

Samson Aviation Services Limited

Annual Report

For the year ended 31 December 2008

Registered Number: 2595980



Samson Aviation Services Limited

Annual report

for the period ended 31 December 2008

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Samson Aviation Services Limited

Directors and advisers

Directors

David Laws

Simon Fisher

Company secretary and registered office

Kirstin Hofbeck

General Aviation Terminal

Southside

Newcastle International Airport

Woolsington

Newcastle upon Tyne

NE13 8BT

Domicile, legal form and country of incorporation

The company is domiciled in the UK and is a private limited company. The company is incorporated, registered and operates within the UK.

Bankers

Royal Bank of Scotland

31 Grey Street

Newcastle upon Tyne NE1 6ES

HSBC Bank plc

110 Grey Street

Newcastle upon Tyne NE1 6JT

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

89 Sandyford Road

Newcastle upon Tyne NE1 8HW

Legal Advisers

Ward Hadaway

Sandgate House

102 Quayside

Newcastle upon Tyne

NE1 3DX

Samson Aviation Services Limited

Directors' report for the period ended 31 December 2008

The directors present their report and audited financial statements for the nine months ended 31 December 2008. During the period the company was acquired by Newcastle International Airport Limited following which the year end was changed from 31 March to 31 December to coincide with the year end of its fellow group undertakings.

Principal activities

The company's principal activity during the period was that of handling, refueling, hangarage, aircraft hire and servicing for executive, military and general aviation at Newcastle International Airport.

Review of business

Trading during the period ended 31 December 2008 has been consistent with the previous year. Towards the latter part of the period traffic numbers started to slow slightly as the effect of the recession started to impact on the business. Further slowing is expected in 2009 as economic conditions in the UK worsen but a number of initiatives are underway to drive new sales which are expected to partly mitigate the effect of such conditions.

Financial result for 2008

Total revenue in the period ended 31 December 2008 was £1,140,943 compared with £1,491,128 for the year to 31 March 2008. The profit after tax for the period ended 31 December 2008 amounts to £58,388 compared to a loss of £14,462 for the prior year. No dividends were paid in the current or prior periods.

Principal risks and uncertainties

The principal risks facing the company are those associated with the underlying aviation market as a whole and in particular general aviation for both corporate and private aviation.

Weaker demand for corporate and private flying poses a risk to future growth. Weaker demand may come from a number of factors including increases in the cost of fuel and weaker economic conditions which may lower the propensity of passengers and owners to fly. The business has indeed faced the outcome of such risks in the latter part of 2008 which has resulted in a slowing in movements and these risks will persist through 2009. We mitigate this by working with operators to encourage new business.

Key performance indicators

The company's principal key performance indicator is aircraft movements. For the nine months to 31 December 2008 aircraft movements showed a decrease of 4% from 377 to 361 on a per-month basis compared to the year ended 31 March 2008.

For 2009 further falls in aircraft movements are possible as economic conditions continue to provide difficult trading conditions.

Samson Aviation Services Limited

Directors

The directors of the company during the period ended 31 December 2008, all of whom have been directors for the whole of the period ended on that date and up to the date of approval of the financial statements unless stated otherwise were as follows:

D Laws (appointed 4 July 2008)

S Fisher (appointed 4 July 2008)

A Ballinger (resigned 4 July 2008)

N Crowther (resigned 4 July 2008)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial period. Under that law the directors have elected to prepare financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to 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.
- State that the financial statements comply with IFRS as adopted by the European Union.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Samson Aviation Services Limited

Going concern

The directors confirm that, after having made appropriate enquiries, they have a reasonable expectation that the group and the company has adequate resources to continue operating for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in the preparation of the accounts.

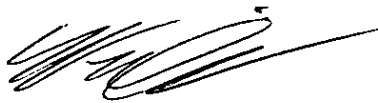
Financial risk management

Details regarding financial risk management objectives and policies are set out on page 16 and 17.

