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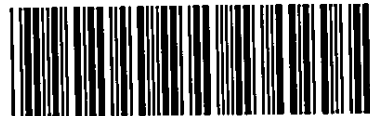
Registered no 4140620

**LONDON ASHFORD AIRPORT
LIMITED**

ABBREVIATED ACCOUNTS

**YEAR ENDED
31 DECEMBER 2009**

TUESDAY



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30/11/2010

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COMPANIES HOUSE

**LUBBOCK FINE
Chartered Accountants
Russell Bedford House
City Forum, 250 City Road
London EC1V 2QQ**

LONDON ASHFORD AIRPORT LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2009

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LONDON ASHFORD AIRPORT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Adel Ahmad Al Mahmoud Fahad Mohammed Saleh Al-Athel Bader Fahad Mohammed Al-Athel Mohammed Fahad Mohammed Al-Athel Turki Fahad Mohammed Al-Athel
Company secretary	Hani Mutlaq
Registered office	Lydd Airport Lydd Kent TN29 9QL
Auditor	Lubbock Fine Chartered Accountants & Statutory Auditor Russell Bedford House City Forum, 250 City Road London EC1V 2QQ
Bankers	HSBC Bank plc 69 Pall Mall London SW1Y 5EY

LONDON ASHFORD AIRPORT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was airport operations management

The company continued to make losses in the year due the high fixed cost base of operating an airport. Trading results were as expected, with no significant change from the previous year due to no significant changes in the company or the operating environment. The company had fully budgeted for the loss incurred in the financial statements

FUTURE DEVELOPMENTS

The company has submitted two planning applications, one for an extension to the existing runway and the other for a new terminal building. The plans will allow the airport to expand passenger capacity and increase the range of aircraft that can use the facilities

The company continues to market the existing facilities to potential customers with the intention of expanding the customer base and increasing the engineering services offered

KEY PERFORMANCE INDICATORS

The gross profit of the company fell to £481,329 from £537,209 in the previous year. This fall occurred predominately due to increases in fuel costs that could not be passed on to customers and so reduced margins

RESULTS AND DIVIDENDS

The loss for the year amounted to £1,600,494. The directors have not recommended a dividend

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise borrowings, cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations. The main risks arising from the company's financial instruments are interest rate risk, cash flow risk and liquidity risk. The company has no formal procedures for managing these risks, though the company continually reviews these risks and takes action as deemed necessary

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk for the company is that the planning applications noted above are not successful. The company was successful in receiving approval from the local council in March 2010. The application has since been referred to a public enquiry and the company is confident that the application will be approved, with a result expected by February 2011

LONDON ASHFORD AIRPORT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

DIRECTORS

The directors who served the company during the year were as follows

Mohammed Al-Omar
Robin D Gordon
Adel Ahmad Al Mahmoud
Zaher N J Deir
Jonathan M Gordon
Clifford R Spink CB CBE FCMI FRAES Air Marshal

Zaher N J Deir retired as a director on 12 March 2009
Jonathan M Gordon was appointed a director on 1 September 2009 and retired on 7 July 2010
Mohammed Al-Omar retired as a director on 29 March 2010
Clifford R Spink CB CBE FCMI FRAES Air Marshal retired as a director on 29 March 2010
Robin D Gordon retired as a director on 29 April 2010
Fahad Mohammed Saleh Al-Athel was appointed as a director on 1 May 2010
Bader Fahad Mohammed Al-Athel was appointed as a director on 1 May 2010
Mohammed Fahad Mohammed Al-Athel was appointed as a director on 1 May 2010
Turki Fahad Mohammed Al-Athel was appointed as a director on 1 May 2010

DIRECTORS' RESPONSIBILITIES

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 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). 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

LONDON ASHFORD AIRPORT LIMITED

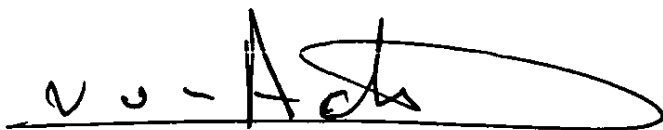
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

AUDITOR

Lubbock Fine are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'Adel', is written over a horizontal line.

