Omniport Norwich Limited

REGISTERED NUMBER 05040365

Group Accounts

Report and Accounts

31 March 2008

Registered Number 05040365

DIRECTORS
Dr GHH Ainsworth (Chairman)
Mr J Baillie
Mr CB Davies

SECRETARY
Mr S Berry

AUDITORS
PricewaterhouseCoopers LLP
1 Kingsway
Cardiff
CF10 3PW

BANKERS
Bank of Scotland Plc
3 Queen Street
Norwich
Norfolk
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SOLICITORS
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CF11 9AB

REGISTERED OFFICE
c/o M&A Solicitors
Kenneth Pollard House
5-19 Cowbridge Road East
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The directors present their report and the audited group financial statements for the year ended 31 March 2008

PRINCIPAL ACTIVITIES

The principal activities of the group are airport management and the provision of associated facilities and services The group also operates as a flight only tour operator and a travel agency

RESULTS AND DIVIDENDS

The loss for the year after taxation for the group amounted to £1,471,825 (2007 £816,371) No interim dividends were paid and no final dividend is proposed

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The year to 31 March 2008 was a challenging one for Omniport Norwich Group In respect of Norwich Airport Limited a number of scheduled services were withdrawn from operation as a result of a change in strategy for one of the airport's major customers, reducing scheduled passenger numbers by 17% to 471,700 (2007 570,800) Passenger numbers for charter holidays remained flat at 140,000, while offshore helicopter traffic continued to grow with passenger numbers reaching 60,100, an increase of 19% on the previous year and a total of 319% over the past three years The net effect of this was an 11% drop in total passenger numbers to 680,900 (2007 772,700)

From 2 April 2007, passengers departing from Norwich are charged a fee that will help fund the future development of airport infrastructure and passenger facilities

The group continues to operate two travel agency branches through a subsidiary, Travel Norwich Airport Limited ("TNAL") The continued growth in "low fare" operations, both at Norwich and elsewhere, has had an adverse impact on the traditional holiday charter package market This, together with the trend by tour operators to direct sell their product and to reduce commission rates paid to travel agents generally, has had an affect on the business volumes and income earned The issues faced by TNAL are similar to all other independent travel agencies and it appears from comparative information that the company is performing better than most The management team at TNAL have worked hard to embrace these challenges and dynamic packaging technology, accessing low cost flights and marrying them with hotels, car hire and other services continues to be an important tool in maintaining market share and customer base

For many years, the group had operated a joint venture company, Legislator 1364 Limited ("Legislator") Legislator owns the call centre building located near the airport, which is now leased to Royal Bank of Scotland On 24 August 2006, the group acquired the other 50% shareholding in Legislator The results therefore reflect the results of Legislator as a subsidiary for the year ended 31 March 2008

Key Performance Indicators

The directors consider that, consistent with the size and non-complex nature of the business, the key performance indicators are those that show the financial performance of the business as a whole In particular, the directors monitor the following key indicators

- Passenger volumes and aircraft load factors, overall and by route, individual carrier, season and by category of traffic movement,
- Passenger spend and concession income, in absolute terms and as an index over passenger volume, in overall terms and by individual concessionaire,

- Travel agency gross sales made, commission income earned and average commission rates, as a whole business, by branch and by individual employee

All performance data is reported to management and directors on a monthly basis

Financial risk management
In common with other busnesses, the company aims to minimise financial risk The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of the actual performance against these forecasts and ensuring that adequate financng facilities are in place to meet the requirements of the business

Principal risks and uncertainties
The principal activity of the group is the provision of airport infrastructure, both physical in terms of the terminal building, runway, taxiways and arcraft apron areas, and human in terms of the Air Traffic Control service and the Fire and Rescue Service, and their own associated buildings and equipment A significant proportion of expenditure is broadly fixed In addition, the Civil Aviation Authorityand Department for Transport impose tight rules and regulations across virtually all areas of the group operations, with security in particular being ever tightened

The challenge to the directors is to attract traffic volume, at a sufficient level and price, to cover the fixed and variable costs of running the infrastructure and optimise the return to shareholders The uncertainties facing the group mainly revolve around the decisions by airlines as to which routes they operate, how frequently they fly, which aircraft type is used and ticket pricing

The slowdown in the economy may have a dampening effect on consumer expenditure on holidays and flights in the short term In the longer term, the perceived impact on the environment from travel may also become a consideration in consumer trends, although the directors expect this to be mitigated by the greater use of quieter and more fuel efficient aircraft

The directors expect that while passenger numbers may fall for the following year,the operating profit achieved during the current year will be sustained

DIRECTORS
The directors who held office during the year were as follows

Dr GHH Ainsworth (Chairman)
Mr J Baillie
Mr CB Davies

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY
No director held any interest in the shares of the company during theyear Their interests in the shares of the ultimate holding company (note 27) are dealt with in the accounts of that company

POLITICAL AND CHARITABLE DONATIONS
During the year, the group made charitable donations of £200 (2007 £1,150)

