

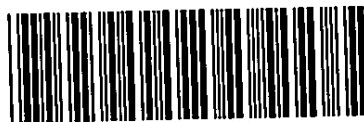
Samson Aviation Services Limited

Annual Report

For the year ended 31 December 2011

Registered Number: 2595980

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Samson Aviation Services Limited

Annual report

for the period ended 31 December 2011

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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, incorporated, registered and operates in the UK and is a limited company

Bankers

Royal Bank of Scotland

2 ½ Devonshire Square

London

EC2M 4XJ

Independent auditors

Deloitte LLP

One Trinity Gardens

Broad Chare

Newcastle upon Tyne

NE1 2HF

Legal Advisers

Ward Hadaway

Sandgate House

102 Quayside

Newcastle upon Tyne

NE1 3DX

Samson Aviation Services Limited

Directors' report for the year ended 31 December 2011

The directors present their report and audited financial statements for the year ended 31 December 2011

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

Samson Aviation Services continued to demonstrate good growth in 2011 with revenue 6% higher than 2010. Despite ongoing pressures in the commercial aviation market, trading in the business and general aviation arena has shown good growth for the business with a number of new opportunities being taken up to increase revenues. Such opportunities include further based operators and the provision of improved services to customers.

The General Aviation building's facilities were upgraded in 2011 to provide a new fresh look for the business and the new facilities have been well received by our customers.

Financial result for 2011

Total revenue in the period ended 31 December 2011 was £1,431,860 compared with £1,356,539 for the year ended 31 December 2010. The profit after tax for the year ended 31 December 2011 amounts to £303,720 compared to a profit of £278,431 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. It is expected that these conditions will persist through 2012. We continue to mitigate this by working with operators and owners to encourage new business.

Financial risk management

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

Samson Aviation Services Limited

Key performance indicators

The company's principal key performance indicator is aircraft movements. For the year ended 31 December 2011 aircraft movements showed a decrease of 11% from 323 to 286 on a per-month basis compared to the year ended 31 December 2010.

For 2012 no significant changes are expected in aircraft movements as economic conditions continue to provide difficult trading conditions.

Directors

The directors of the company during the period ended 31 December 2011, 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 were as follows:

D Laws

S Fisher

Directors' responsibilities statement

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern.

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.

Samson Aviation Services Limited

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The directors have considered the economic environment in which the business operates and the factors affecting the current and future performance and prospects of the business as set out on page 4 of this Directors' report. Based on the group's forecasts (which include the company and its fellow subsidiaries of NIAL Group Limited), cash balances and facilities available to it and, having considered the opportunities and risks facing it together with reasonable possible changes in trading performance, the directors have a reasonable expectation that 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.

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 s418 of the Companies Act 2006.

The auditors, Deloitte LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

By order of the Board



S Fisher
Director

26 April 2012

Samson Aviation Services Limited

Independent auditor's report to the members of Samson Aviation Services Limited

We have audited the financial statements of Samson Aviation Services Limited for the year ended 31 December 2011 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity, the Statement of Accounting Policies and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Samson Aviation Services Limited

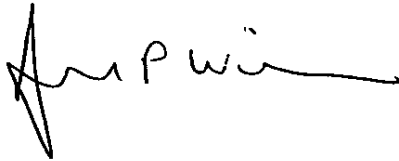
Opinion on other matters prescribed by the Companies Act 2006

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

A handwritten signature in black ink, appearing to read 'David Wilkinson', with a stylized initial 'D' and a long horizontal stroke.

David Wilkinson FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Newcastle upon Tyne, England

26 April 2012

Samson Aviation Services Limited

Income statement for the year ended 31 December 2011

	Note	2011 £	2010 £
Revenue		1,431,860	1,356,539
Cost of sales		(817,797)	(765,148)
Gross profit		614,063	591,391
Administrative expenses		(325,271)	(296,089)
Operating profit	2	288,792	295,302
Finance income	1	604	-
Profit for the year before taxation		289,396	295,302
Taxation	3	14,324	(16,871)
Retained profit for the year		303,720	278,431

All of the above activities relate to continuing operations

Statement of comprehensive income for the year ended 31 December 2011

There has been no other income or expense for the company other than the profits reported above in the current or the prior year

