

London City Airport Jet Centre Limited

**Directors' report and financial
statements**

Registered number 2120138

31 December 2010

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Directors' report and financial statements

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Directors' report

The directors submit their report together with the accounts of the Company in respect of the year ended 31 December 2010

Principal activities

The Company runs a corporate aviation concession at London City Airport

Business review

During the year the Company continued to develop as a premium Private Jet Terminal operator servicing the London corporate aviation market

Principal risks and uncertainties

The principal risks facing the Company are

- future changes in planning and environmental regulation,
- future changes in the airport operational regulation by control authorities, and
- changes to London's economic climate

Review of Company performance and development

London City Airport Jet Centre Limited handled nearly 7,400 corporate aviation movements in the year ended 31 December 2010 representing a 4% decrease on 2009. The financial performance of the Company was in line with the Board's expectations

Results and dividends

The profit attributable to shareholders of £4.5m (2009: £4.8m) is arrived at after crediting net interest of £0.9m (2009: £0.9m) and charging a tax expense of £1.5m (2009: £2.0m)

A dividend of £Nil was declared and paid in December 2010 (2009: £Nil)

Directors and directors' interests

The directors who held office during the year were as follows

| | |
|---------------|---|
| RE Gooding | |
| DG Thomson | (resigned 30/07/2010) |
| Adrian Colman | (appointed 01/04/2010, resigned 20/04/2011) |

There were no contracts or arrangements in which the directors of the Company had interests which are required to be disclosed under the Companies Act 2006

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board


Richard E Gooding
Director

The Royal Docks
London City Airport
London
E16 2PB

30 June 2011

Statement of directors' responsibilities in respect of the Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of West Silvertown Properties Limited

We have audited the financial statements of West Silvertown Properties Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


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.

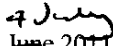
Matters on which we are required to report by exception

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.


Ian Griffiths (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square, London, E14 5GL


June 2011

Profit and loss account
for the year ended 31 December 2010

| | <i>Note</i> | 2010 £000 | 2009 £000 |
|--|-------------|----------------------------|----------------------------|
| Turnover | 2 | 9,578 | 10,476 |
| Cost of sales | | (1,751) | (1,758) |
| Gross profit | | 7,827 | 8,718 |
| Administrative expenses | | (2,690) | (2,794) |
| Operating profit | 3 | 5,137 | 5,924 |
| Interest received and similar income | 4 | 932 | 857 |
| Profit on ordinary activities before taxation | | 6,069 | 6,781 |
| Taxation on profit on ordinary activities | 7 | (1,523) | (2,029) |
| Profit for the financial year | | 4,546 | 4,752 |

There were no other gains or losses during the current or previous financial year other than those stated in the profit and loss account above

The results for the current and prior year are derived from continuing operations

Registered number 2120138

Balance Sheet
as at 31 December 2010

| | <i>Note</i> | 2010 £000 | 2009 £000 |
|---|-------------|----------------------|----------------------|
| Fixed assets | | | |
| Tangible fixed assets | 8 | 2,535 | 2,815 |
| Current assets | | | |
| Debtors amounts falling due within one year | 9 | 19,772 | 18,746 |
| Debtors amounts falling due after more than one year | 10 | 12,549 | 11,584 |
| Cash at bank and in hand | | 1,395 | 206 |
| Creditors: amounts falling due within one year | 11 | 33,716 (14,015) | 30,536 (15,661) |
| Net current assets | | 19,701 | 14,875 |
| Total assets less current liabilities | | 22,236 | 17,690 |
| Net assets | | 22,236 | 17,690 |
| Capital and reserves | | | |
| Called up share capital | 13 | 10,838 | 10,838 |
| Profit and loss account | 14 | 11,398 | 6,852 |
| Shareholders' funds | | 22,236 | 17,690 |

The notes on pages 9 to 13 form part of the financial statements

These financial statements were approved by the board of directors on 30 June 2011 and were signed on its behalf by



Richard E Gooding
Director

Notes

(forming part of the financial statements)

