Omniport Holdings Limited

Private limited with Share Capital

Company No : **05040963**

Registered Address:

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Assembly Square,
Britannia Quay
Cardiff

CF10 4PL

Omniport Holdings Limited

REGISTERED NUMBER 05040963

Annual report and group financial statements

31 March 2010

11-1-11 094

DIRECTORS AND PROFESSIONAL ADVISERS

CURRENT DIRECTORS
Dr GHH Ainsworth
Mr AM Bell
Mr D Calder
Dr M Laing
Mr WP Wyatt

COMPANY SECRETARY
Mr S Berry

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
St Georges Street
Norwich
NR3 1AG

BANKERS
HSBC Bank plc
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SOLICITORS
M&A Solicitors
3 Assembly Square
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REGISTERED OFFICE
3 Assembly Square
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The directors present their annual report and the audited consolidated financial statements for the year ended 31 March 2010

PRINCIPAL ACTIVITIES

The principal activities of the Omniport Holdings Limited Group ("OHL", "the Group") are airport ownership, management and the provision of associated facilities and services The Group also operates a UK based travel agency The company operates as an investment holding company

RESULTS AND DIVIDENDS

The loss for the year after taxation for the Group amounted to £10,005,000 (2009 loss £6,473,000) after recognising exceptional charges of £6,561,000 (2009 £nil) No interim dividends were paid (2009 £nil) and no final dividend is proposed (2009 £nil)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Business strategy

The Group's strategy is to acquire controlling interests in and to manage regional airports OHL is prepared to make investment in these assets to ensure that they have the appropriate operational and commercial infrastructure in place to maximise profitable growth OHL seeks to maximise the profitability of its principal activity, the operation of two airports, through the development of five key activities passengers, freight, maintenance repair and overhaul, general aviation and property The importance and potential of each of these activities will differ by airport The Board believes that the long term growth of air transport provides an excellent opportunity for investing in these growth sectors, underpinned by strong asset backing

Business review and principal activities

The Group owns and manages Norwich Airport ("NAL") in the UK and Maastricht-Aachen Airport ("MAA") in the Province of Limburg in the Netherlands Norwich City Council and Norfolk County Council together retain a minority interest of 19 9% in NAL

The Group presents its results under International Financial Reporting Standards The result for the Group for the year ended 31 March 2010 shows a pre-tax loss of £10,716,000 (2009 £5,509,000) from turnover of £21,030,000 (2009 £21,094,000) Included within the results for 2010 are exceptional charges of £6,561,000 (2009 £nil) in relation to a realised loss on the transfer of assets to an associated company (see note 5 of the financial statements for further details) Net assets at 31 March 2010 were £39,460,000 (2009 £51,151,000) At 31 March 2010 the Group had cash and cash equivalents of £3,315,000 (2009 £2,302,000) Borrowings across the Group totalled £21,268,000 (2009 £21,611,000) Net cash outflow from operating activities for the year ended 31 March 2010 was £1,726,000 (2009 £813,000)

The management of OHL consider the Group earnings before interest, tax, depreciation and amortisation and exceptional items (Adjusted EBITDA) as the primary indicator of underlying financial performance, which for the year ended 31 March 2010 shows a result of £1,152,000 (2009 £427,000)

Key performance indicators

The key financial and non-financial indicators that are monitored by management are as follows

	2010	*2009*
Financial		
Adjusted EBITDA	**£1,152,000**	£427,000
EBITDA/Turnover	**5.5%**	2 0%
Non-financial		
Passenger numbers	**567,000**	750,000
Freight tonnes	**86,000**	83,000

Post balance sheet event

On 22 January 2010 a conditional agreement was made to lease a parcel of land to a third party on a long term lease The profit recognised on the transaction of £970,000 will be recorded in the financial statements for the year ending 31 March 2011

Information on the financial performance and position of the two individual airports is contained in note 2 of the financial statements

Operational review, business environment and prospects

Norwich Airport

In 2009/10 Norwich Airport handled 417,031 passengers, a fall of 139,621 (25%) on the previous year's total of 556,652 Scheduled service passengers (both international and domestic) were 81,091 passengers (23%) down following Flybe's withdrawal of services to Paris and Dublin partway through the previous year, and the scaling back of services for both international and domestic departures due to the economic climate Passenger numbers on the core business routes served from the airport (KLM to Amsterdam, Eastern Airways and bmi to Aberdeen, and Flybe to Manchester and Edinburgh) fell by 12% from the previous year, with continued pressure on load factors and bad weather conditions in the first quarter of 2010 causing disruption and lower passenger volumes

In total, 69,762 holiday charter passengers were handled, a reduction of 53,242 (43%) on the previous year Despite this reduction in volume the airport maintained most of its range of destinations to holidaymakers, but for a number of destinations served tour operators have trimmed the frequency of flights from the airport However, new destinations added by tour operators for the 2010/11 summer and winter seasons has meant available capacity for the current year has increased by 70%