AUDITORS
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing ther 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period

In preparing those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 which disclose with reasonable accuracy at any time the financial position of the company and the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DISCLOSURE OF INFORMATION TO AUDITORS

So far each director is aware, there is no relevant audit information of which the company's auditors are unaware

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board

Dr GHH Ainsworth
Chairman and Director
16 September 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Omniport Norwich Limited

We have audited the group and parent company financial statements (the "financialstatements") of Omniport Norwich Limited for the year ended 31 March 2008 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 are 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

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 group's and company's circumstances, consistently applied and adequately disclosed

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Omniport Norwich Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairsas at 31 March 2008 and of the group's loss and cash flows for the year 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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

One Kingsway, Cardiff, CF10 3PW

16 September 2008

GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2008

	Notes	2008 £	2007 £
TURNOVER			
Turnover group and share of joint venture's turnover		12,903,091	12,208,129
Less share of joint venture's turnover		–	(68,630)
GROUP TURNOVER	2	12,903,091	12,139,499
Cost of sales		–	(33,560)
GROSS PROFIT		12,903,091	12,105,939
Administrative expenses		(12,755,441)	(12,006,319)
GROUP OPERATING PROFIT	3	147,650	99,620
Share of operating profit in joint venture		–	56,790
TOTAL OPERATING PROFIT		147,650	156,410
Interest receivable and similar income		13,038	8,880
Interest payable and similar charges	4	(2,135,362)	(1,388,281)
Net interest payable in joint venture		–	(10,173)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,974,674)	(1,233,164)
Tax on (loss) on ordinary activities	7	502,849	416,793
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(1,471,825)	(816,371)
Minority interests		216,024	114,005
RETAINED (LOSS) FOR THE FINANCIAL YEAR	21	(1,255,801)	(702,366)

The results relate to continuing activities

There is no difference between the reported loss on ordinary activities before taxation and the retained loss for the year, and their historical cost equivalents

The accompanying accounting policies and notes form an integral part of these financial statements

GROUP STATEMENT OF RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2008

	Notes	2008 £	2007 £
RETAINED (LOSS) FOR THE FINANCIAL YEAR	21	(1,255,801)	(702,366)
Unrealised (deficit)/surplus on revaluation of property during the year		(1,260,000)	1,100,000
Minority interest thereon		250,740	(218,900)
Share of unrealised surplus on revaluation of property held by joint venture		–	850,000
Minority interest thereon		–	(169,150)
TOTAL RECOGNISED GAINS AND LOSSES	21	(2,265,061)	859,584

GROUP BALANCE SHEET
as at 31 March 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Intangible fixed assets – negative goodwill	9	(9,227,117)	(9,776,526)
Intangible fixed assets – positive goodwill	9	299,075	315,691
Tangible fixed assets	10	39,871,369	40,758,129
		30,943,327	31,297,294
CURRENT ASSETS			
Stocks	12	194,311	194,797
Debtors, including £138,732 due after more than one year (2007 £154,881)	13	2,830,617	2,082,795
Cash at bank and in hand		1,099,923	872,114
		4,124,851	3,149,706
CREDITORS amounts falling due within one year	14	(5,805,788)	(5,028,671)
NET CURRENT (LIABILITIES)		(1,680,937)	(1,878,965)
TOTAL ASSETS LESS CURRENT LIABILITIES		29,262,390	29,418,329
CREDITORS amounts falling due after more than one year	15	(25,574,400)	(22,884,708)
		3,687,990	6,533,621
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	19	(263,278)	(377,083)
NET ASSETS		3,424,712	6,156,538

Omniport Norwich Limited

GROUP BALANCE SHEET
as at 31 March 2008

	Notes	2008 £	2007 £
CAPITAL AND RESERVES			
Called up share capital	20	1	1
Profit and loss account	21	(2,504,169)	(1,248,368)
Revaluation reserve	21	301,950	1,561,950
Equity shareholders' (deficit)/funds		(2,202,218)	313,583
Minority interest		5,626,930	5,842,955
		3,424,712	6,156,538

The accompanying accounting policies and notes form an integral part of these group accounts

The financial statements were approved by the Board of Directors on 16 September 2008

Dr GHH Ainsworth
Chairman and Director

Omniport Norwich Limited

COMPANY BALANCE SHEET
as at 31 March 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Investments	11	11,405,868	11,405,868
		11,405,868	11,405,868
CURRENT ASSETS			
Debtors	13	972,879	1,457,468
Cash at bank and in hand		145,004	–
		1,117,883	1,457,468
CREDITORS amounts falling due within one year	14	(145,548)	(590,355)
NET CURRENT ASSETS		972,335	867,113
TOTAL ASSETS LESS CURRENT LIABILITIES		12,378,203	12,272,981
CREDITORS amounts falling due after more than one year	15	(15,336,540)	(14,295,629)
NET LIABILTIES		(2,958,337)	(2,022,648)
CAPITAL AND RESERVES			
Called up share capital	20	1	1
Profit and loss account	21	(2,958,338)	(2,022,649)
Equity shareholders' deficit		(2,958,337)	(2,022,648)