Samson Aviation Services Limited

Balance sheet as at 31 December 2011

	Note	2011 £	2010 £
Assets			
Non-current assets			
Intangible assets	4	16,447	12,525
Property, plant and equipment	5	170,969	175,518
		187,416	188,043
Current assets			
Inventories	6	21,565	13,728
Trade and other receivables	7	595,201	468,005
Cash and cash equivalents	8	391,808	285,567
		1,008,574	767,300
Liabilities			
Current liabilities			
Trade and other payables	9	(251,865)	(300,614)
Net current assets		756,709	466,686
Non-current liabilities			
Deferred tax liabilities	11	(19,211)	(33,535)
Net assets		924,914	621,194
Shareholders' equity			
Called up share capital	12	105,903	105,903
Retained earnings		819,011	515,291
Total equity		924,914	621,194

These financial statements of Samson Aviation Services Limited, registered number 2595980, on pages 9 to 28 were approved by the board of directors on 26 April 2012 and were signed on its behalf by



D Laws
Director

Samson Aviation Services Limited

Cash flow statement for the year ended 31 December 2011

	Note	2011 £	2010 £
Cash flow from operating activities			
Cash generated from operations	13	130,346	341,188
Interest received		604	-
Tax paid		-	(203)
Net cash flow generated from operating activities		130,950	340,985
Cash flows from investing activities			
Purchase of acquired intangible assets		(4,890)	(12,525)
Purchase of property, plant and equipment		(19,819)	(81,151)
Net cash used in investing activities		(24,709)	(93,676)
Net increase in cash and cash equivalents		106,241	247,309
Cash and cash equivalents at 1 January		285,567	38,258
Cash and cash equivalents at 31 December	8	391,808	285,567

Samson Aviation Services Limited

Statement of changes in equity for the year ended 31 December 2011

	Share capital £	Retained earnings £	Total equity £
At 1 January 2010	105,903	236,860	342,763
Profit for the year	-	278,431	278,431
At 1 January 2011	105,903	515,291	621,194
Profit for the year	-	303,720	303,720
At 31 December 2011	105,903	819,011	924,914

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, 2006 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 company accounting policies is set out below.

The directors have considered the economic environment in which the business operates and the factors affecting the current and future performance and prospects of the business as set out in the Directors' report. Based on the group's forecasts (which include the company and its fellow subsidiaries of NIAL Group Limited), cash balances and facilities available to it and, having considered the opportunities and risks facing it together with reasonable possible changes in trading performance, the directors have a reasonable expectation that 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.

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, hangarage, aircraft hire and service 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 and cash equivalents, 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.

Samson Aviation Services Limited

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 straight line 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	-	5 – 20 years
Fixtures and fittings	-	5 – 10 years
Motor vehicles	-	10 years

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

Intangible assets

Major projects in which computer software is the principal element are recognised as assets if there is sufficient certainty that the capital value of future earnings can cover the related costs. Intangible assets are stated at historical cost less accumulated amortisation. 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.

Intangible assets under construction represent projects which have not been completed at the year end.

Amortisation is charged on a straight line basis commencing upon completion of the project. The amortisation period is 3 – 5 years.

Share capital

There are 105,903 ordinary shares of £1 each.

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.

Regular pension contributions under defined contribution schemes are recognised in the income statement in the period in which they arise.

Samson Aviation Services Limited

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.

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.

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.

Samson Aviation Services Limited

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, 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

IFRS 1 – First time adoption on financial instrument disclosures (amendment) (effective July 2011)

IFRS 7 – Financial instruments – disclosures on derecognition (amendment) (effective July 2011)

IFRS 9 – Financial instruments (effective January 2015)

IFRS 10 – Consolidated Financial statements (effective January 2013)

IFRS 11 – Joint arrangements (effective January 2013)

IFRS 12 – Disclosures of interests in other entities (effective January 2013)

IFRS 13 – Fair value measurement (effective January 2013)

IAS 1 – Presentation of financial statements (amendment) (effective July 2012)

IAS 12 – Income taxes (amendment) (effective January 2012)

IAS 19 – Employee benefits (amendment) (effective January 2013)

IAS 27 – Separate financial statements (amendment) (effective January 2013)

IAS 28 – Associates and joint ventures (amendment) (effective January 2013)

IAS 32 – Financial instruments presentation (effective January 2014)

IFRIC 20 – Stripping costs in the production phase of a surface mine (effective January 2013)

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 interest risk

The company does not borrow significant amounts under its overdraft facility. Consequently it is not exposed to significant interest rate risk.