The number of helicopter passengers handled in the year was also impacted with a fall of 5,288 (7%) to 68,284 passengers Management expect 2010/11 volumes to remain steady and this remains an area of strong potential growth

For the period April to September 2010, the airport has handled 261,509 passengers, an increase of 3% over the same period in 2009/10 The passenger volumes have shown a good degree of resilience as this period includes the ash cloud disruption affecting traffic in April 2010, and for the period May to September 2010, the year-on-year passenger volumes have increased by 6%

Travel Norwich Airport Limited ("TNAL"), the airport's wholly owned travel agency business, had a challenging year reflecting the industry as a whole, with booking commissions down 17% on the previous year This trend is expected to reverse in 2010/11 as the business' core product availability – package holidays from Norwich Airport – is expected to grow by 28% with TNAL returning to profitability

In response to the reduction in passenger volume and difficult trading conditions a fundamental restructuring of the airport's and TNAL's cost base to introduce flexibility and efficiency resulted in cost savings of £1 2m

Away from the passenger business the airport continued to develop a number of aviation related property projects in conjunction with existing tenants and customers, and has also received strong interest in being the location of choice from companies currently based elsewhere who are seeking to relocate All of these projects and enquiries are testament to Norwich Airport's reputation as a major European site for aircraft maintenance and other more specialist aviation operations

The airport's capital expenditure plan remained on track, albeit at a reduced level of activity following the significant investment made in previous years in the major infrastructure needs of the business such as the terminal and apron extensions, ground lighting and air traffic control equipment and the state of the art fire training ground

Maastricht-Aachen Airport ("MST")

Cargo handling, the airport's major activity, performed well in the face of adversity Total tonnes handled in the year were 85,784, a 3% increase on the previous year's record of 82,922 The full year performance, though apparently showing very little growth, is in fact the result of two very different periods of trading

In the first 6 months of 2009/10, 37,851 tonnes of cargo were handled, which was a fall of 7,504 tonnes from the previous year There was a decline of 15% in flown cargo, representing 59% of the decline in overall volume, while the trucked airfreight sector (where freight is flown to another EU airport then trucked to Maastricht, where it is cleared through customs) fell by 18% and trucked cargo by 29% In addition, one of the main flown cargo carriers, Cargolux, operated 69 less flights at a cost of 7,620 tonnes over the same period in the previous financial year, but was partially compensated by a new carrier AirBridgeCargo ("ABC") delivering 4,144 tonnes in the same period

However, fuelled by the combined momentum of the community of forwarding companies located at the airport and the airport's reputation for handling excellence, there was overall growth of 28% (10,366 tonnes) for the second 6 months of 2009/10 compared to the previous financial year This was significantly helped by the import/export flown freight operation by Russian based ABC, connecting Maastricht with the Far East via Moscow A further weekly flight was added in August 2009

Total passengers handled in the year were 149,762, a fall of 43,916 (23%) on the previous year This decline was in part due to the termination of the Valencia route for Ryanair, which despite the development of new routes to Alicante, Pisa and Trapani contributed to Ryanair passengers falling by 5,246 (5%) Furthermore, there was a full year of the cessation of KLM's Amsterdam service in October 2008 seeing an additional fall of 29,803 passengers and a reduction of 6,284 (19%) in charter holiday passengers flown by Transavia In July 2009 the Dutch government removed the Dutch "Ecotax" levy on airline tickets, introduced in 2008, which, as a direct result saw Ryanair recommence services to Barcelona, Alicante and Pisa for the 2009 summer season and the operation of a winter service to Barcelona and Alicante

For the period April to September 2010, the airport has handled 162,803 passengers, an increase of 58% over the same period in 2009/10, as a result of additional Ryanair routes Cargo tonnage volumes handled for the period April to September 2010 are 5% higher than the same period last year

The development of the Aviation Valley business park continued to progress in the year An agreement was reached with Dura Vermeer, the Aviation Logistics Development Company (backed by the Kroon and Wessels Groups) and the Province of Limburg to undertake the horizontal development of the 104 hectare site This agreement was formalised on 2 July 2009 The number of enquiries for plots from both national and international companies seeking to relocate to take advantage of the site's prime location has been very encouraging, and the project is well placed to deliver substantial profits to the business in the years ahead

Funds returned to the airport from the introduction of the Aviation Valley Business Park development partners, in conjunction with the continuing support from the Province of Limburg, and further monies to be potentially generated from the sale of the business park land for development, will allow the airport to continue to finalise plans for the new 20,000m^2 cargo terminal and new apron, and to plan an appropriate program to complete the investment of the remaining government grants