The accompanying accounting policies and notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 16 September 2008

Dr GHH Ainsworth
Chairman and Director

GROUP STATEMENT OF CASH FLOWS
for the year ended 31 March 2008

	Notes	2008 £	2007 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		2,039,561	1,573,542
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		97,044	8,880
Interest paid		(1,205,617)	(829,138)
Interest element of finance lease rental payments		(9,843)	(6,707)
		(1,118,416)	(826,965)
TAXATION			
Corporation tax paid		–	–
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(2,167,184)	(5,032,932)
Receipts from sales of fixed assets		–	586
		(2,167,184)	(5,032,346)
ACQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertaking		–	(2,064,725)
Net cash acquired with subsidiary undertaking		–	309,655
		–	(1,755,070)
NET CASH OUTFLOW BEFORE FINANCING		(1,246,039)	(6,040,839)
FINANCING			
New loans			
- draw downs from revolving credit facility		10,000,000	1,750,000
- long term bank loan		–	5,625,000
- debt issue costs thereon		–	(62,586)
- repayments during the year		(9,559,326)	(43,000)
Other costs of raising finance		(66,405)	(15,000)
New group company loan		1,000,000	–
Repayment of loan taken on with acquisition		–	(1,286,802)
Repayments on existing bank loan		–	(571,432)
Capital element of finance lease payments		(109,896)	(104,986)
		1,264,373	5,291,194
INCREASE/(DECREASE) IN CASH	22	18,334	(749,645)

GROUP STATEMENT OF CASH FLOWS
for the year ended 31 March 2008

	Notes	*2008* £	*2007* £
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
NET DEBT ON 1 APRIL	22	(22,689,925)	(14,848,337)
Increase/(decrease) in cash		18,334	(749,645)
Cashflow from movement in debt		(1,264,373)	(5,291,194)
CHANGE IN NET DEBT ARISING FROM CASH FLOWS		(1,246,039)	(6,040,839)
Loans taken on with acquisition		–	(1,286,802)
Non-cash changes	22	(866,136)	(513,947)
NET DEBT AT 31 MARCH	22	(24,802,100)	(22,689,925)

RECONCILIATION OF OPERATING PROFIT TO NET OPERATING CASH FLOWS

	Notes	2008 £	2007 £
Operating profit		147,650	99,620
Depreciation	10	2,188,410	1,974,575
Amortisation of negative goodwill on acquisition	9	(549,409)	(433,298)
Amortisation of positive goodwill on acquisition	9	16,616	16,619
Loss on sale of fixed assets		2,873	15,498
Decrease/ (increase) in stocks		486	(11,768)
(Increase) in debtors		(552,262)	(29,468)
Increase/ (Decrease) in creditors		785,197	(58,236)
NET CASH INFLOW FROM OPERATING ACTIVITIES		2,039,561	1,573,542

The accompanying accounting policies and notes form an integral part of these financial statements

1. ACCOUNTING POLICIES

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain assets, and in accordance with the Companies Act 1985 and applicable accounting standards, except as regards the specific provisions in the Act relating to Investment Properties as explained below

The principal accounting policies are set out below

Basis of consolidation

The group accounts consolidate the accounts of Omniport Norwich Limited and its subsidiary undertakings drawn up to 31 March Uniform accounting policies are adopted throughout the group Intra-group transactions and balances have been eliminated on consolidation No profit and loss account is presented for Omniport Norwich Limited as permitted by section 230 of the Companies Act 1985

The acquisition method of accounting has been adopted Under this method the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Entities in which the group holds an interest on a long term basis and are jointly controlled by the group and one or more other ventures under a contractual arrangement are treated as joint ventures In the group accounts, joint ventures are accounted for using the gross equity method

Acquisitions

The results of companies acquired during the year are dealt with in the consolidated financial statements from the date of acquisition Where appropriate, adjustments are made to bring accounting policies of newly acquired companies in line with existing group policies, or where no such policy exists, to select a suitable one

The level of goodwill arising from acquisitions is determined following the assessment of fair values of the assets and liabilities acquired Under the rules of FRS7 ("Fair Values in Acquisition Accounting"), the cut off date for making fair value adjustments is the date of approval of the second annual financial statements following the acquisition

In the case of the acquisition of Legislator 1364 Limited, the group has taken advantage of the "True and Fair" override available under the special provisions of the Act The directors consider that, given the two step nature of the acquisition (moving from a joint venture to a full subsidiary), to account for the acquisition in line with the Companies Act requirements would not give a true and fair view of the level of goodwill attributable to the acquisition, and as such have chosen to account for the acquisition in two stages At each step in the acquisition, the fair value of the net assets being acquired has been considered