Adel Ahmad Al Mahmoud
Director

Approved by the directors on 21/9/2010

LONDON ASHFORD AIRPORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO LONDON ASHFORD AIRPORT LIMITED

IN ACCORDANCE WITH CHAPTER 3 OF SECTION 16 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 19, together with the financial statements of London Ashford Airport Limited for the year ended 31 December 2009 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Lubbock Fine

Lee Facey (Senior Statutory Auditor)

For and on behalf of

Lubbock Fine

Chartered Accountants
& Statutory Auditor

Date 25/11/12

Russell Bedford House
City Forum, 250 City Road
London EC1V 2QQ

LONDON ASHFORD AIRPORT LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

		2009	2008 <i>(restated)</i>
	Note	£	£
TURNOVER		943,215	967,222
Cost of Sales and Other operating income		(386,645)	(427,250)
Distribution Costs		—	(4,596)
Administrative expenses		(2,128,397)	(2,406,086)
OPERATING LOSS	2	(1,571,827)	(1,870,710)
Interest receivable		9	—
Interest payable and similar charges	5	(28,676)	(63,463)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,600,494)	(1,934,173)
Tax on loss on ordinary activities	6	—	—
LOSS FOR THE FINANCIAL YEAR		(1,600,494)	(1,934,173)
Balance brought forward		(10,592,893)	(8,658,720)
Balance carried forward		<u>(12,193,387)</u>	<u>(10,592,893)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 19 form part of these abbreviated accounts.

LONDON ASHFORD AIRPORT LIMITED

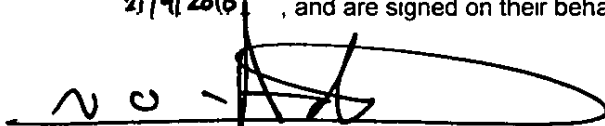
ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2009

		2009		2008 (restated)	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	7		11,279,745		10,931,024
CURRENT ASSETS					
Stocks	8	73,319		53,882	
Debtors	9	776,289		608,485	
Cash at bank and in hand		496,145		3,950	
		1,345,753		666,317	
CREDITORS: Amounts falling due within one year	10	(9,435,088)		(7,556,437)	
NET CURRENT LIABILITIES			(8,089,335)		(6,890,120)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,190,410		4,040,904
CREDITORS: Amounts falling due after more than one year	11		(750,000)		-
			2,440,410		4,040,904
CAPITAL AND RESERVES					
Called-up equity share capital	16		13,095,334		13,095,334
Share premium account	17		1,538,463		1,538,463
Profit and loss account			(12,193,387)		(10,592,893)
SHAREHOLDERS' FUNDS	18		2,440,410		4,040,904

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 21/1/2010, and are signed on their behalf by



Adel Ahmad Al Mahmoud
Director

Company Registration Number 4140620

The notes on pages 9 to 19 form part of these abbreviated accounts.

LONDON ASHFORD AIRPORT LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2009

		2009		2008 <i>(restated)</i>	
	Note	£	£	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	20		(1,578,881)		(1,870,558)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		9		—	
Interest paid		(30,237)		(72,481)	
Interest element of hire purchase		(105)		(4,438)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(30,333)		(76,919)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(583,592)		(507,360)	
Receipts from sale of fixed assets		3,000		30,304	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(580,592)		(477,056)
CASH OUTFLOW BEFORE FINANCING			(2,189,806)		(2,424,533)
FINANCING					
Increase in bank loans		950,000		—	
New amounts owed to group undertakings		2,810,000		2,310,730	
Capital element of hire purchase		(3,619)		(131,948)	
NET CASH INFLOW FROM FINANCING			3,756,381		2,178,782
INCREASE/(DECREASE) IN CASH	21		<u>1,566,575</u>		<u>(245,751)</u>

The notes on pages 9 to 19 form part of these abbreviated accounts.