The airport's designation, which confirms the maximum traffic capacity of the airport, remains under technical consultation following a Supreme Court decision in 2008 to review the original designation A decision on an amended designation is expected to be made by the Ministry of Infrastructure and Environment soon The airport's management do not anticipate that any proposed amendments to the designation will affect the present activities of the airport

Norwich Airport Limited future funding and going concern status

Norwich Airport Limited ("NAL") and Omniport Norwich Limited ("ONL"), its immediate parent company, have agreed facilities with their bankers comprising a £10,000,000 loan (the first repayment of which is due in October 2012) and a working capital facility of £2,000,000, which is confirmed as being available up to 31 May 2011, but which is, as with all such facilities, repayable on demand The directors have prepared and sensitised cash flow projections for the period to 31 December 2011, which indicate that there is sufficient headroom, assuming the above working capital facility is renewed in May 2011 and continues to be available to NAL Accordingly the financial statements have been prepared on a going concern basis

Omniport Dura Vermeer BV ("OMDV") Group going concern status

The OMDV Group of companies has not complied with the investment requirement relating to government grants received in the past, which required the grant to be expended on specified improvements to Maastricht Airport by 1 February 2010 The outstanding amount of unallocated government grants, amounting to £15,560,000 (€17,443,000), is, accordingly, technically repayable on the demand of the Province of Limburg and the State of the Netherlands Taking into account the financial position of OMDV, any possible repayment demanded by the Province or the State would lead to uncertainty about OMDV's status as a going concern, in the absence of alternative sources of funding

OMDV is in discussions with the Province and the State regarding the timing and scope of the remaining investment programme in light of the current economic climate The Province has commissioned a strategic review of the airport and its role in the region, and is evaluating the best course of action and the findings are expected to be announced in due course If the company's proposals are accepted, this will ensure that the remaining investment is made in those airside infrastructure projects which will best complement the continued successful development of OMDV's core operational airport business This in turn will deliver the most cost-effective use of the grants that the airport has received Based on discussions with the Province, we believe that, until the evaluation has been completed, the Province and the State will not require repayment of the uncommitted subsidy It is on this basis, together with the assumption that agreement will be reached with the Province regarding the future utilisation of the remaining unspent grant, that the financial statements have been prepared on a going concern basis For details regarding deferred government grants see note 19

Principal risks and uncertainties

The management of the Group's business and the execution of the Group's strategy are subject to a number of risks Risks are reviewed by the Board and appropriate processes put in place to monitor and mitigate these risks If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group The key operational and commercial business risks affecting the Group are set out below

Security

OHL ranks the security of customers and staff as one of the most important operational risks that the Group has to manage The Group has continued to invest heavily in security equipment and technology and in the employment, training and development of staff working in this area Close co-operation is maintained with government agencies, security services and the police to ensure that the security regime is responsive to changes in external threats as these arise

Health and Safety

The health and safety of customers and staff is another key operational risk for the Group to manage The assessment of health and safety risks is inbuilt into daily management routines and is monitored by a structure which provides regular health and safety reports that are reviewed regularly by the Board of both NAL and MAA

Change management

The regional aviation industry has undergone significant change The growth of the low cost model has forced traditional tour operators and legacy scheduled carriers to consolidate their activities The management of the shift in emphasis in the aviation industry presents a key risk to the business The group's strategy in this environment is to diversify, building a portfolio of scheduled and charter routes by identifying the most appropriate airline or tour operator for each opportunity, allowing margin to be maximised Focus on the offshore oil and gas transport industry, general and business aviation and property also further diversify the business model Additionally the group is seeking to continue to develop its cargo activities through identifying and attracting further freight carriers

Investment

Investment in infrastructure is a key requirement of a growing regional airport The Group's ability to correctly assess the investment required at each of its key assets, both to maintain and keep pace with operational requirements and for commercial development, and to obtain an appropriate rate of return on that investment, is a key risk

Environmental compliance and regulation

The aviation industry remains in the spotlight in the drive towards a cleaner environment and more sustainable global consumption At the same time aviation is an essential component of the global economy This situation creates a number of challenges, particularly around noise and climate change Increased environmental restrictions in respect of noise and pollution potentially place limitations on future growth With both emissions trading and technological improvements the Board believes the industry can be both greener and grow, in line with the suggestions of the Stern Review and the Eddington Transport Study on the economics of climate change Insofar as the rate and cost to the aviation industry of environmental compliance exceeds current expectations, there is a risk that the growth rates forecast for regional airports and the future investment returns may not be achieved

Competitor airports

The development of competitor airports clearly presents a challenge and consequently a risk to the Group Within the context of a rapidly changing market, considerable effort is being made to develop the Group's existing assets to provide an attractive and commercial service to our customers