If this departure from the Act had not been made, the goodwill arising would have been negative goodwill of £1,026,204

Goodwill and negative goodwill

When the cost of an acquisition exceeds the fair value attributable to the group's share of net assets acquired, the difference is treated as goodwill, which is capitalised and is currently being amortised to the profit and loss account over its estimated useful economic life (maximum 20 years) Impairment reviews are carried out to ensure that goodwill is not carried at above its recoverable amount

Negative goodwill arising on consolidation in respect of acquisitions is also included within fixed assets It is released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased as part of the acquisition are recovered, whether through depreciation or sale

1. **ACCOUNTING POLICIES** (continued)

Investment properties
Investment properties are included in the balance sheet at their open market value Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

In accordance with SSAP19 (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties

The requirement of the Companies Act 1985 is to depreciate all property However, that requirement conflicts with the generally accepted accounting principles laid down in SSAP19 The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give that true and fair view

If the departure from the Act had not been made, the profit for the year would have been reduced by depreciation of the revalued property of £99,800 (2007 £125,000)

Fixed assets
The cost of tangible fixed assets reflects either their fair value on acquisition or, in respect of subsequent additions, their purchase cost (including any incidental costs of acquisition)

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Buildings	2 - 4%
Runways	
- sub-structure	1%
- intermediary layer	2%
- wearing course	10%
Roadways and fencing	2 - 10%
Plant and machinery, vehicles and equipment	10 - 20%

Minor repairs and maintenance expenditure is written off to the profit and loss account

Stock
Stock is stated at the lower of cost and net realisable value The cost of stock represents the actual purchase price paid and includes transport and handling costs Provision is made for any slow moving or obsolete stock by reference to usage

Turnover
Turnover, which is stated net of value added tax, represents the invoiced amount of goods and services provided For travel agency sales, turnover represents commission earned on sales Commission is recognised as earned when the net balance becomes payable to the tour operator or principal For package holidays this is generally seven weeks prior to the date of departure

Investments
Investments in subsidiary companies are held at cost less any provision for impairment as considered necessary by the directors

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carry forward tax losses and/or from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a discounted basis

Leasing and hire purchase commitments
Assets held under finance lease, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Debt instruments
Debt instruments are stated at the amount of net proceeds Costs relating to raising loan finance are written off on a straight line basis over the period of the loan

Pension scheme arrangements
The company's subsidiary undertaking, Norwich Airport Limited participates in a defined benefit pension scheme operated by Norfolk County Council As part of the majority acquisition on 2 March 2004, Norwich Airport Limited's participation in the scheme was changed such that future contributions will be set at a fixed rate in relation to current service periods Any changes in contributions relating to past service costs will be met by Norfolk County Council and Norwich City Council

Omniport Norwich Limited has no employees and therefore no pension costs

2. **TURNOVER**
Turnover arose wholly within the UK, and is attributable to one continuing activity, being airport management and the provision of associated facilities

3. GROUP OPERATING PROFIT

This is stated after charging/(crediting)

	2008 £	2007 £
Auditors' remuneration - for audit services	45,500	27,000
- for non audit services	18,000	6,000
Depreciation of owned fixed assets	2,188,410	1,879,071
Depreciation of assets held under finance leases and hire purchase contracts	114,094	95,504
Loss on disposal of fixed assets	2,873	15,248
Amortisation of negative goodwill arising on acquisition	(549,409)	(433,298)
Amortisation of goodwill arising on acquisition	16,616	16,619
Operating lease rentals – plant and machinery	60,250	58,398
Operating lease rentals – land and buildings	89,035	90,633
Rents and concession income receivable	(3,170,602)	(3,317,590)

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Bank loans and overdrafts	1,191,609	849,940
Loan from parent undertaking	565,198	481,584
Finance charges payable under finance leases and hire purchase contracts	15,500	13,921
Amortisation of debt issue costs	316,858	32,363
Other interest	46,197	10,473
	2,135,362	1,388,281

5. DIRECTORS' EMOLUMENTS

Directors' emoluments are disclosed in the accounts of the parent undertaking No Director was paid for services to the company or any subsidiary of the company in either year

6. STAFF COSTS

The monthly average number of employees, including executive directors, employed by the group during the year, was as follows

	2008 Number	2007 Number
Operational	221	209
Administration	17	16
Directors	3	3
	241	228

Omniport Norwich Limited had no employees in either year

NOTES TO THE ACCOUNTS
at 31 March 2008

6. STAFF COSTS (continued)

Staff costs

	2008	*2007*
	£	*£*
Wages and salaries	5,304,026	4,863,022
Employer national insurance contributions	462,154	418,349
Employer pension contributions	187,219	195,562
	5,953,399	5,476,933

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2008	*2007*
	£	*£*
(a) The taxation (credit) is made up as follows:		
Corporation tax (group relief) for the current year	(389,044)	(144,563)
Current period corporation taxation (credit)	(389,044)	(144,563)
Deferred tax for the current period	(113,805)	(286,215)
Share of joint venture's deferred tax	–	13,985
Deferred taxation (credit)	(113,805)	(272,230)
Total taxation (credit)	(502,849)	(416,793)