Independent auditors and disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report, confirms that as far as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

By order of the Board



S Fisher
Director

29 June 2009

Samson Aviation Services Limited

Independent auditors' report to the members of Samson Aviation Services Limited

We have audited the financial statements of Samson Aviation Services Limited for the period ended 31 December 2008 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement, the Accounting policies, the Financial risk management statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Samson Aviation Services Limited

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2008 and of its profit and cash flows for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers' followed by a stylized 'WP' monogram.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

29 June 2009

Samson Aviation Services Limited

Income statement for the period ended 31 December 2008

	Note	9 months ended 31 December 2008 £	Year ended 31 March 2008 £
Revenue		1,140,943	1,491,128
Cost of sales		(784,715)	(939,876)
Gross profit		356,228	551,252
Administrative expenses		(277,521)	(567,133)
Operating profit/(loss)	2	78,707	(15,881)
Finance costs	1	(2,562)	(5,699)
Finance income	1	2,782	5,985
Profit/(Loss) for the financial period before taxation		78,927	(15,595)
Taxation	3	(20,539)	1,133
Retained (loss)/profit for the period	12	58,388	(14,462)

Samson Aviation Services Limited

Statement of changes in equity for the period ended 31 December 2008

	Note	Share capital £	Retained earnings £	Total equity £
At 1 April 2007		105,903	35,323	141,226
Loss for the year		-	(14,462)	(14,462)
At 31 March 2008		105,903	20,861	126,764
Profit for the period	12	-	58,388	58,388
At 31 December 2008		105,903	79,249	185,152

Samson Aviation Services Limited

Balance sheet as at 31 December 2008

	Note	31 December 2008 £	31 March 2008 £
Assets			
Non-current assets			
Property, plant and equipment	4	136,172	148,140
Current assets			
Inventories	5	12,058	11,848
Trade and other receivables	6	66,957	149,445
Deferred tax asset	10	-	1,133
Cash at bank and in hand	7	172,538	240,370
		251,553	402,796
Liabilities			
Current liabilities			
Trade and other payables	8	(183,167)	(424,172)
Net current assets/(liabilities)		68,386	(21,376)
Non-current liabilities			
Deferred tax liabilities	10	(19,406)	-
Net assets		185,152	126,764
Shareholders' equity			
Called up share capital	11	105,903	105,903
Retained earnings	12	79,249	20,861
Total equity		185,152	126,764

The financial statements on pages 9 to 29 were approved by the board of directors on 29 June 2009 and were signed on its behalf by:



 Director

Samson Aviation Services Limited

Cash flow statement for the period ended 31 December 2008

	Note	9 months ended 31 December 2008 £	Year ended 31 March 2008 £
Cash flow from operating activities			
Cash generated from operations	13	127,263	41,009
Interest received		2,782	5,985
Interest paid		(2,562)	(5,699)
Net cash inflow generated from operating activities		127,483	41,295
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,552)	(8,756)
Proceeds from the sale of property, plant and equipment		-	670
Net cash used in investing activities		(1,552)	(8,086)
Cash flows from financing activities			
Repayment of shareholder loan		(193,763)	-
Net cash used in financing activities		(193,763)	-
Net (decrease)/increase in cash and cash equivalents		(67,832)	33,209
Cash and cash equivalents at 1 April 2008		240,370	207,161
Cash and cash equivalents at 31 December 2008	7	172,538	240,370

Samson Aviation Services Limited

Statement of accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The financial statements of Samson Aviation Services Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS as adopted in the EU. The financial statements have been prepared under the historical cost convention. A summary of the more important group accounting policies is set out below.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

Revenue recognition

Revenue comprises traffic revenue and fuel sales, net of value added tax. Traffic revenue comprises handling and parking charges and is recognised when the related services are provided. Fuel sales comprise revenue from refuelling of aircraft and are recognised when the delivery takes place.

Financial instruments

Financial instruments comprise cash, trade receivables and trade payables. The main purpose of these financial instruments is to manage the company's operation. No trading in financial instruments is undertaken. Short term receivables and payables are held at fair value.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Cost comprises the cost of the acquisition and costs directly related to the acquisition up until the time when the asset is ready for use. The depreciation base is determined as cost less any residual value. Depreciation is charged on a reducing balance basis over the estimated useful lives of the assets and begins when the assets are brought into use. The useful economic lives and residual values are reviewed annually by management.