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

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

The company meets its day to day working capital requirements by support of the parent company and the bank. The directors believe it is appropriate to prepare the financial statements on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future on the basis of the company's plans, the continued support of the parent company and the bank.

If the company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and provide for further liabilities that might arise.

Turnover

Turnover represents amounts receivable for the sales of goods, services and rental income, excluding value added tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 10% to 33% on cost
Motor Vehicles	- 15% to 25% on cost
Airport Operations	- 10% to 15% on cost

Freehold and leasehold property includes runways, taxiways and aprons. Runways surfaces are depreciated over 20 years on a straight line basis. Taxiways and aprons are depreciated over 50 years on a straight line basis. All other leasehold property is depreciated over the life of the lease.

No depreciation is provided for on freehold land.

No depreciation is provided on assets under construction.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES (continued)

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2009	2008 <i>(restated)</i>
	£	£
Depreciation of owned fixed assets	405,541	413,527
Depreciation of assets held under hire purchase agreements	—	3,224
(Profit)/Loss on disposal of fixed assets	(66,040)	7,993
Net loss on foreign currency translation	26	19
Auditor's remuneration	<u>20,250</u>	<u>13,461</u>

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

3 OPERATING LOSS (continued)

	2009	2008 <i>(restated)</i>
	£	£
Lubbock Fine Auditor's remuneration – audit of the financial statements	<u>14,000</u>	<u>10,500</u>
Auditor's remuneration – other fees - Taxation services	<u>6,250</u>	<u>-</u>
Phipps & Co Auditor's remuneration - audit of the financial statements	<u>-</u>	<u>2,961</u>

Phipps & Co fees refer to under accrual of audit fees for the year ended 31 December 2006

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2009	2008 <i>(restated)</i>
	No	No
Number of administrative staff	<u>47</u>	<u>56</u>

The aggregate payroll costs of the above were

	2009	2008 <i>(restated)</i>
	£	£
Wages and salaries	1,004,050	1,063,838
Social security costs	96,539	121,495
Other pension costs	17,776	19,805
	<u>1,118,365</u>	<u>1,205,138</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008 <i>(restated)</i>
	£	£
Remuneration receivable	-	57,893
Value of company pension contributions to money purchase schemes	-	2,308
	<u>-</u>	<u>60,201</u>

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

4 DIRECTORS' REMUNERATION *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

	2009	2008 <i>(restated)</i>
	No	No
Money purchase schemes	<u>-</u>	<u>1</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008 <i>(restated)</i>
	£	£
Interest payable on bank borrowing	24,131	59,025
Finance charges	105	4,438
Other similar charges payable	4,440	-
	<u>28,676</u>	<u>63,463</u>

6. TAXATION ON ORDINARY ACTIVITIES

There is no tax to pay in view of the trading losses incurred by the company in the year

(a) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 28%)

	2009	2008 <i>(restated)</i>
	£	£
Loss on ordinary activities before taxation	<u>(1,600,494)</u>	<u>(1,934,173)</u>
Loss on ordinary activities by rate of tax	(448,138)	(541,568)
Depreciation in excess of capital allowances	88,066	73,823
Expenses not deductible for tax purposes	4,216	13,510
Tax losses carried forward	355,856	454,235
Total current tax (note 6(a))	<u>-</u>	<u>-</u>

(b) Factors that may affect future tax charges

A deferred tax asset of £3,272,705 (2008 - £2,838,979) has not been recognised in the accounts as it is uncertain whether the company will make sufficient future taxable profits to utilise this asset. The asset arises due to trade losses generated by the company in current and prior periods which may be offset against future taxable profits.

