

# STOP BRISTOL AIRPORT EXPANSION

PRESS RELEASE

Tuesday 24 March 2009

## AIRPORT AVOIDS PAYING UK CORPORATION TAX

Bristol International Airport has been accused of avoiding paying corporation tax in the UK, in a new video posted online by Stop Bristol Airport Expansion. The video (see [www.stopbia.com](http://www.stopbia.com)) also highlights the economic costs of airport expansion, including jobs and revenue which are lost to tourist destinations overseas.

Company accounts filed by South West Airports Limited (part of the Macquarie Group) show that although Bristol International Airport had an operating profit of £24 million in 2007, it does not pay corporation tax because the profits are used for the repayment of shareholder loans [1].

Stop Bristol Airport Expansion (SBAE) says the company - which has also received subsidies from the SW Regional Development Agency [2] - has structured its accounts to minimise its tax liability.

Jeremy Birch from SBAE said:

"You'd think that Bristol International Airport would be making a substantial contribution to the UK public purse, but in reality it has gone to considerable lengths to avoid doing this. Of course, there is nothing illegal in avoiding tax in this way - but it does show how little the airport contributes."

In the video, Birch also claims that the airport is responsible for driving money out of the local economy, with more passengers flying out of the airport for overseas holidays than visiting the UK. The result, he says, is a tourism deficit which is hurting the tourist industry, particularly in the South West region.

There are six to ten times more UK-based passengers using the airport than foreign visitors flying here.

The video says this tourism deficit is responsible for job losses in the UK tourist industry - with as many as 14,000 jobs lost as a result of the deficit in 2008 - as more and more people spend weekend breaks overseas.

Birch said:

"People often assume that expanding the airport will be good news for the local economy but in reality, that is not the case. Businesses already have good links from the airport - and these are unlikely to improve. Expansion will really mean more money flying out of Bristol - and the local economy will pay the price."

The full video can be seen online at [www.stopbia.com](http://www.stopbia.com)

Stop Bristol Airport Expansion Limited

Company no. 6843411

**ENDS**

For media enquiries, contact Susan Pearson on 07891 460942

For further information, visit: **[www.stopbia.com](http://www.stopbia.com)**

Notes:

[1] BIA is a subsidiary of South West Airports Limited (company number 05403045) - and the figures are taken from the company's published accounts. According to the latest figures(2007), BIA has a turnover of £58m and an operating profit of £24m, but paid interest charges of over £30m on money owed to banks (£380 million) and shareholders (£70 million), officially making a loss.

The shareholder debt is used so that "interest" payments (pre-tax) appear to take the place of a dividend (which must be paid post-tax, and normally out of profits). The shareholder loan is not on commercial terms. Accounts show that Bristol airport did not pay corporation tax in 2007 or 2006, and claimed tax relief of £2.7m in 2007.

In 2007 SW Airports Ltd was owned by Macquarie Airports (UK) No 3 Ltd ( UK registered) and MEIF Luxembourg SA ( Luxembourg registered). The first of these is part of Macquarie Airports Group Limited (registered in Bermuda) - which has now become Bristol Airport (Bermuda) Ltd. MEIF is owned by Macquarie European Infrastructure Fund LP, a partnership registered in England and Wales.

South West Airport Ltd's accounts are available from Companies House. SBAE has purchased a copy but cannot forward it for copyright reasons.

[2] In 2004 the airport received £1.5m from the South West Regional Development Agency to extend its terminal - see: <http://www.southwestrda.org.uk/news/release.asp?ReleaseID=1193> .