NOTES TO THE ACCOUNTS
at 31 March 2008

7. **TAX ON LOSS ON ORDINARY ACTIVITIES** (continued)

	2008 £	*2007* £
(b) The factors affecting the tax (credit) for the year:		
(Loss) on ordinary activities before taxation	(1,974,674)	(1,233,164)
(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 30%)	(592,402)	(369,949)
Effects of		
Expenses not deductible for tax purposes	9,968	12,497
Non-taxable amortisation of negative goodwill on acquisition	(164,823)	(129,989)
Non-taxable amortisation of positive goodwill on acquisition	4,985	4,985
Capital allowances lower than depreciation on qualifying assets	386,620	268,343
Non-deductible depreciation on non-qualifying assets	–	59,190
Trading losses brought forward (joint venture)	–	(13,985)
Other trading losses brought forward	(109,035)	(90,824)
Trading losses carry forward	76,556	109,035
Other adjustments	(913)	6,134
Current period corporation taxation (credit) (group relief)	(389,044)	(144,563)

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK changes to 28% with effect from 1 April 2008

Based on current capital investment plans, the group expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year

8. **RESULT ATTRIBUTABLE TO THE MEMBERS OF THE PARENT COMPANY**
The result dealt with in the accounts of the parent company was a loss of £935,679 (2007 loss of £676,779)

9. INTANGIBLE FIXED ASSETS

Negative goodwill arising on acquisition	£
Cost	
At 1 April 2007 and 31 March 2008	(11,129,101)
Amortisation	
At 1 April 2007	1,352,575
Charge for the year	549,409
At 31 March 2008	1,901,984
Net book value	
31 March 2008	(9,227,117)
31 March 2007	(9,776,526)

The negative goodwill arising on the acquisition of Norwich AirportLimited is being amortised over the useful economic lives of the underlyingnon-monetary assets

Positive goodwill arising on acquisition	£
Cost	
At 1 April 2007 and 31 March 2007	332,310
Amortisation	
At 1 April 2007	16,619
Charge for the year	16,616
At 31 March 2008	33,235
Net book value	
31 March 2008	299,075
31 March 2007	315,691

Positive goodwill is being amortised over its estimated useful economic life of 20 years

10. TANGIBLE FIXED ASSETS

Group only

	Freehold land & buildings	*Runways, roadways & fencing*	*Plant, vehicles & equipment*	*Total*
	£	£	£	£
Cost or valuation				
At 1 April 2007	31,934,040	10,042,374	4,106,958	46,083,372
Additions	307,316	678,793	1,578,414	2,564,523
Disposals	–	–	(340,005)	(340,005)
Revaluation	(1,260,000)	–	–	(1,260,000)
At 31 March 2008	30,981,356	10,721,167	5,345,367	47,047,890
Depreciation				
At 1 April 2007	2,455,134	1,207,945	1,662,164	5,325,243
Charge for the year	893,955	461,473	832,982	2,188,410
Disposals	–	–	(337,132)	(337,132)
At 31 March 2008	3,349,089	1,669,418	2,158,014	7,176,521
Net book value				
31 March 2008	27,632,267	9,051,749	3,187,353	39,871,369
31 March 2007	29,478,906	8,834,429	2,444,794	40,758,129

Included in freehold land and buildings is land valued at acquisition at £1,848,467 (2007 £1,848,467) which is not depreciated

Assets held under finance leases, capitalised and included in tangible fixed assets

	2008	*2007*
	£	£
Cost	818,461	705,365
Accumulated depreciation	(528,587)	(320,763)
Net book value	289,874	384,602

The net book value of plant, vehicles and equipment includes an amount of £87,813 (2007 £136,825) in respect of assets held under hire purchase contracts

10 TANGIBLE FIXED ASSETS (continued)

Included within freehold land and buildings is the following investment property

	Investment Property *£*
Cost	
Cost as at 1 April 2007 and 31 March 2008	4,324,720
Revaluation	
Surplus as at 1 April 2007	2,925,280
Unrealised deficit	(1,260,000)
At as 31 March 2008	1,665,280
Net book value	
At 31 March 2008	5,990,000
At 31 March 2007	7,250,000

The valuation of the investment property was made as at 28 July 2006 by Bidwells Property Consultants, Chartered Surveyors, on an open market basis It was undertaken in accordance with the Appraisaland Valuation Manual of the Royal Institute of Chartered Surveyors in the UK

This valuation has been incorporated into the financial statements and the resulting revaluation adjustment has been taken to the revaluation reserve

No deferred taxation is provided on timing differences arising from the revaluation of fixed assets unless, by the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that the gain will be rolled over If deferred tax had been provided it would have been £466,278 (2007 £877,584)

