost)</i>						
Total turnover	251,696	260,823	271,763	282,553	292,970	303,810
Of which:						
Regulated airport charges	122,649	118,715	118,265	116,543	116,086	115,432
Other revenue	129,047	142,107	153,497	166,010	176,883	188,378
Operating expenditure	-170,015	-154,827	-153,957	-157,313	-163,697	-170,847
Depreciation	<u>-48,655</u>	<u>-48,791</u>	<u>-50,463</u>	<u>-50,483</u>	<u>-50,944</u>	<u>-53,971</u>
Operating profits	33,025	57,205	67,342	74,756	78,329	78,993
Interest	<u>-24,817</u>	<u>-25,136</u>	<u>-25,792</u>	<u>-25,324</u>	<u>-25,915</u>	<u>-26,610</u>
Profit before tax	8,208	32,069	41,550	49,432	52,413	52,383
Tax	<u>-5,616</u>	<u>-9,722</u>	<u>-11,848</u>	<u>-11,379</u>	<u>-9,794</u>	<u>-9,952</u>
Profit after tax	<u>2,592</u>	<u>22,347</u>	<u>29,703</u>	<u>38,054</u>	<u>42,619</u>	<u>42,431</u>
<i>per cent</i>						
<i>Performance indicators</i>						
EBITDA cover	3.29	4.22	4.57	4.95	4.99	5.00
Acid test	1.91	1.83	1.95	1.61	1.81	1.88
Net debt: EBITDA	2.76	2.29	1.95	1.90	2.03	1.95
Net debt: net debt + owner's equity	24	25	23	23	24	24
Return on net operating assets	12.0	21.1	22.3	23.9	24.6	22.8
Operating margin	13.1	21.9	24.8	26.5	26.7	26.0
Percentage change in turnover	-	3.6	4.2	4.0	3.7	3.7
Percentage change in operating profit	-	73.2	17.7	11.0	4.8	0.8
Percentage change in profit before tax	-	290.7	29.6	19.0	6.0	-0.1
Percentage change in profit after tax	-	762.0	32.9	28.1	12.0	-0.4
£						
Operating costs per passenger	-9.31	-8.09	-7.63	-7.41	-7.23	-7.09
Operating profit per passenger	1.81	2.99	3.34	3.52	3.46	3.28

Source: CC modelling output.

TABLE 2 Financial projections from the CC base case assumptions: balance sheet (historical cost, nominal prices)

	£'000					
	Years ending 31 March					
	Q3 2003	Q4 2004	2005	2006	2007	2008
Tangible fixed assets	860,902	895,451	900,026	942,444	991,225	1,013,579
Fixed asset investments	118,053	118,053	118,053	118,053	118,053	118,053
Total fixed assets	<u>978,955</u>	<u>1,013,504</u>	<u>1,018,079</u>	<u>1,060,497</u>	<u>1,109,278</u>	<u>1,131,632</u>
Stocks	1,737	1,774	1,818	1,858	1,902	1,946
Debtors	28,263	29,268	30,449	31,598	32,725	33,910
Cash	42,049	42,959	44,039	45,006	46,064	47,112
Current assets	<u>72,049</u>	<u>74,001</u>	<u>76,307</u>	<u>78,463</u>	<u>80,691</u>	<u>82,968</u>
Creditors due within one year	-37,766	-40,432	-39,235	-48,832	-44,690	-44,157
Total assets less current liabilities	1,013,238	1,047,073	1,055,150	1,090,129	1,145,279	1,170,443
Creditors due after one year	-281,733	-300,283	-287,991	-296,961	-323,599	-321,337
Provisions	-4,515	-4,641	-4,797	-4,709	-4,728	-4,756
Net assets	<u>726,990</u>	<u>742,149</u>	<u>762,362</u>	<u>788,458</u>	<u>816,951</u>	<u>844,350</u>

Source: CC modelling output.