Disruption caused by volcanic ash

Subsequent to the year end, in April 2010, European airspace was affected by ash from a volcanic eruption in Iceland Flights were disrupted at both Norwich and Maastricht Airports, and there were also further disruptions to activity during early May 2010 The impact of the ash cloud was unforeseen and outside of the control of the Group During 2010/11, the Group has sought to mitigate the financial impact of events such as this, through cost management and ongoing developments to increase the flexibility of the cost base of the organisation

Changes in demand

The aviation industry has undergone a severe contraction in demand as a result of the global recession This, combined with the risk of specific events such as terrorism, creates demand risk The Group mitigates this risk by the application of prudent financial controls, the gathering of business intelligence and contingency planning Dramatic changes in demand would clearly contribute a significant risk to the Group's business The combined effect of the Group's mitigating actions is to make the Group capable of a more flexible response to changes in the economic climate and trading conditions

Creditor payment policy

Amounts due to trade creditors are settled in line with terms agreed or, where no special arrangements exist, in accordance with the suppliers' standard credit terms Creditor payment days at 31 March 2010 for the Group were 36 (2009 55)

Political and charitable donations

During the year the Group made charitable donations of £2,500 (2009 £250) of which £500 (2009 £250) was donated to a national charity and £2,000 (2009 £nil) to the Norwich Cathedral appeal No contributions were made to any political organisations (2009 £nil)

Market value of land and buildings

During the year the Group had a valuation performed on the Norwich Airport site This indicated that the value of land and buildings is equal to the book value

FINANCIAL RISK MANAGEMENT

The Group's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board The policies set by the board of directors are implemented by the Group's finance department

Credit risk
Credit risk is managed through the use of credit checks and limits that form part of the Group's internal controls The risk is further mitigated by the fact that the Group trades with a reasonably wide customer base, helping to minimise the exposure of the Group to the credit risk of any one individual customer Additionally, credit control and regular monitoring of aged balances is performed

Liquidity risk
The Group has access to a bank overdraft and longer term loan facilities so as to ensure it has sufficient available funds for operations The Group also has access to a bank overdraft and longer-term loan facilities Daily cash flow management and projections are integrated with the forecasts to monitor availability of liquid resources

Interest rate cash flow risk
The Group earns interest on its cash balances at a variable rate The Group also has interest-bearing liabilities due to its long-term loan facilities in respect of which derivative financial instruments are utilised to manage the interest rate exposure risk

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements were as follows

Dr GHH Ainsworth (Chairman, Non executive director)
Mr AM Bell (Finance director)
Mr WP Wyatt (Non executive director)
Dr M Laing (Non executive director)
Mr D Calder (Non executive director)

Directors' indemnities
The Company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal action brought against its directors

EMPLOYEE INVOLVEMENT
Norwich Airport Limited and Maastricht-Aachen Airport BV, the Group's principal trading subsidiaries, have a Works and Labour Council These meet regularly to provide employees with a mechanism to receive information about business developments and to put forward suggestions and views

DISABLED EMPLOYEES
The Group gives full consideration to applications for employment from disabled

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate

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

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 Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group for that period In preparing these financial statements, the directors are required to.

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed as appropriate, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT 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 DISCLOSURE TO AUDITORS

So far as 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 they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information

On behalf of the board

Dr GHH Ainsworth	Mr AM Bell
Chairman and Director	**Finance Director**

INDEPENDENT AUDITORS' REPORT
to the members of Omniport Holdings Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OMNIPORT HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Omniport Holdings Limited for the year ended 31 March 2010 which comprise the Consolidated Balance Sheet, the Parent Company Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, 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

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 Group's and parent 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

Opinion

In our opinion

- the Group financial statements give a true and fair view of the state of the Group's affairs as at 31 March 2010 and of its loss and cash flows for the year then ended,
- the parent company financial statements give a true and fair view of the state of the parent company's affairs as at 31 March 2010 and of its loss for the year then ended,
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

INDEPENDENT AUDITORS' REPORT
to the members of Omniport Holdings Limited

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of disclosures made as regards the following

Going concern

We draw attention to note 1 to the financial statements which indicates that a subsidiary undertaking did not fulfil its government grant investment obligations before 1 February 2010, making the outstanding amount of unallocated government grant (£15,560,000) repayable on the demand of the Province of Limburg The Group is in discussions with the Province regarding the timing and scope of the remaining investment program in light of the current economic climate The Group is seeking to agree a postponement of the 1 February 2010 deadline for the completion of the investment program The directors have informed us that until the evaluation has been completed, it is their understanding that the Province of Limburg will not require repayment of the unallocated government grants If no new agreement with the Province of Limburg is reached, any demand for repayment of the unspent balance, taking into account the financial position of the company, indicates the existence of a material uncertainty which may cast material doubt about the Group's ability to continue as a going concern Our opinion is not qualified in respect of this matter