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

7. TANGIBLE FIXED ASSETS

	Freehold and Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Airport operations £	Assets under construction £	Total £
COST						
At 1 Jan 2009 (restated)	9,342,806	863,262	442,393	931,588	1,409,465	12,989,514
Additions	38,683	30,178	—	6,047	681,341	756,249
Disposals	(2,000)	—	—	—	—	(2,000)
At 31 Dec 2009	9,379,489	893,440	442,393	937,635	2,009,806	13,743,763
DEPRECIATION						
At 1 Jan 2009 (restated)	591,821	556,963	299,041	610,665	—	2,058,490
Charge for the year	98,533	117,709	50,098	139,201	—	405,541
On disposals	(13)	—	—	—	—	(13)
At 31 Dec 2009	690,341	674,672	349,139	749,866	—	2,464,018
NET BOOK VALUE						
At 31 Dec 2009	8,689,148	218,768	93,254	187,769	2,090,806	11,279,745
At 31 Dec 2008 (restated)	8,750,985	306,299	143,352	320,923	1,409,465	10,931,024

Included in freehold and leasehold land and buildings is freehold land of £1,701,250 (2008 - £1,701,250) which is not depreciated

8 STOCKS

	2009	2008 (restated)
	£	£
Stocks and work in progress	<u>73,319</u>	<u>53,882</u>

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

9. DEBTORS

	2009	2008 <i>(restated)</i>
	£	£
Trade debtors	114,289	100,586
Amounts owed by group undertakings	594,431	399,277
VAT recoverable	19,176	—
Other debtors	8,714	62,258
Prepayments and accrued income	39,679	46,364
	<u>776,289</u>	<u>608,485</u>

10 CREDITORS: Amounts falling due within one year

	2009	2008 <i>(restated)</i>
	£	£
Bank loans and overdrafts	200,000	1,074,380
Trade creditors	190,759	80,458
Amounts owed to group undertakings	8,777,160	6,331,140
PAYE and social security	26,060	—
VAT	—	5,515
Hire purchase agreements	—	3,619
Accruals and deferred income	241,109	61,325
	<u>9,435,088</u>	<u>7,556,437</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2009	2008 <i>(restated)</i>
	£	£
Bank loans and overdrafts	200,000	1,074,380
Hire purchase agreements	—	3,619
	<u>200,000</u>	<u>1,077,999</u>

Bank borrowings are secured by way of a fixed charge on the company's tangible fixed assets and debtors, and a floating charge over all other assets

11. CREDITORS: Amounts falling due after more than one year

	2009	2008 <i>(restated)</i>
	£	£
Bank loans and overdrafts	<u>750,000</u>	<u>—</u>

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

11. CREDITORS: Amounts falling due after more than one year (continued)

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2009	2008 (restated)
	£	£
Bank loans and overdrafts	750 000	—

Bank borrowings are secured by way of a fixed charge on the company's tangible fixed assets and debtors, and a floating charge over all other assets

12 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2009	2008 (restated)
	£	£
Amounts payable within 1 year	—	3,619
	—	3,619

Hire purchase agreements are secured on the assets to which they relate

13. PENSIONS

The company maintains a pension scheme for the certain employees of the company. The scheme operates on a defined contribution money purchase basis and the contributions are charged to the profit and loss account as they arise. The assets of the scheme are held separately from those of the company in an independent administered fund. The charge for the year was £17,776 (2008 - £19,805)

14 CONTINGENT LIABILITY

a) An unlimited multilateral company guarantee exists between the company, FAL Aviation Limited and Phoenix Engineering Limited, fellow subsidiaries of Lydd Holdings Limited, to secure the bank overdrafts of each other. The maximum potential liability of the company at 31 December 2009 was £nil (2008 - £957,672)

b) The company is currently engaged in a dispute with a former director. The former director is claiming £100,000 from the company in unpaid director's fees. The directors of the company do not believe the claim will succeed and as such have not provided for the amount in the accounts.