No depreciation is provided in respect of this property

On a historical cost basis, the property would have been included at an original cost of £3,874,720 (2007 £3,874,720), and aggregate depreciation of £nil (2007 £nil)

The directors have considered the valuation as at 31 March 2008 and consider there to have been a temporary diminution in value to £5,990,000 This opinion is based on the general conditions seen within the investment property market, with reference to recent local transactions and the value of the existing lease

11. INVESTMENTS

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Subsidiary undertakings – direct holding			
(i) Norwich Airport Limited	Ordinary shares	80 1%	Airport operator
Subsidiary undertakings – indirect holding			
(ii) Travel Norwich Airport Limited Φ	Ordinary shares	80 1%	Travel agency
(iii) Legislator 1364 Limited Φ	Ordinary shares	80 1%	Property rental

Φ Held by Norwich Airport Limited

All of the above companies are incorporated in England and Wales

Company
Shares in group undertakings
Cost at 31 March 2007 and 31 March 2008 £11,405,868

12. STOCKS

Group only

	2008	*2007*
	£	*£*
Spares and consumables	194,311	194,797

The company has no stock

The directors consider that the difference between the purchase price of stocks and their replacement cost is not material

13. DEBTORS

		Group		*Company*
	2008	*2007*	*2008*	*2007*
		£	*£*	*£*
Trade debtors	1,717,295	1,366,142	–	–
Amounts due from parent undertaking	446,463	6,463	–	–
Loan to subsidiary undertaking	–	–	500,000	1,250,000
Other debtors	207,604	176,519	8	4
Corporation tax (group relief)	–	144,563	472,871	207,464
Prepayments & accrued income	459,255	389,108	–	–
	2,830,617	2,082,795	972,879	1,457,468

NOTES TO THE ACCOUNTS
at 31 March 2008

14. CREDITORS amounts falling due within one year

		Group		Company
	2008	2007	2008	2007
		£	£	£
Bank overdraft	1,399,085	1,189,610	–	3,157
Long term bank loans (note 16)	85,692	630,278	(5,998)	542,918
Trade creditors	1,470,213	1,195,312	–	–
Obligations under finance leases and hire purchase contracts (note 17)	118,897	106,729	–	–
Amount owed to parent undertakings	6,145	99,344	–	–
Amount owed to group undertaking	–	–	73,546	–
Other taxes and social security costs	146,014	128,829	–	–
Other creditors	166,753	75,239	–	–
Accruals and deferred income	2,412,989	1,603,330	78,000	44,280
	5,805,788	5,028,671	145,548	590,355

15. CREDITORS amounts falling due after more than one year

		Group		Company
	2008	2007	2008	2007
	£	£	£	£
Long term bank loans (note 16)	15,283,608	11,294,034	6,445,013	5,857,328
Bank revolving credit facility	–	2,750,000	–	–
Long term loan from parent undertaking	8,784,261	7,351,940	7,772,575	7,351,940
Deferred consideration	1,118,952	1,086,361	1,118,952	1,086,361
Obligations under finance leases and hire purchase contracts (note 17)	230,480	239,448	–	–
Other creditors	157,099	162,925	–	–
	25,574,400	22,884,708	15,336,540	14,295,629

The loan from the company's parent undertaking isunsecured and is repayable on demand. However, a subordination agreement has been entered into such that no payments of capital or interest can be made until the long term bank loan has been repaid in full Accordingly,the entire parent undertaking loan falls due in more than five years It attracts interest at 2% above bank base rates

The deferred consideration is due to Norfolk County Council and Norwich City Council following the purchase of Norwich Airport Limited The debt increases at each anniversary of the acquisition at the lower of 3% and the RPI index, and becomes payable at the end of fifteen years(2 March 2019), unless certain events have crystallised it earlier It is secured by second charge over the assets of Norwich Airport Limited

16. BANK LOANS

Group	*2008*	*2007*
	£	£
Amounts falling due		
Between one and two years	92,327	635,278
Between three and five years	1,151,314	1,950,316
Over five years	14,039,967	8,708,440
Total due after more than one year	15,283,608	11,294,034
Due within one year	85,692	630,278
	15,369,300	11,924,312

Bank loans above comprise three loans The first is as described in the Company only section The second is held by the group's subsidiary Legislator 1364 Limited with details as follows

The total of £5,436,706 is stated after the deduction of associated unamortised debt issue costs of £50,294 (2007 £57,934) These debt issue costs are being amortised on a straight line basis over the term of the loan (8 years)

The loan is secured on the property held by the group's subsidiary Legislator 1364 Limited It is repayable in quarterly instalments, with a balloon repayment in October 2014 The interest has been fixed throughout the term at a rate of 5 98%

The third is held by Norwich Airport Limited with details as follows
The Company refinanced on 31 October 2007, in tandem with Omniport Norwich Limited

The total of £3,493,579 is stated after the deduction of associated unamortised debt issue costs of £6,421 (2007 £nil) These debt issue costs are being amortised on a straight line basis over the term of the loan (10 years)