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 2011

Less than 1 year
£

Trade and other payables	251,865
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At 31 December 2010

Less than 1 year
£

Trade and other payables	300,614
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Credit risk

The company has no significant concentrations of 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.

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.

Samson Aviation Services Limited

Notes to the financial statements

1 Finance income - net

	2011 £	2010 £
Finance income		
Bank interest receivable	604	-
Total finance income	604	-
Finance income – net	604	-

2 Operating profit

	2011 £	2010 £
The following charges have been included in arriving at operating profit		
Operating lease rentals	19,150	19,150
Depreciation of property, plant and equipment	23,655	17,480
Amortisation of intangibles	968	-
Loss on disposal of property, plant and equipment	713	-
Employee benefit cost (note 14)	144,691	131,018

Services provided by the company's auditor

The company's 2011 and 2010 audit fee was borne by Newcastle International Airport Limited. The amount attributable to Samson Aviation Services Limited in both years was £3,500.

Samson Aviation Services Limited

3 Tax on profit on ordinary activities

	2011 £	2010 £
Current tax		
Adjustment in respect of prior years	-	203
Total current tax	-	203
Deferred tax		
Origination and reversal of temporary differences	(1,295)	16,744
Adjustment in respect of previous periods	(16,371)	(76)
Impact of change in UK tax rate	3,342	-
Total deferred tax	(14,324)	16,668
Taxation	(14,324)	16,871

The tax for the year is lower (2010 lower) than the standard rate of corporation tax in the UK (26.5% 2010 21%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before taxation	289,396	295,302
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 21%)	76,690	62,013
Effect of		
Disallowable expenses and non-taxable income	693	124
Adjustments in respect of prior periods	(16,371)	127
Group relief claimed	(78,678)	(45,393)
Effects of other tax rates/credits	3,342	-
Total tax charge for the year	(14,324)	16,871

Samson Aviation Services Limited

4 Intangibles

	Computer software	Assets under construction	Total
	£	£	£
Cost			
At 1 January 2010	3,359	-	3,359
Additions	-	12,525	12,525
At 1 January 2011	3,359	12,525	15,884
Additions	4,890	-	4,890
Transfers	12,525	(12,525)	-
At 31 December 2011	20,774	-	20,774
Accumulated amortisation			
At 1 January 2010	--3,359	-	3,359 - --
Charge for the year	-	-	-
At 1 January 2011	3,359	-	3,359
Charge for the year	968	-	968
At 31 December 2011	4,327	-	4,327
Net book amount			
At 31 December 2011	16,447	-	16,447
At 31 December 2010	-	12,525	12,525
At 1 January 2010	-	-	-

Samson Aviation Services Limited

5 Property, plant and equipment

	Short leasehold property £	Vehicles, plant and machinery £	Fixtures and fittings £	Assets under construction £	Total £
Cost					
At 1 January 2010	207,404	55,759	37,783	-	300,946
Additions	-	-	80,921	230	81,151
At 1 January 2011	207,404	55,759	118,704	230	382,097
Additions	6,945	12,874	-	-	19,819
Transfers	-	-	230	(230)	-
Disposals	-	(8,023)	(27,033)	-	(35,056)
At 31 December 2011	214,349	60,610	91,901	-	366,860
Accumulated depreciation					
At 1 January 2010	122,112	35,206	31,781	-	189,099
Charge for the year	10,662	3,841	2,977	-	17,480
At 1 January 2011	132,774	39,047	34,758	-	206,579
Charge for the year	10,893	3,715	9,047	-	23,655
Disposals	-	(7,310)	(27,033)	-	(34,343)
At 31 December 2011	143,667	35,452	16,772	-	195,891
Net book amount					
At 31 December 2011	70,682	25,158	75,129	-	170,969
At 31 December 2010	74,630	16,712	83,946	230	175,518
At 1 January 2010	85,292	20,553	6,002	-	111,847

6 Inventories

	2011 £	2010 £
Fuel stock	21,565	13,728

Samson Aviation Services Limited

7 Trade and other receivables

	2011 £	2010 £
Trade receivables	244,506	111,525
Amounts owed by group undertakings	350,000	350,000
Other debtors	442	281
Prepayments and accrued income	253	6,199
	595,201	468,005

The directors consider that the carrying value of trade and other receivables is approximately equal to its fair value