The estimated useful lives of the major asset categories are as follows:

Leasehold buildings	-	Period of lease per annum
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance

Samson Aviation Services Limited

Gains and losses on the sale of property plant and equipment are recognised under administrative expenses.

Share capital

There are 106,000 ordinary shares of £1 each authorised.

Inventories

Inventories are stated at cost. Where necessary, provision is made for obsolete, slow moving and defective stocks calculated on a cost basis for specific items.

Employee benefit costs

Staff costs comprise salaries, wages and pensions of the company.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to reserves, in which case the deferred tax is also dealt within reserves.

Samson Aviation Services Limited

Cash and cash equivalents

Cash and cash equivalents includes cash and balances in accounts with no or short notice.

Trade and other receivables

Receivables are recognised in the balance sheet at net realisable value being initial fair value less provision for impairment. Provisions are determined on the basis of an individual assessment of each trade receivable and the amount of the loss arising from provisions made is recognised within other expenses in the income statement together with the credit relating to the reversal of any provisions no longer required.

Trade payables and other liabilities

Trade payables are recognised initially at fair value and subsequently measured at amortised cost. Other liabilities primarily comprise holiday pay liabilities, income taxes, other taxes and interest payable, which are measured at fair value.

Critical accounting estimates and judgements

All areas where management have made significant judgements in applying the policies, key assumptions and estimates have been documented in the above accounting policies.

Standards and interpretations not yet effective

The following IFRSs, amendments to IASs and IFRIC interpretations have been issued but have not been early adopted by the company. The adoption of these standards is not expected to have a material impact on the Company's financial statements:

IAS 1 – Presentation of financial statements (revised) (effective from 1 January 2009)

IAS 23 – Borrowing costs (revised) (effective from 1 January 2009)

IAS 27 – Consolidation and separate financial statements (revised) (effective from 1 July 2009)

IAS 39 – Financial Instruments: Recognition and measurement (amendment) (effective from 1 July 2008)

IFRS 2 – Share based payments (amendment) (effective from 1 January 2009)

IFRS 3 – Business combinations (revised) (effective from 1 July 2009)

IFRS 7 – Financial Instruments: Disclosures (amendment) (effective from 1 July 2008)

IFRS 8 – Operating segments (effective from 1 June 2009)

IFRIC 13 – Customer loyalty programmes (effective from 1 July 2008)

IFRIC 15 – Agreements for construction of real estates (effective 1 January 2009)

IFRIC 16 – Hedges of a net investment in a foreign operation (effective 1 October 2008)

Samson Aviation Services Limited

Financial Risk Management

The company's activities expose it primarily to the financial risks of changes in interest rates and liquidity risk. The board reviews and agrees policies for managing each of these risks, and others and they are summarised below.

Cash Flow Market risk

In respect of the secured bank debt, the company's parent entity, NIAL Finance Limited has used swaps to mitigate interest rate risk as entering into a fixed interest rate swap was a cheaper method of raising the debt during the year for the group as a whole. Details of this are set out in its accounts.

Liquidity risk

The policy of the company has throughout the period been to maintain sufficient cash reserves to support short term liquidity.

Management maintains rolling weekly forecasts of the company's liquidity on the basis of expected cash flow.

Details of the company's financial liabilities are provided below, analysed into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

At 31 December 2008

Less than 1 year
£

Trade and other payables	183,167
--------------------------	---------

At 31 December 2007

Less than 1 year
£

Trade and other payables	424,172
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Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only banks with a strong credit rating are accepted. The credit quality of customers is assessed for each customer taking into account its financial position, past experience and other factors.

Fair value estimation

The fair value of other receivables and payables are based on their receivable/payable amount.

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Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

The capital structure is maintained through determining the amount of dividends paid to shareholders, repayment or drawing of debt and payment of other payables. This is managed on a group basis with fellow group companies.