The loan is secured on the freehold property of Norwich Airport Limited No capital repayments are due until 31 October 2012, at which time the outstanding balance will be converted to a term loan, which will be repaid by way of 60 equal monthly payments

Company	*2008*	*2007*
	£	£
Amounts falling due		
Between one and two years	(6,364)	542,918
Between three and five years	522,576	1,632,235
Over five years	5,928,801	3,682,175
Total due after more than one year	6,445,013	5,857,328
Due within one year	(5,998)	542,918
	6,439,015	6,400,246

16. BANK LOAN (continued)

The Company refinanced on 31 October 2007, with a revolving credit facility entered into with Bank of Scotland

The above amounts repayable are stated after the deduction of associated unamortised debt issue costsof £60,985 (2007 £nil) These debt issue costs are being amortised on a straight line basis over the term of the loan (10 years)

The loan is secured on the freehold property of Norwich Airport Limited No capital repayments are due until 31 October 2012, at which time the outstanding balance will be converted to a term loan, which will be repaid by way of 60 equal monthly payments

Interest Rate Hedge Arrangement

The Directors have taken out an interest rate hedge against Bank of England base rates onthe revolving credit facility of £3,500,000 with a notional amount of £3,000,000 The hedge fixes the interest payable at 5 08% until 31 January 2011

The fair value of the hedge arrangement is based on the market price of comparable instruments at the balance sheet date The fair value of this hedging instrument, which is not recognised in these financial statements, is £21,174 as at 31 March 2008

17. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Amounts due under finance leases and hire purchase contracts

Group only

	2008	*2007*
	£	*£*
Amounts payable		
Within one year	118,898	106,729
In two to five years	230,480	239,448
More than five years	–	–
	349,378	346,177

18. OPERATING LEASE COMMITMENTS

At the period end, annual commitments under non-cancellable operating leases were as follows

Group only	*2008*	*2007*
	£	*£*
Operating leases for plant and machinery, which expire		
Within one year	3,043	1,773
In two to five years	57,207	55,907
	60,250	57,680

18. OPERATING LEASE COMMITMENTS (continued)

	2008 £	2007 £
Operating leases for land and buildings, which expire		
Within one year	–	–
In two to five years	–	–
More than five years	89,035	89,035
	89,035	89,035

19. DEFERRED TAXATION

The amounts provided for deferred taxation, calculated on the liability method, are as follows

Group only	2008 £	2007 £
Balance brought forward	377,083	455,564
On acquisition	–	207,734
Profit and loss account (credit)	(113,805)	(286,215)
	263,278	377,083

	2008 £	2007 £
The provision for deferred taxation comprises		
Accelerated capital allowances	365,851	1,270,738
Other timing differences	–	(85,910)
Undiscounted provision for deferred taxation	365,851	1,184,828
Discount	(102,573)	(807,745)
Discounted provision for deferred taxation carried forward	263,278	377,083

The discount rate is derived from the post-tax yields on UK Gilts for the periods over which the timing differences are expected to reverse The weighted average yield applied was 3 59% (2007 2 86%)

During the year, as a result of the change in UK Corporation Tax rates which will be effective from 1 April 2008, deferred tax balances have been remeasured Deferred tax relating to timing differences which are expected to reverse prior to 1 April 2008 is measured at 30% and deferred tax relating to timing differences expected to reverse after 1 April 2008 is measured at the tax rate of 28% as these are the tax rates that will apply on reversal This has resulted to a credit to the profit and loss account of £26,132

20. SHARE CAPITAL

	2008 £	*2007* £
Authorised:		
1,000 Ordinary shares of £1 each	1,000	1,000
Issued, called up and fully paid:		
1 Ordinary shares of £1 each	1	1

21. RECONCILATION OF SHAREHOLDER'S FUNDS AND MOVEMENT ON RESERVES

	Share Capital £	*Profit & loss Account* £	*Revaluation Reserve* £	*Total share-holders funds* £
Group				
At 31 March 2006	1	(581,303)	–	(581,302)
Retained (loss) for the year	–	(702,366)	–	(702,366)
Surplus on revaluation of property	–	–	1,561,950	1,561,950
Other movement	–	35,301	–	35,301
At 31 March 2007	1	(1,248,368)	1,561,950	313,583
Retained (loss) for the year	–	(1,255,801)	–	(1,255,801)
Unrealised deficit on revaluation of property	–	–	(1,260,000)	(1,260,000)
At 31 March 2008	1	(2,504,169)	301,950	(2,202,218)

The other movement represents the impact of the 'true and fair override' adopted as part of the accounting for the acquisition in the year This is more fully explained in Note 1 "Accounting Policies"

	Share Capital £	*Profit & loss account* £	*Total share-holders funds* £
Company			
At 31 March 2006	1	(1,345,870)	(1,345,869)
Retained (loss) for the year	–	(676,779)	(676,779)
At 31 March 2007	1	(2,022,649)	(2,022,648)
Retained (loss) for the year	–	(935,689)	(935,689)
At 31 March 2008	1	(2,958,338)	(2,958,337)