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

C Maw

Christopher Maw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Norwich
Date 29 December 2010

CONSOLIDATED INCOME STATEMENT
for the year ended 31 March 2010

	Note	*2010* *£'000*	*2009* *£'000*
REVENUE	2	**21,030**	21,094
Employee benefit expense	3, 9	**(11,473)**	(12,045)
Premises costs, consumables and other expenses	3	**(8,405)**	(8,622)
EARNINGS BEFORE EXCEPTIONAL ITEMS, INTEREST, TAX, DEPRECIATION AND AMORTISATION ("ADJUSTED EBITDA")	2	**1,152**	427
Decrease in fair value of investment property		**-**	(744)
Depreciation	3, 11, 26	**(5,474)**	(5,822)
Deferred government grants and subsidies released	3, 19, 26	**1,584**	1,968
Exceptional item	5, 26	**(6,561)**	-
OPERATING LOSS	4, 26	**(9,299)**	(4,171)
Finance income	6	**349**	71
Finance costs	7	**(1,662)**	(1,409)
Finance costs net		**(1,313)**	(1,338)
Share of (loss)/profit of associates		**(104)**	-
LOSS BEFORE TAXATION	2	**(10,716)**	(5,509)
Tax on loss	10	**711**	(964)
LOSS FOR THE YEAR		**(10,005)**	(6,473)
Attributable to			
Equity holders of the company		**(9,646)**	(5,935)
Minority interests		**(359)**	(538)
		(10,005)	(6,473)

The results relate to continuing operations The accompanying accounting policies and notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2010

	2010 *£'000*	*2009* *£'000*
LOSS FOR THE FINANCIAL YEAR	**(10,005)**	(6,473)
Exchange differences on overseas investments	**(1,686)**	5,087
Decrease in fair value of investment property	-	(1,046)
Less deferred tax provision	-	292
TOTAL RECOGNISED LOSS FOR THE YEAR	**(11,691)**	(2,140)
Attributable to		
Equity holders of the company	**(11,332)**	(1,451)
Minority interests	**(359)**	(689)
	(11,691)	(2,140)

CONSOLIDATED BALANCE SHEET
as at 31 March 2010

	Note	*2010* *£'000*	*2009* *£'000*
ASSETS			
Non-current assets			
Intangible assets	13	**1,273**	1,284
Property, plant and equipment	11	**87,201**	114,162
Investment property	11	**4,200**	4,200
Investment in associate	12	**4,242**	-
		96,916	119,646
Current assets			
Inventories	15	**264**	339
Trade and other receivables	16	**10,687**	4,185
Cash and cash equivalents	14	**3,315**	2,302
		14,266	6,826
LIABILITIES			
Current liabilities			
Borrowings	17	**(2,130)**	(1,726)
Trade and other payables	18	**(24,953)**	(25,554)
Derivative financial instruments	18	**(360)**	-
		(27,443)	(27,280)
NET CURRENT LIABILITIES		**(13,177)**	(20,454)
Non-current liabilities			
Borrowings	17	**(19,138)**	(19,885)
Other non-current liabilities	19	**(19,046)**	(21,350)
Deferred tax liabilities	22	**(6,095)**	(6,806)
		(44,279)	(48,041)
NET ASSETS	2	**39,460**	51,151

CONSOLIDATED BALANCE SHEET
as at 31 March 2010

	Note	2010 £'000	2009 £'000
CAPITAL AND RESERVES			
Called up share capital	23	**1,129**	1,129
Share premium	23	**13,744**	13,744
Capital reserve		**3,482**	3,482
Other reserve	24	**8,124**	9,810
Retained earnings		**9,941**	19,587
		36,420	47,752
Minority interest in equity		**3,040**	3,399
Total equity shareholders' funds		**39,460**	51,151

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

The financial statements on pages 13 to 58 were approved by the Board of Directors on 21st December 2010 and were signed on its behalf by

Dr GHH Ainsworth
Chairman and Director

Mr AM Bell
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 31 March 2010

	Share capital £'000	*Share premium £'000*	*Capital reserve £'000*	*Revaluation reserve £'000*	*Other reserve £'000*	*Retained earnings £'000*	*Minority interest £'000*	*Total share-holder funds £'000*
At 31 March 2008	968	10,974	3,482	603	4,723	25,522	4,088	50,360
Share issues	161	2,770	-	-	-	-	-	2,931
Revaluations in the year	-	-	-	(603)	-	-	(151)	(754)
Retained (loss) for the year	-	-	-	-	-	(5,935)	(538)	(6,473)
Exchange adjustments	-	-	-	-	5,087	-	-	5,087
At 31 March 2009	1,129	13,744	3,482	-	9,810	19,587	3,399	51,151
Share issues	-	-	-	-	-	-	-	-
Revaluation in the year	-	-	-	-	-	-	-	-
Retained (loss) for the year	-	-	-	-	-	**(9,646)**	**(359)**	**(10,005)**
Exchange adjustments	-	-	-	-	**(1,686)**	-	-	**(1,686)**
At 31 March 2010	**1,129**	**13,744**	**3,482**	-	**8,124**	**9,941**	**3,040**	**39,460**