Unless specific circumstances dictate, trade receivables that are less than three months past due are not considered impaired. At 31 December 2011, trade receivables of £172,085 (2010: £29,058) 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:

	2011 £	2010 £
Up to 3 months	171,444	24,059
More than 3 months	641	4,999
	172,085	29,058

At 31 December 2011 trade receivables of £21,051 (2010: nil) were impaired and provided for. The provision made was £12,724 (2010: nil) and it was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	2011 £	2010 £
Up to 3 months	11,908	-
More than 3 months	9,143	-
	21,051	-

Samson Aviation Services Limited

8 Cash and cash equivalents

	2011	2010
	£	£
Cash at bank and in hand	391,808	285,567

The directors consider that the carrying value of cash and cash equivalents is approximately equal to their fair value

9 Trade and other payables

	2011	2010
	£	£
Trade creditors	31,037	28,961
Amounts owed to group undertakings (trading balances)	203,036	246,054
Other taxation and social security costs	7,016	354
Other creditors	442	281
Accruals and deferred income	10,334	24,964
	251,865	300,614

The directors consider that the carrying value of trade and other payables is approximately equal to their fair value

Samson Aviation Services Limited

10 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 2011.

	2011		2010	
	Book value £	Fair value £	Book value £	Fair value £
Cash at bank	391,808	391,808	285,567	285,567
Trade and other receivables	595,201	595,201	468,005	468,005
	987,009	987,009	753,572	753,572

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 2011.

	2011		2010	
	Book value £	Fair value £	Book value £	Fair value £
Trade and other payables	251,865	251,865	300,614	300,614

Samson Aviation Services Limited

11 Deferred tax liabilities

Deferred tax is calculated in full on the temporary differences under the liability method using a tax rate of 25% (2010 20%) The movement on the deferred tax liability is shown below

	2011 £	2010 £
At 1 January	33,535	16,867
Income and expense (credit)/charge (note 3)	(14,324)	16,668
At 31 December 2011	19,211	33,535

The movements in deferred tax liabilities during the period are attributable solely to accelerated capital allowances

The Finance Act 2011, which was substantively enacted in July 2011, included provisions to reduce the rate of corporation tax to 26% with effect from 1 April 2011 and 25% with effect from 1 April 2012 Accordingly, deferred tax balances have been revalued to the lower rate of 25% in these accounts, which has resulted in a debit to the profit and loss account of £3,342

The Government announced in the 2012 Budget a further reduction of the rate of corporation tax to 24% from 1 April 2012, which was substantively enacted on 26 March 2012, and by a further 1% each year to 22% by 1 April 2014 As these rates were announced after the company's year end of 31 December 2011, the impact of this rate change is not reflected in the tax provisions reported in these accounts

12 Ordinary shares

	2011 £	2010 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	105,903	105,903

Samson Aviation Services Limited

13 Cash flow from operating activities

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

Continuing Operations	2011	2010
	£	£
Profit before tax	289,396	295,302
Adjustment for		
Amortisation of intangibles	968	-
Depreciation	23,655	17,480
Loss on sale of property, plant and equipment	713	-
Interest income	(604)	-
Changes in working capital		
(Increase)/decrease in inventories	(7,837)	1,353
Increase in trade and other receivables	(127,196)	(3,468)
(Decrease)/increase in trade and other payables	(48,749)	30,521
Cash generated from continuing operations	130,346	341,188

Samson Aviation Services Limited

14 Employees and directors

	2011	2010
	£	£
Staff costs for the company during the year		
Wages and salaries	127,354	115,757
Social security costs	11,992	10,938
Other pension costs	5,345	4,323
	144,691	131,018

Average monthly number of people (including executive directors) employed

By business activity	2011	2010
Management	1	-
Operations	5	6
Total	6	6

No director received any emoluments for services to the company during the year (2010 £nil)

15 Commitments under operating leases

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

	2011		2010
	Land and buildings	Other	Land and buildings
	£	£	£
Operating leases which expire			
In over five years	19,150	-	19,150

16 Contingent liabilities

The company is subject to a cross guarantee between all group companies in connection with the senior debt raised by its fellow group company NIAL Finance Limited

Samson Aviation Services Limited

17 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. In the year to 31 December 2011 Samson paid management and other fees to Newcastle International Airport amounting to £15,000 (2010: £17,000), all of which were outstanding at the year end (2010: £17,000).

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.