22. ANALYSIS OF CHANGES IN GROUP NET DEBT

	At 1 April 2007 £	*Cash flows* £	*Non-cash changes* £	*At 31 March 2008* £
Cash at bank	872,114	227,809	–	1,099,923
Bank overdraft	(1,189,610)	(209,475)	–	(1,399,085)
	(317,496)	18,334	–	(299,162)
Bank loans				
- due within one year	(666,432)	666,432	(100,000)	(100,000)
- due after one year	(11,629,894)	6,142,894	100,000	(5,387,000)
Cost of raising finance				
- due within one year	36,154	7,034	(28,880)	14,308
- due after one year	335,860	59,371	(291,839)	103,392
Bank revolving credit facility	(2,750,000)	(7,250,000)	–	(10,000,000)
Loan from parent undertaking	(7,351,940)	–	(420,635)	(7,772,575)
Loan from group undertaking	–	(1,000,000)	(11,686)	(1,011,686)
Finance leases & HP contracts				
- due within one year	(106,729)	109,896	(122,064)	(118,897)
- due after more than one year	(239,448)	–	8,968	(230,480)
Total	(22,689,925)	(1,246,039)	(866,136)	(24,802,100)

The non-cash changes above reflect the capitalisation of interest on the parent company loan (note 16), together with the amortisation of debt issue costs

23. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to£1,408,000 (2007 £731,000) for the group

24. PENSIONS

The subsidiary companies Norwich Airport Limited and Travel Norwich Airport Limited are admitted bodies to the Norfolk local government pension scheme (the "Norfolk Pension Fund"), a defined benefit scheme On 2 March 2004, as part of the sale of a majority shareholding in Norwich Airport Limited by Norfolk County Council and Norwich City Council, the company's participation in the scheme was changed such that future contributions will be set at a fixed rate in relation to current service periods Any changes in contributions relating to past service costs will be met by Norfolk County Council and Norwich City Council There was no change to benefits accruing to members of the scheme as a result of this arrangement The scheme is now closed to new members

Under the terms of the sale agreement, the directors consider it likely that the funding responsibility for the scheme will revert to Norwich Airport Limited at a date not earlier than 15 years from the sale date At this point Norwich Airport Limited will take the scheme back into its financial statements and the liabilities under the scheme will be "rebased" with Norwich Airport Limited being liable for current service costs only

Full details of the Norfolk Pension Fund are disclosed within the financialstatements of Norfolk County Council as at 31 March 2008

Net employer contributions paid to the scheme amount to £161,279 (2007 £180,280) As at 31 March 2008 there was a creditor due to the scheme of £47,178 (2007 £50,800) covering both employer and employee contributions for the month of March, with a debtor of £21,212 (2007 £21,892) for the recovery of contributions from the two councils in excess of the fixed rate

25. CONTINGENT LIABILITIES AND BANK GUARANTEES

The company has entered into guarantees with its bankers in respect of loan and credit facilities held jointly between itself and its main subsidiary, Norwich Airport Limited These facilities are secured on the assets of Norwich Airport Limited

In addition the group's bankers have issued a guarantee in favour of ABTA for £147,599 (2007 £170,142) on behalf of Travel Norwich Airport Limited, which is secured by a charge over cash held in a separate bank account by that subsidiary

26. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in paragraph 3(a) of FRS8 from disclosing transactions with related parties that are part of the Omniport Norwich Limited group

During the year, the group received ground rent of £nil (2007 £8,532) and management charges of £nil (2007 £2,835) from Legislator 1364 Limited during the period that that company was a joint venture

The group purchases technical services from its parent undertaking, Omniport Limited under an agreement entered into on 2 March 2004 The amount incurred over the financial year was£nil (2007 £264,192) At the Balance Sheet date, there was an amount due from Omniport Limited of £52,533 (2007 liability of £77,606) under 30 day credit terms There was a liability at the Balance Sheet date to another parent undertaking, Omniport Holdings Limited, for £1,267 (2007 £21,738) under 30 day credit terms for recharged operating expenses

As part of the acquisition of Legislator 1364 Limited on 24 August 2006, the company purchased corporate finance advice from Gambit Corporate Finance, an entity in which Dr GHH Ainsworth is the managing partner The amount incurred for this advice was £25,000 and this has been capitalised as part of the cost of investment

27. CONTROLLING PARTIES

The company's immediate parent company is OmniportLimited The company's ultimate holding company is Omniport Holdings Limited

The largest group in which the results of the company are consolidated is that headed by Omniport Holdings Limited, incorporated in England and Wales Copies of these accounts are available from the Company Secretary, Omniport Holdings Limited, c/o M&A Solicitors, Kenneth Pollard House, 5-19 Cowbridge Road East, Cardiff, CF11 9AB No other group accounts include the results of the company