1 Basis of preparation of accounts

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own consolidated financial statements

2 Accounting policies

The following policies have been applied consistently in dealing with items considered material to the Company's accounts

Turnover

Turnover is calculated on the invoiced value of services supplied during the trading period and excludes value added tax. Turnover includes deferred and accrued income due to the terms and conditions of the Group's contracts with its customers

Turnover comprises corporate aircraft handling fees and a share of aviation charges under a concession agreement with London City Airport Limited, as well as access and parking charges based solely in the United Kingdom

Fixed assets and depreciation

Depreciation is provided on a straight line basis in order to write off the value of the assets over their estimated useful lives as follows

| | | |
|--------------|---|------------|
| Buildings | - | 10 years |
| Other assets | - | 3-10 years |

Taxation

The tax charge is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Provision is made for any consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Borrowings

All borrowings are initially stated at the fair value of the consideration received after the deduction of issue costs. Issue costs together with the deferred finance costs are charged to the profit and loss account over the term of the borrowings pro rata to the balance of capital outstanding

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Cash

Cash comprises cash in hand and deposits repayable on demand

Notes (continued)

3 Operating profit

| | 2010 £000 | 2009 £000 |
|---|-------------------|-------------------|
| <i>Operating profit is stated after charging:</i> | | |
| Auditors' remuneration | | |
| Audit | 17 | 16 |
| Depreciation | 461 | 455 |
| Operating lease rentals | 42 | 46 |
| | <u> </u> | <u> </u> |

4 Interest received and similar income

| | 2010 £000 | 2009 £000 |
|---------------|-------------------|-------------------|
| Bank interest | - | 2 |
| Group loans | 932 | 855 |
| | <u> </u> | <u> </u> |
| | 932 | 857 |
| | <u> </u> | <u> </u> |

5 Directors' emoluments

| | 2010 £000 | 2009 £000 |
|-----------------------|-------------------|-------------------|
| Directors' emoluments | - | - |
| | <u> </u> | <u> </u> |

The aggregate pension contributions paid on behalf of the directors were £nil (2009 £nil)

Directors costs are recharged from a company within the parent company's group structure

6 Employees

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows

| | 2010 | 2009 |
|-----------------|-------------------|-------------------|
| Number employed | | |
| Operational | 39 | 36 |
| Administrative | - | - |
| | <u> </u> | <u> </u> |
| | 39 | 36 |
| | <u> </u> | <u> </u> |

| | 2010 £000 | 2009 £000 |
|-----------------------|-------------------|-------------------|
| Aggregate costs | | |
| Wages and salaries | 924 | 853 |
| Social security costs | 93 | 85 |
| Other pension costs | 43 | 40 |
| | <u> </u> | <u> </u> |
| | 1,060 | 978 |
| | <u> </u> | <u> </u> |

Notes (continued)

7 Taxation

| | 2010 £000 | 2009 £000 |
|---|--------------|--------------|
| <i>Analysis of taxation charge in period</i> | | |
| UK corporation tax | | |
| Current tax charge on income for the year at 28% (2009 28%) | 1,523 | 2,029 |
| | <hr/> | <hr/> |
| Tax on profit on ordinary activities | 1,523 | 2,029 |
| | <hr/> | <hr/> |
| <i>Current tax reconciliation</i> | | |
| | 2010 £000 | 2009 £000 |
| Profit on ordinary activities before taxation | 6,069 | 6,780 |
| | <hr/> | <hr/> |
| Profit on ordinary activities before taxation multiplied by Standard rate of corporation tax of 28% (2009 28%) | 1,699 | 1,898 |
| Expenses not tax deductible | (209) | 151 |
| Capital allowances in excess of depreciation | (21) | (62) |
| Transfer pricing adjustments on intercompany items | 54 | 42 |
| | <hr/> | <hr/> |
| | 1,523 | 2,029 |
| | <hr/> | <hr/> |

At 31 December 2010 there were unrecognised deferred tax assets of £65k (2009 £45k) in respect of accelerated capital allowances unlikely to be utilised in the foreseeable future

