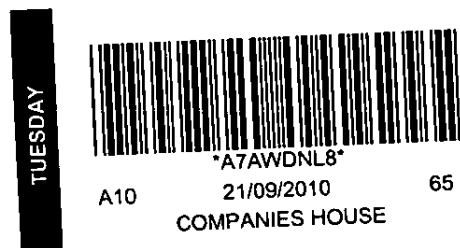


London City Airport Jet Centre Limited

**Directors' report and financial
statements**

Registered number 2120138

31 December 2009



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 2009

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 7,700 corporate aviation movements in the year ended 31 December 2009 representing a 21.4 % decrease on 2008. The financial performance of the Company was in line with the Board's expectations

Results and dividends

The profit attributable to shareholders of £4.7m (2008 profit of £5.0m) is arrived at after crediting net interest of £0.9m (2008 crediting net interest of £1.0m) and a tax expense of £2.0m (2008 £2.2m)

A dividend of £Nil was declared and paid in December 2009 (2008 £10.0m)

Directors and directors' interests

The directors who held office during the year were as follows

RE Gooding
DG Thomson
Michael McGhee (Resigned 11/12/09)

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

David G Thomson
Director



The Royal Docks
London City Airport
London
E16 2PB

30 March 2010

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 auditors' report to the members of London City Airport Jet Centre Limited

We have audited the financial statements of London City Airport Jet Centre Limited for the year ended 31 December 2009 set out on pages 7 to 14. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

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 web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

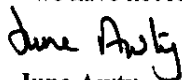
- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies 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.



June Awty
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square, London, EC4Y 8BB

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Turnover	2	10,476	11,646
Cost of sales		(1,758)	(2,662)
Gross profit		8,718	8,984
Administrative expenses		(2,794)	(2,728)
Operating profit	3	5,924	6,256
Interest received and similar income	4	857	997
Profit on ordinary activities before taxation		6,781	7,253
Taxation on profit on ordinary activities	7	(2,029)	(2,246)
Profit for the financial year		4,752	5,007

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

Balance sheet
as at 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Fixed assets			
Tangible fixed assets	9	2,815	3,059
Current assets			
Debtors amounts falling due within one year	10	18,746	12,899
Debtors amounts falling due after more than one year	11	11,584	12,031
Cash at bank and in hand		206	452
Creditors amounts falling due within one year	12	30,536 (15,661)	25,382 (15,503)
Net current assets		14,875	9,879
Total assets less current liabilities		17,689	12,938
Net assets		17,690	12,938
Capital and reserves			
Called up share capital	14	10,838	10,838
Profit and loss account	15	6,852	2,100
Shareholders' funds		17,690	12,938

The notes on pages 9 to 14 form part of the financial statements

These financial statements were approved by the board of directors on 30 March 2010 and were signed on its behalf by

Richard E Gooding
Director



David G Thomson
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 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

Notes (continued)

2 Accounting policies (continued)

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 Group Personal Pension Scheme, whereby a percentage of base salary is paid to a private pension arrangements for certain employees.

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.

3 Operating profit

	2009 £000	2008 £000
<i>Operating profit is stated after charging</i>		
Auditors' remuneration		
Audit	16	16
Depreciation	455	406
Operating lease rentals	46	52
	<u> </u>	<u> </u>

4 Interest received and similar income

	2009 £000	2008 £000
Bank interest	2	202
Group loans	855	795
	<u> </u>	<u> </u>
	857	997
	<u> </u>	<u> </u>

Notes (continued)

5 Directors' emoluments

	2009 £000	2008 £000
Directors' emoluments	-	-

The aggregate pension contributions paid on behalf of the directors were £nil (2008 nil)

6 Employees

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

	2009	2008
Number employed		
Operational	36	36
Administrative	-	-
	<u>36</u>	<u>36</u>
	200 £00	2008 £000

Aggregate costs		
Wages and salaries	853	958
Social security costs	85	96
Other pension costs	40	41
	<u>978</u>	<u>1,095</u>