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

CONSOLIDATED STATEMENT OF CASHFLOWS
for the year ended 31 March 2010

	Note	2010 £'000	2009 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	**213**	523
Interest paid		**(1,160)**	(1,336)
Net cash outflow from operating activities		**(947)**	(813)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of tangible fixed assets		**(2,217)**	(3,067)
Proceeds from sale of tangible fixed assets		**4,339**	-
Interest received		**61**	70
Net cash generated/(used) by investing activities		**2,183**	(2,997)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from the issue of share capital		**-**	2,892
Repayments of bank loan borrowings		**(330)**	(100)
Proceeds from finance lease arrangements		**-**	861
Finance lease principal repayments		**(290)**	(282)
Net cash (used)/generated from financing activities	25	**(620)**	3,371
Net increase/(decrease) in cash and cash equivalents	25	**616**	(439)
Cash and cash equivalents at the beginning of the year		**1,196**	1,456
Exchange (loss)/gain		**(24)**	179
Cash and cash equivalents at the end of the year	14	**1,788**	1,196

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The consolidated financial statements of Omniport Holdings Limited have been prepared in accordance with EU-adopted International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations and in line with those provisions of the Companies Act 2006 applicable to companies reporting under IFRS The consolidated financial statements have been prepared on a going concern basis and under the historic cost convention, except for certain financial instruments and share-based payments that have been measured at fair value

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements The accounting policies which follow relate to the Group and are applied by the Company as appropriate

Going Concern
Omniport Dura Vermeer BV ("OMDV") Group going concern status
The OMDV Group of companies has not complied with the investment requirement relating to government grants received in the past, which required the grant to be expended on specified improvements to Maastricht Airport by 1 February 2010 The outstanding amount of unallocated government grants, amounting to £15,560,000 (€17,443,000), is, accordingly, technically repayable on the demand of the Province of Limburg and the State of the Netherlands Taking into account the financial position of OMDV, any possible repayment demanded by the Province or the State would lead to uncertainty about OMDV's status as a going concern, in the absence of alternative sources of funding

OMDV is in discussions with the Province and the State regarding the timing and scope of the remaining investment programme in light of the current economic climate The Province has commissioned a strategic review of the airport and its role in the region and is evaluating the best course of action and the findings are expected to be announced in due course If the company's proposals are accepted, this will ensure that the remaining investment is made in those airside infrastructure projects which will best complement the continued successful development of OMDV's core operational airport business This in turn will deliver the most cost effective use of the grants that the airport has received Based on discussions with the Province, the directors believe that, until the evaluation has been completed, the Province and the State will not require repayment of the uncommitted subsidy It is on this basis, together with the assumption that agreement will be reached with the Province regarding the future utilisation of the remaining unspent grant, that the financial statements have been prepared on a going concern basis For details regarding deferred government grants see note 19

Norwich Airport Limited future funding and going concern status
Norwich Airport Limited ("NAL") and Omniport Norwich Limited ("ONL"), its immediate parent company, have agreed facilities with their bankers comprising a £10,000,000 loan (the first repayment of which is due in October 2012) and a working capital facility of £2,000,000, which is confirmed as being available to 31 May 2011 but which is, as with all such facilities, repayable on demand The directors have prepared and sensitised cash flow projections for the period to 31 December 2011 which indicate that there is sufficient headroom, assuming the above working capital facility is renewed in May 2011 and continues to be available to NAL Accordingly the financial statements have been prepared on a going concern basis

1. ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation
The Group financial statements consolidate the financial statements of Omniport Holdings Limited ("OHL") and its subsidiary undertakings drawn up to 31 March, and include their results, balance sheets and cash flows to that date
A separate income and expenditure account has not been presented for OHL as this is exempted by Section 408 of the Companies Act 2006 The loss for the financial year for OHL was £904,000 (2009 profit £516,000)

(a) Subsidiaries
Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies The results of companies and businesses acquired are included in the consolidated income statement from the date control passes They are de-consolidated from the date that control ceases On acquisition of a company or business, all assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date All changes to those assets and liabilities, and the resulting gains and losses, which arise after the Group has gained control of the company or business, are credited or charged to the post-acquisition income statement

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated Unrealised losses are also eliminated Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group

(b) Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income The cumulative post-acquisition movements are adjusted against the carrying amount of the investment When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group

Dilution gains and losses arising in investments in associates are recognised in the income statement