LONDON ASHFORD AIRPORT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2009

15. TRANSACTIONS WITH THE DIRECTORS

a) During the year, the company made sales of £111,158 (2008 - £97,133) to Lyddair Limited, a company of which Robin D Gordon is a director, and made purchases of £150 (2008 - £nil) from Lyddair Limited. The balance due from Lyddair Limited at the balance sheet date was £8,754 (2008 - £9,742)

b) During the year, the company recharged expenses of £3,380 (2008 - £30,345) to Lydd Airshow Limited, a company controlled by Zaher N J Deir. Monies totalling £703 (2008 - £nil) were transferred to the company from Lydd Airshow Limited. The balance due from Lydd Airshow Limited at the balance sheet date was £nil (2008 - £57,970). A balance of £60,647 was assigned to FAL Holdings Limited on 31 December 2009.

c) During the year, the company made purchases of £539 (2008 - £nil) and incurred expenses of £41,249 (2008 - £nil) on behalf of Phoenix Aero Engineering Limited, a fellow subsidiary of Lydd Holdings Limited. During the year, the company made sales to Phoenix Aero Engineering Limited of £8,318 (2008 - £20,421), and received loans of £1,000 (2008 - £nil) from Phoenix Aero Engineering Limited. The balance due from Phoenix Aero Engineering Limited at the balance sheet date was £303,673 (2008 - £255,645).

d) During the year, the company recharged expenses totalling £157,095 to FAL Holdings Limited, the ultimate parent company, and received monies totalling £2,810,000 from FAL Holdings Limited. The balance due to FAL Holdings Limited at the balance sheet date was £8,598,947 (2008 - £6,006,669). In addition the company accrued £75,000 (2008 - £nil) of fees payable to FAL Holdings Limited on success of planning applications to expand the airport.

e) During the year, the company made sales of £4,822 (2008 - £nil) to Lydd Golf Club Limited, a fellow subsidiary of Lydd Holdings Limited, and made purchases of £42 (2008 - £nil) from Lydd Golf Club Limited. During the year, the company incurred expenses totalling £82,345 (2008 - £nil) on behalf of Lydd Golf Club Limited and made loans of £60,000 to Lydd Golf Club Limited. The balance due from Lydd Golf Club Limited at the balance sheet date was £290,758 (2008 - £143,632).

f) During the year, the company paid £19,500 (2008 - £18,000) to Robin D Gordon in respect of consultancy services provided. The balance due to Robin D Gordon at the balance sheet date was £1,500 (2008 - £nil).

g) During the year, the company made sales and charged rent totalling £106,626 (2008 - £158,285) to FAL Aviation UK Limited, a fellow subsidiary of Lydd Holdings Limited, and made purchases totalling £1,062 (2008 - £nil) from FAL Aviation UK Limited. During the year, the company incurred expenses totalling £29,142 (2008 - £nil) on behalf of FAL Aviation UK Limited. During the year, loans of £11,552 (2008 - £nil) were advanced to FAL Aviation UK Limited. The balance due to FAL Aviation UK Limited at the balance sheet date was £178,213 (2008 - £324,471).

h) During the year, the company bought services totalling £48,645 (2008 - £22,484) and assets totalling £6,000 (2009 - £nil) from Clifford Spink Associates Limited, a company of which Clifford R Spink CB CBE FCMJ FRAES Air Marshal is a director. The balance due to Clifford Spink Associates Limited at the balance sheet date was £nil (2008 - £4,700).

i) During the year, the company made sales of £nil (2008 - £28,025) to Zaher N J Deir, a director of the company for part of the year, and sold motor vehicles at the market rate of £nil (2008 - £19,545) to Zaher N J Deir. The balance due from Zaher N J Deir at the balance sheet date was £52,474 (2008 - £52,474). The maximum balance of this loan during the year was £52,474 (2008 - £52,474).