8 Tangible fixed assets

| | Long leasehold land and buildings £000 | Other assets owned £000 | Total £000 |
|---------------------------------|---|-------------------------------|---------------|
| <i>Cost</i> | | | |
| At 1 January 2010 | 4,919 | 540 | 5,459 |
| Additions | 27 | 154 | 181 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2010 | 4,946 | 694 | 5,640 |
| | <hr/> | <hr/> | <hr/> |
| <i>Accumulated depreciation</i> | | | |
| At 1 January 2010 | 2,257 | 387 | 2,644 |
| Charge for year | 429 | 32 | 461 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2010 | 2,686 | 419 | 3,105 |
| | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | |
| At 31 December 2010 | 2,260 | 275 | 2,535 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2009 | 2,662 | 153 | 2,815 |
| | <hr/> | <hr/> | <hr/> |

Notes (continued)

9 Debtors: amounts falling due within one year

| | 2010 £000 | 2009 £000 |
|---|---------------|---------------|
| Trade debtors | 1,128 | 1,026 |
| Amounts due from fellow subsidiary undertakings | 16,407 | 16,247 |
| Amount due from parent undertakings | 480 | 480 |
| Other debtors | 1,684 | 902 |
| Prepayments and accrued income | 73 | 91 |
| | <u>19,772</u> | <u>18,746</u> |

10 Debtors: amounts falling due after more than one year

| | 2010 £000 | 2009 £000 |
|---|---------------|---------------|
| Amounts due from fellow subsidiary undertakings | <u>12,549</u> | <u>11,584</u> |

11 Creditors: amounts falling due within one year

| | 2010 £000 | 2009 £000 |
|--|---------------|---------------|
| Trade creditors | 63 | 35 |
| Amounts owed to parent undertakings | 2,489 | 3,878 |
| Amounts owed to fellow subsidiary undertakings | 11,085 | 11,078 |
| Accruals and deferred income | 378 | 663 |
| Other creditors | - | 7 |
| | <u>14,015</u> | <u>15,661</u> |

12 Other financial commitments

The annual commitments on non-cancellable operating leases are as follows

| | 2010 £000 | 2009 £000 |
|-----------------------------|--------------|--------------|
| Plant and machinery | | |
| Lease expiring in 2-5 years | <u>42</u> | <u>46</u> |
| | <u>42</u> | <u>46</u> |

Notes (continued)

13 Share capital

| | 2010 £000 | 2009 £000 |
|---|--------------|--------------|
| <i>Authorised</i> | | |
| Equity Ordinary shares of £1 each | 25,000 | 25,000 |
| <i>Allotted, called up and fully paid</i> | | |
| Equity Ordinary shares of £1 each | 10,838 | 10,838 |

14 Reconciliation of movements in shareholder's funds

| | Share capital £000 | Profit and loss Account £000 | Total £000 |
|-------------------------------|-----------------------|------------------------------------|---------------|
| At 1 January 2010 | 10,838 | 6,852 | 17,690 |
| Profit for the financial year | - | 4,546 | 4,546 |
| At 31 December 2010 | 10,838 | 11,398 | 22,236 |

15 Ultimate and controlling parent undertaking

The ultimate and controlling parent undertaking is Clover EquityCo Limited, a company registered in Jersey

The largest UK parent undertaking which prepares group accounts is Docklands Aviation Group Limited, a company registered in England and Wales. The group accounts for Docklands Aviation Group Limited are available from the Company Secretary, London City Airport, City Aviation House, Royal Docks, London, E16 2PB

16 Related Parties

At the year end, the company was owed £480k (2009 £480k) by Clover BidCo Limited and £12.6m (2009 £11.6m) by West Silvertown Properties Limited. The amount due from West Silvertown Properties Limited bears interest at 8% per annum amounting to £930k (2009 £855k). All of these companies are under common control by the ultimate parent undertaking, Clover EquityCo Limited. The company has taken advantage of the exemption under of the exemption under FRS8 from related party disclosures with other group companies.