7 Taxation

	2009 £000	2008 £000
<i>Analysis of taxation charge in period</i>		
UK corporation tax		
Current tax charge on income for the year at 28% (2008 28%)	2,029	2,246
	<u>2,029</u>	<u>2,246</u>
Tax on profit on ordinary activities		
	<u>2,029</u>	<u>2,246</u>

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	6,780	7,256
	<u>6,780</u>	<u>7,256</u>
Profit on ordinary activities before taxation multiplied by Standard rate of corporation tax of 28% (2008 28%)	1,898	2,032
Expenses not tax deductible	151	81
Capital allowances in excess of depreciation	(62)	(13)
Transfer pricing adjustments on intercompany items	42	146
	<u>2,029</u>	<u>2,246</u>

Notes (continued)

8 Dividends

	2009	2008
	£000	£000
Dividends Paid	-	10,000

In December 2009, the company paid a dividend of £Nil per share (2008 £ 922 67)

9 Tangible fixed assets

	Long leasehold land and buildings	Other assets owned	Total
	£000	£000	£000
<i>Cost</i>			
At 1 January 2009	4,705	540	5,245
Additions	214	-	214
At 31 December 2009	4,919	540	5,459
<i>Accumulated depreciation</i>			
At 1 January 2009	1,829	357	2,186
Charge for year	428	30	458
At 31 December 2009	2,257	387	2,644
<i>Net book value</i>			
At 31 December 2009	2,662	153	2,815
At 31 December 2008	2,876	183	3,059

10 Debtors: amounts falling due within one year

	2009	2008
	£000	£000
Trade debtors	1,026	1,102
Amounts due from fellow subsidiary undertakings	16,247	10,635
Amount due from parent undertakings	480	954
Other debtors	902	208
Prepayments and accrued income	91	-
	18,746	12,899

Notes (continued)

11 Debtors: amounts falling due after more than one year

	2009	2008
	£000	£000
Amounts due from fellow subsidiary undertakings	11,584	12,031
	<u>11,584</u>	<u>12,031</u>

12 Creditors: amounts falling due within one year

	2009	2008
	£000	£000
Trade creditors	35	47
Amounts owed to parent undertakings	3,878	14,726
Amounts owed to fellow subsidiary undertakings	11,078	-
Accruals and deferred income	663	730
Other creditors	7	-
	<u>15,661</u>	<u>15,503</u>

13 Other financial commitments

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

	2009	2008
	£000	£000
Plant and machinery		
Lease expiring in 2-5 years	46	52
	<u>46</u>	<u>52</u>

14 Share capital

	2009	2008
	£000	£000
<i>Authorised</i>		
Equity Ordinary shares of £1 each	25,000	25,000
	<u>25,000</u>	<u>25,000</u>
<i>Allotted, called up and fully paid</i>		
Equity Ordinary shares of £1 each	10,838	10,838
	<u>10,838</u>	<u>10,838</u>

15 Reconciliation of movements in shareholder's funds

	Share capital	Profit and loss Account	Total
	£000	£000	£000
At 1 January 2009	10,838	2,100	12,938
Profit for the financial year	-	4,752	4,752
Dividend paid (Note 8)	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2009	10,838	6,852	17,690
	<hr/>	<hr/>	<hr/>

16 Ultimate and controlling parent undertaking

The ultimate and controlling parent undertaking is Clover Equity Co 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

17 Related Parties

At the year end, the company was owed £480,000 (2008 £480,000) by Clover BidCo Limited, £Nil (2008 £1,300,000) by Stratfield Limited, £78,392 (2008 £nil) by City Aviation Properties Limited and £11,584,000 (2008 £10,731,000) by West Silvertown Properties Limited. The amount due from West Silvertown Properties Limited bears interest at 8% per annum amounting to £855,000 (2008 £795,000). At the year end the company owed £256 (2008 £nil) to King George V Dock Properties Limited and £2,743 (2008 was owed £107) to North Woolwich Properties Limited. 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.