TABLE 3 Financial projections: dual-till scenario: profit and loss and key performance indicators (nominal prices)

	£'000					
	Years ending 31 March					
	Q3 2003	Q4 2004	2005	2006	2007	2008
<i>Profit and loss (historical cost)</i>						
Total turnover	251,696	274,415	300,039	326,724	355,074	385,621
Of which:						
Regulated airport charges	122,649	132,308	146,541	160,714	178,190	197,243
Other revenue	129,047	142,107	153,497	166,010	176,883	188,378
Operating expenditure	-170,015	-154,827	-153,957	-157,313	-163,697	-170,847
Depreciation	<u>-48,655</u>	<u>-48,791</u>	<u>-50,463</u>	<u>-50,483</u>	<u>-50,944</u>	<u>-53,971</u>
Operating profits	33,025	70,797	95,618	118,928	140,433	160,803
Interest	<u>-24,817</u>	<u>-24,784</u>	<u>-24,379</u>	<u>-22,223</u>	<u>-20,150</u>	<u>-17,208</u>
Profit before tax	8,208	46,014	71,239	96,705	120,283	143,595
Tax	<u>-5,616</u>	<u>-13,906</u>	<u>-20,754</u>	<u>-25,560</u>	<u>-30,155</u>	<u>-37,315</u>
Profit after tax	<u>2,592</u>	<u>32,108</u>	<u>50,485</u>	<u>71,144</u>	<u>90,128</u>	<u>106,280</u>
<i>per cent</i>						
<i>Performance indicators</i>						
EBITDA cover	3.29	4.83	5.99	7.62	9.50	12.48
Acid test	1.91	1.78	1.82	1.50	1.61	1.62
Net debt: EBITDA	2.76	1.94	1.35	1.01	0.78	0.38
Net debt: net debt + owner's equity	24	24	20	17	14	7
Return on net operating assets	12.0	24.3	26.2	26.9	25.9	23.0
Operating margin	13.1	25.8	31.9	36.4	39.6	41.7
Percentage change in turnover	-	9.0	9.3	8.9	8.7	8.6
Percentage change in operating profit	-	114.4	35.1	24.4	18.1	14.5
Percentage change in profit before tax	-	460.6	54.8	35.7	24.4	19.4
Percentage change in profit after tax	-	1,138.6	57.2	40.9	26.7	17.9
£						
Operating costs per passenger	-9.31	-8.09	-7.63	-7.41	-7.23	-7.09
Operating profit per passenger	1.81	3.70	4.74	5.60	6.20	6.67

Source: CC modelling output.

TABLE 4 Financial projections: dual-till scenario: balance sheet (historical cost, nominal prices)

	£'000					
	Q3 2003	Q4 2004	Years ending 31 March			
			2005	2006	2007	2008
Tangible fixed assets	860,902	895,451	900,079	942,673	991,633	1,014,110
Fixed asset investments	<u>118,053</u>	<u>118,053</u>	<u>118,053</u>	<u>118,053</u>	<u>118,053</u>	<u>118,053</u>
Total fixed assets	<u>978,955</u>	<u>1,013,504</u>	<u>1,018,132</u>	<u>1,060,726</u>	<u>1,109,686</u>	<u>1,132,163</u>
Stocks	1,737	1,774	1,821	1,863	1,906	1,950
Debtors	28,263	30,706	33,458	36,321	39,359	42,631
Cash	<u>42,049</u>	<u>42,959</u>	<u>44,103</u>	<u>45,105</u>	<u>46,149</u>	<u>47,207</u>
Current assets	<u>72,049</u>	<u>75,440</u>	<u>79,381</u>	<u>83,289</u>	<u>87,414</u>	<u>91,788</u>
Creditors due within one year	<u>-37,766</u>	<u>-42,477</u>	<u>-43,522</u>	<u>-55,576</u>	<u>-54,178</u>	<u>-56,646</u>
Total assets less current liabilities	1,013,238	1,046,466	1,053,991	1,088,439	1,142,922	1,167,305
Creditors due after one year	-281,733	-289,906	-256,350	-231,635	-209,874	-142,800
Provisions	<u>-4,515</u>	<u>-4,641</u>	<u>-4,811</u>	<u>-4,730</u>	<u>-4,746</u>	<u>-4,775</u>
Net assets	726,990	751,920	792,829	852,075	928,302	1,019,731

Source: CC modelling output.