1 **ACCOUNTING POLICIES (CONTINUED)**

c) Share of profit (loss) of associate
In accordance with IAS 28 an equity method of accounting is used to reflect the interests in associates The investment is initially recorded at cost and adjusted thereafter for the post-acquisition change in investor's share of net assets of the investee The share of profit (loss) of associate represents the 40% share of net income in Land Development Aviation Valley Maastricht CV ("LDAVM CV")

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources

Intangibles acquired in business combinations
Determining the value of acquired intangibles acquired in business combinations, requires the calculation of estimated future cash flows expected to arise from the intangible assets at a suitable discount rate in order to calculate their present value In addition, an estimate of the useful life of the intangible asset has to be made, over which the period the cash flows are expected to be generated

Impairment of goodwill
Determining whether goodwill is impaired requires the estimation of the value in use of the cash-generating units to which goodwill has been allocated The value in use calculation requires the entity to estimate future cash flows expected to arise from the cash generating unit at a suitable discount rate in order to calculate the present value Details of the impairment review are provided in note 13 to the financial statements

Determination of discount rates used in business combinations and impairments reviews
The discount rates used in business combinations and impairment reviews are based on the current cost of capital of the business adjusted for management's perceived risk While management believe the discount rates used are the most appropriate rates, a change in these assumptions could result in an impairment charge

Income tax
Significant judgement is required in determining the provision for income tax There are many transactions and calculations for which the ultimate tax determination is uncertain Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made

Changes in accounting policy and disclosure.

(a) Standards, amendments and interpretations effective for the first time in the year ended 31 March 2010.

IAS 1 (revised) "Presentation of financial statements"
IAS 1 requires entities to choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income) The Group has elected to present two statements in these financial statements

IFRS 7 (Amendment) "Financial instruments – Disclosures"
The amendment requires enhanced disclosures about the fair value measurement and liquidity risk In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy The presentation of IFRS 7 has been applied in these financial statements

1. **ACCOUNTING POLICIES (CONTINUED)**

IFRS 8 "Operating segments"

IFRS 8 'IFRS 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes Management have confirmed that the Group operates in three distinct trading segments, together with a centralised support function Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker The chief operating decision-maker has been identified as the Board of Directors The Board reviews the Group's internal reporting in order to assess performance and allocate resources The Board has determined the operating segments based on these reports

(b)The following amendments to existing standards and interpretations were also effective for the current year, but the adoption of these amendments to existing standards and interpretations did not have a material impact on the Group.

- IFRS 1 (Amendment), First-time adoption of IFRS, and IAS 27 (Amendment), Consolidated and Separate Financial Statements,
- IAS 23, 'Borrowing costs' as revised, and
- 'Improvements to IFRSs' contains amendments to various existing standards, most being effective from 1 January 2009 The adoption of the remaining 'Improvements to IFRSs' did not result in any changes to the Group's accounting policies

(c) Standards, amendments and interpretations effective for the first time in the year ended 31 March 2010 but not relevant·

- IAS 32 "Financial instruments Presentation",
- IAS 39 (amendment) "Financial Instruments Recognition and measurement",
- IFRIC 13, 'Customer loyalty programmes',
- IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' This provides guidance on accounting for defined benefit pension schemes,
- IFRIC 15 "Agreements for Construction of Real Estates",

(d) Standards, amendments and interpretations that are not yet effective and have not been early adopted.

- IFRIC 17, 'Distribution of non-cash assets to owners' (for accounting periods commencing on or after 1 July 2009) The interpretation is part of the IASB's annual improvements project published in April 2009 This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable The Group will apply IFRIC 17 from 1 April 2010 It is not expected to have a material impact on the Group or company's financial statements

- IAS 27 (revised), 'Consolidated and separate financial statements' (for accounting periods commencing on or after 1 July 2009) The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses The standard also specifies the accounting when control is lost Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss The Group will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 April 2010

1 **ACCOUNTING POLICIES (CONTINUED)**

- IFRS 3 (revised), 'Business combinations' (for accounting periods commencing on or after 1 July 2009) amends the treatment of acquisition costs as part of business combinations These were previously treated as an element of consideration paid but will be required to be expensed The Group will apply IFRS 3 (revised) prospectively to all business combinations from 1 April 2010

- IAS 38 (amendment), 'Intangible Assets' The amendment is part of the IASB's annual improvements project published in April 2009 and the Group will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives The amendment is not expected to result in a material impact on the Group's financial statements

- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale' The amendment is part of the IASB's annual improvements project published in April 2009 The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1 The Group will apply IFRS 5 (amendment) from 1 April 2010 It is not expected to have a material impact on the Group's financial statements

- IAS 1 (amendment), 'Presentation of financial statements' The amendment is part of the IASB's annual improvements project published in April 2009 The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time The Group will apply IAS 1 (amendment) from 1 April 2010 It is not expected to have a material impact on the Group's financial statements

- IFRS 2 (amendments), 'Group cash-settled share-based payment transactions' (effective from 1 January 2010) In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by the interpretation The new guidance is not expected to have a material impact on the Group's financial statements.