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15 TRANSACTIONS WITH THE DIRECTORS (continued)

j) During the year, the company made sales of £nil (2008 - £8,947) to Jet Connections Limited, a company which is owned by Zaher N J Deir. The balance due from Jet Connections Limited at the balance sheet date was £6,995 (2008 - £6,995)

All balances are interest free, unsecured and repayable on demand

16 SHARE CAPITAL

Authorised share capital:

	2009	2008 <i>(restated)</i>
	£	£
20,000,000 Ordinary shares of £1 each	<u>20,000,000</u>	<u>20,000,000</u>

Allotted, called up and fully paid

	2009		2008 <i>(restated)</i>	
	No	£	No	£
13,095,334 Ordinary shares of £1 each	13,095,334	13,095,334	13,095,334	13,095,334

On 6 August 2010, the company increased its authorised share capital to 50,000,000 ordinary shares of £1 each. On the same date, the company issued a further 9,289,282 shares at par

17 SHARE PREMIUM ACCOUNT

	2009	2008 <i>(restated)</i>
	£	£
Balance brought forward as previously reported	1,538,463	–
Prior year adjustment	<u>–</u>	<u>1,538,463</u>
Balance brought forward restated	1,538,463	1,538,463
Balance carried forward	<u>1,538,463</u>	<u>1,538,463</u>

The company has restated its comparatives to reclassify £1,538,463 of ordinary share capital as share premium. The error occurred in relation to an issue of 1,461,537 ordinary shares of £1 each for consideration of £3,000,000 on 12 August 2003 being incorrectly recorded as 3,000,000 shares of £1 each issued at par. The adjustment has no effect on the prior years loss or retained profit brought forward.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008 <i>(restated)</i>
	£	£
Loss for the financial year	(1,600,494)	(1,934,173)
Opening shareholders' funds	4,040,904	5,975,077
Closing shareholders' funds	<u>2,440,410</u>	<u>4,040,904</u>

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**19 RECONCILIATION OF OPERATING LOSS TO
NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2009	2008 <i>(restated)</i>
	£	£
Operating loss	(1,571,827)	(1,870,710)
Depreciation	405,541	416,751
(Profit)/Loss on disposal of fixed assets	(66,040)	7,993
(Increase)/decrease in stocks	(19,437)	40,738
Increase in debtors	(228,449)	(214,659)
Decrease in creditors	(98,669)	(250,671)
Net cash outflow from operating activities	<u>(1,578,881)</u>	<u>(1,870,558)</u>

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009	2008 <i>(restated)</i>
	£	£
Increase/(decrease) in cash in the period	1,566,575	(245,751)
Net cash (inflow) from bank loans	(950,000)	—
Cash outflow in respect of hire purchase	<u>3,619</u>	<u>131,948</u>
	620,194	(113,803)
Change in net debt	620,194	(113,803)
Net debt at 1 January 2009	<u>(1,074,049)</u>	<u>(960,246)</u>
Net debt at 31 December 2009	<u>(453,855)</u>	<u>(1,074,049)</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2009 <i>(restated)</i> £	Cash flows £	At 31 Dec 2009 £
Net cash			
Cash in hand and at bank	3,950	492,195	496,145
Overdrafts	<u>(1,074,380)</u>	<u>1,074,380</u>	<u>—</u>
	<u>(1,070,430)</u>	<u>1,566,575</u>	<u>496,145</u>
Debt			
Debt due within 1 year	—	(200,000)	(200,000)
Debt due after 1 year	—	(750,000)	(750,000)
Hire purchase agreements	<u>(3,619)</u>	<u>3,619</u>	<u>—</u>
	<u>(3,619)</u>	<u>(946,381)</u>	<u>(950,000)</u>
Net debt	<u>(1,074,049)</u>	<u>620,194</u>	<u>(453,855)</u>

LONDON ASHFORD AIRPORT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

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22. ULTIMATE PARENT COMPANY

The immediate parent company is Lydd Holdings Limited, a company registered in the British Virgin Islands

The ultimate parent company is FAL Holdings Limited, a company registered in Saudi Arabia

23. CONTROLLING PARTY

The ultimate parent company is controlled by Sheikh Fahad Mohammed Saleh Al-Athel