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Notes to the financial statements

1 Finance income - net

	9 months ended 31 December 2008	Year ended 31 March 2008
Finance costs		
Interest payable on bank borrowings	(2,562)	(5,699)
Total finance costs	(2,562)	(5,699)
Finance income		
Bank interest receivable	2,782	5,985
Total finance income	2,782	5,985
Finance income – net	220	286

2 Operating profit/(loss)

This is stated after charging.

	9 months ended 31 December 2008	Year ended 31 March 2008
Operating lease rentals	14,363	19,150
Depreciation of property, plant and equipment	13,520	19,296
Loss on disposal of property, plant and equipment	-	940
Employee benefit cost	145,505	350,976

Samson Aviation Services Limited

3 Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows:

	9 months ended 31 December 2008	Year ended 31 March 2008
Current tax		
Current period	-	-
Prior year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	20,595	(1,133)
Impact of change in UK tax rate	(56)	-
Total deferred tax	20,539	(1,133)
Taxation	20,539	(1,133)

The tax for the period is higher (year ended 31 March 2008: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	9 months ended 31 December 2008	Year ended 31 March 2008
Profit/(loss) on ordinary activities before taxation	78,927	(15,595)
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (year ended 31 March 2008: 20%)	16,575	(3,119)
Effect of:		
Impact of abolition of Industrial Buildings Allowances	9,604	-
Tax losses brought forward utilised	(5,584)	-
Disallowable expenses and non-taxable income	-	128
Adjustments in respect of prior periods	-	1,858
Rate adjustment for deferred tax	(56)	-
Total tax charge/(credit) for the period	20,539	(1,133)

A number of changes to the UK Corporation Tax system were announced as part of the March 2007 budget statement. Certain of these changes were substantively enacted in the 2007 Finance Act June 2007 and the remainder in June 2008. The impact of these changes has been recognised in these financial statements as noted above and primarily relate to the abolition of Industrial Buildings Allowances and the increase in the small companies Corporation tax rate from 20% to 21%.

Samson Aviation Services Limited

4 Property, plant and equipment

	Short leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost					
At 1 April 2007	207,404	17,819	52,900	36,120	314,243
Additions	-	8,614	142	-	8,756
Disposals	-	-	(701)	(8,545)	(9,246)
At 1 April 2008	207,404	26,433	52,341	27,575	313,753
Additions	-	1,552	-	-	1,552
At 31 December 2008	207,404	27,985	52,341	27,575	315,305
Accumulated depreciation					
At 1 April 2007	93,297	6,705	32,059	21,890	153,951
Charge for the year	10,374	2,383	3,149	3,392	19,298
Disposals	-	-	(113)	(7,523)	(7,636)
At 1 April 2008	103,671	9,088	35,095	17,759	165,613
Charge for the period	7,780	1,951	1,948	1,841	13,520
At 31 December 2008	111,451	11,039	37,043	19,600	179,133
Net book amount					
At 31 December 2008	95,953	16,946	15,298	7,975	136,172
At 1 April 2008	103,733	17,345	17,246	9,816	148,140
At 1 April 2007	114,107	11,114	20,841	14,230	160,292

5 Inventories

	31 December 2008 £	31 March 2008 £
Fuel stock	12,058	11,848

6 Trade and other receivables

	31 December 2008 £	31 March 2008 £
Trade debtors	66,124	126,107
Other debtors	-	5,124
Prepayments and accrued income	833	18,214
	66,957	149,445

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7 Cash and cash equivalents

	31 December 2008	31 March 2008
	£	£
Cash at bank and in hand	172,538	240,370

8 Trade and other payables

	31 December 2008	31 March 2008
	£	£
Trade creditors	5,726	57,035
Amounts owed to group undertakings (trading balances)	137,895	-
Other taxation and social security costs	7,530	11,650
Other creditors	-	3,492
Accruals and deferred income	32,016	158,232
Shareholder loan (note 16)	-	193,763
	183,167	424,172

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9 Financial instruments

In accordance with IAS 39, 'Financial instruments: Recognition and measurement', Samson Aviation Services Limited has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. No such embedded derivatives were found.

Set out below is a comparison by category of book values and fair values of the company's financial assets at 31 December 2008:

	31 December 2008		31 March 2008	
	Book value	Fair value	Book value	Fair value
	£	£	£	£
Cash at bank	172,538	172,538	240,370	240,370
Trade and other receivables	66,957	66,957	149,445	149,445
	239,495	239,495	389,815	389,815

The fair value of the financial assets shown above has been calculated by reference to market values.

Set out below is a comparison by category of book and fair values of the company's financial liabilities at 31 December 2008:

	31 December 2008		31 March 2008	
	Book value	Fair value	Book value	Fair value
	£	£	£	£
Trade and other payables	183,167	183,167	424,172	424,172

Unless specific circumstances dictate, trade receivables that are less than three months past due are not considered impaired. At 31 December 2008, trade receivables of £13,375 (31 March 2008: £9,412) were past due but not impaired. These relate to a number of individual customers with whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2008 £	2007 £
Up to 3 months	13,375	9,412
More than 3 months	-	-
	13,375	9,412

At 31 December 2008 no trade receivables were impaired and provided for (31 March 2008: £nil).

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10 Deferred tax

Deferred tax is calculated in full on the temporary differences under the Liability method using a tax rate of 21% (2007: 20%). The movement on the deferred tax liability is shown below:

	2008 £	2007 £
At 1 April	(1,133)	-
Income and expense charge/(credit)	20,539	(1,133)
At 31 December 2008	19,406	(1,133)

The movements in deferred tax assets and liabilities (prior to the off-setting of balances within the same jurisdiction as permitted by IAS12) during the period are shown below.

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

Deferred tax liabilities	Accelerated tax depreciation £
At 1 April 2008	9,831
Income and expense charge	9,575
At 31 December 2008	19,406

Deferred tax assets	Tax losses £
At 1 April 2008	(10,964)
Income and expense charge	10,964
At 31 December 2008	-

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11 Ordinary shares

	31 December 2008	31 March 2008
	£	£
Authorised		
Ordinary shares of £1 each	106,000	106,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	105,903	105,903

12 Retained earnings

	£
At 1 April 2008	20,861
Profit for the period	58,388
At 31 December 2008	79,249

13 Cash flow from operating activities

Reconciliation of profit before tax to net cash inflow from operating activities:

Continuing Operations	9 months ended 31 December 2008	Year ended 31 March 2008
	£	£
Profit/(loss) before tax	78,927	(15,595)
Adjustment for:		
Depreciation	13,520	19,298
Loss on sale of property, plant and equipment	-	940
Interest income	(2,782)	(5,985)
Interest expense	2,562	5,699
Changes in working capital:		
(Increase)/decrease in inventories	(210)	238
Decrease /(increase) in trade and other receivables	82,488	(35,018)
(Decrease)/ increase in trade and other payables	(47,242)	261,200
Increase/(decrease) in other non-current liabilities	-	(189,768)
Cash generated from continuing operations	127,263	41,009

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14 Employees and directors

	9 months ended 31 December 2008	Year ended 31 March 2008
	£	£
Staff costs for the company during the period		
Wages and salaries	128,722	311,168
Social security cash	16,783	39,808
	145,505	350,976

Average monthly number of people (including executive directors) employed:

By business activity	9 months ended 31 December 2008	Year ended 31 March 2008
	£	£
Management	1	3
Operations	6	6
Total	7	9

Directors	9 months ended 31 December 2008	Year ended 31 March 2008
	£	£
Aggregate emoluments	-	21,444

Emoluments paid in the prior year relate to former directors of the company

15 Commitments under operating leases

At 31 December the company had annual commitments under non-cancelable operating leases as set out below:

	Land and buildings £	2008 Other £	Land and buildings £	2007 Other £
Operating lease which expire:				
In over five years	19,150	-	19,150	-

Samson Aviation Services Limited

16 Ultimate parent undertaking and related party transactions

Newcastle International Airport Limited owns 100% of the voting shares of Samson Aviation Services Limited.

All transactions with and recharges paid to Newcastle International Airport Limited are done on an arm's length basis.

Newcastle Airport Local Authority Holding Company Limited, incorporated in Great Britain, is the ultimate controlling party and the parent undertaking of the largest group to consolidate these financial statements. NIAL Group Limited is the parent undertaking of the smallest group to consolidate these financial statements. Copies may be obtained from the company secretary.

On 4 July 2008 Newcastle International Airport Limited acquired 100% of the shares in the company. Prior to this date a loan from the previous shareholders, and amounting to £193,763 at 31 March 2008, was repaid in full.

17 Reconciliation of net assets and profit under UK GAAP to IFRS

Samson Aviation Services Limited reported under UK GAAP in its previous financial statements for the year ended 31 March 2008. The analysis below shows a reconciliation of net assets and profit as reported under UK GAAP as at 31 March 2008 to the revised net assets and profit under IFRS as reported in these financial statements. In addition there is a reconciliation of the net assets under UK GAAP to IFRS at the transition date for this company being 1 April 2007.

Samson Aviation Services Limited

17 Reconciliation of net assets and profit under UK GAAP to IFRS (continued)

Reconciliation of equity at 31 March 2007

	Previous GAAP £	Effect of transition to IFRS £	IFRS £
Assets			
Non-current assets			
Property, plant and equipment	160,292	-	160,292
Current assets			
Inventories	12,086	-	12,086
Trade and other receivables	114,427	-	114,427
Cash at bank and in hand	207,161	-	207,161
	333,674	-	333,674
Liabilities			
Current Liabilities			
Trade and other payables	(162,972)	-	(162,972)
Net current assets	170,702	-	170,702
Non-current liabilities			
Creditors falling due after more than one year	(189,768)	-	(189,768)
Net assets	141,226	-	141,226
Capital and reserves			
Called up share capital	105,903	-	105,903
Profit and loss account	35,323	-	35,323
Shareholders' funds	141,226	-	141,226

Samson Aviation Services Limited

17 Reconciliation of net assets and profit under UK GAAP to IFRS (continued)

Reconciliation of equity at 31 March 2008

	Previous GAAP £	Effect of transition to IFRS £	IFRS £
Assets			
Non-current assets			
Property, plant and equipment	148,140	-	148,140
Current assets			
Inventories	11,848	-	11,848
Trade and other receivables	149,445	-	149,445
Deferred tax asset	10,244	(9,111)	1,133
Cash at bank and in hand	240,370	-	240,370
	411,907	(9,111)	402,796
Liabilities			
Current Liabilities			
Trade and other payables	(424,172)	-	(424,172)
Net current liabilities	(12,265)	(9,111)	(21,376)
Net assets	135,875	(9,111)	126,764
Capital and reserves			
Called up share capital	105,903	-	105,903
Profit and loss account	29,972	(9,111)	20,861
Shareholders' funds	135,875	(9,111)	126,764

The adjustment to the Deferred Tax asset regards the different treatment of the abolition of Industrial Building Allowances under IFRS and UK GAAP.

Samson Aviation Services Limited

Reconciliation of profit for the year ended 31 March 2008

	Previous GAAP	Effect of transition to IFRS	IFRS
	£	£	£
Revenue	1,491,128	-	1,491,128
Cost of sales	(939,876)	-	(939,876)
Gross Profit	551,252	-	551,252
Administrative expenses	(567,133)	-	(567,133)
Operating Loss	(15,881)	-	(15,881)
Bank interest received	5,985	-	5,985
Other interest payable	(5,699)	-	(5,699)
Loss for the financial year before taxation	(15,595)	-	(15,595)
Taxation	10,244	(9,111)	1,133
Retained loss for the year	(5,351)	(9,111)	(14,462)

The taxation adjustment relates to the difference of treatment of the abolition of Industrial Building Allowances under IFRS and UK GAAP.