(e) Standards, amendments and interpretations that are not yet effective and not currently relevant to the Group.

- Amendment to IAS 24, 'Related party disclosures',
- Amendment to IAS 32 on classification of rights issues,
- Amendment to IFRS 1 on first time adoption of IFRS additional exemptions,
- IFRS 9 "Financial Instruments",
- Amendments to IFRIC 9 and IAS 39 regarding embedded derivatives,
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation",
- IFRIC 18 "Transfer of assets from customers", and
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'

1. ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition Goodwill on acquisitions of subsidiaries is included in 'intangible assets' Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses

Impairment losses on goodwill are not reversed Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold

Goodwill is allocated to cash-generating units for the purpose of impairment testing The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose The Group allocates goodwill to each business segment in each country in which it operates

Property, plant & equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses The assets' residual values and useful lives are reviewed annually, and adjusted as appropriate Depreciation is provided so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets in equal annual instalments at the following principal rates

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%

Assets are held at historic cost Freehold land is not depreciated on the basis that it has an unlimited life

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably All other repairs and maintenance charges are charged to the income statements during the financial period in which they are incurred

Investment in associate

Investments in Group companies and other participations where significant influence can be exercised are recorded at their net asset value Significant influence is in any case where an investor holds 20% or more of the voting power of an entity, either directly or indirectly, as it is assumed it has significant influence over the power to participate in the financial and operating decisions of the investee but does not have control or joint control over those policies

Investment properties

Investment property is measured initially at cost, including transaction costs The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property

1. ACCOUNTING POLICIES (CONTINUED)

The requirement of the Companies Act 2006 is to depreciate all property However, that requirement conflicts with the generally accepted accounting principles laid down in IAS 40 The directors consider that, as the property is not held for consumption but for investment, to depreciate it would not give a true and fair view, and that it is necessary to adopt IAS 40 in order to give that true and fair view If the departure from the Act had not been made, the loss for the year would have been increased by depreciation of the revalued property of £64,000 (2009 £64,000)

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the balance sheet date, as determined by external valuers Gains or losses arising from changes in the fair value of investment property are charged against the revaluation reserve in the year in which they arise In the case of a reduction in fair value, the resulting loss is charged firstly against any previously recognised gain in relation to that asset held in the revaluation reserve and thereafter to the income statement Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs") Recoverable amounts for CGUs are based on value in use, which is calculated from cash flow projections using data from the Group's latest internal forecasts, being one year detailed forecast and extrapolated forecasts thereafter, the results of which are reviewed by the Board The key assumptions for the value in use calculations are those regarding discount rates and growth rates

Inventories

Inventories are stated at the lower of cost and net realisable value on a first in first out basis Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal Where necessary, provision is made for obsolete, slow moving or defective stock

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement

Foreign currencies

Monetary assets and liabilities of subsidiary undertakings denominated in foreign currencies are translated into sterling at the year-end rates of exchange Where appropriate, guided by IAS 21, certain loans to subsidiary companies are treated as part of the net investment in that subsidiary in the parent's financial statements and for consolidation purposes The results of foreign subsidiaries are translated at the average rate of exchange for the year Differences on exchange arising on the retranslation of opening investments in subsidiary undertakings, and from the translation of the results of those subsidiaries at the closing rate, are taken to shareholders' equity through the Statement of Comprehensive Income

1. ACCOUNTING POLICIES (CONTINUED)

Transactions denominated in foreign currencies are translated at the prevailing rate Monetary assets and liabilities are translated into sterling at the year-end rate of exchange, with differences taken to the Income Statement

Revenue

Revenue, which is stated net of value added tax, represents the invoiced amount of goods and services and is recognised in the period that the related goods and services are provided For travel agency sales, revenue 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

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Where the intrinsic value of a share option exceeds the fair value, the corresponding deferred tax on the excess is recognised directly in equity

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised Only the deferred tax assets and liabilities of Norwich Airport Limited, a subsidiary company, are discounted

Exceptional items

Exceptional items relate to income or expenses arising from events or transactions that are part of ordinary operations, but are separately presented for the sake of comparability in view of their nature, size or incidental characteristic

Government grants and subsidies

Grants and subsidies received in respect of the purchase or construction of tangible fixed assets are recognised as deferred income at their fair value and released to the profit and loss account on a straight line basis over the economic life of the underlying asset

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under finance leases and hire purchase contracts are included as liabilities in the balance sheet at the lower of their fair value and the present value of minimum lease payments

The interest elements of the rental obligations are charged in the income statement 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 income statement on a straight line basis over the lease term

1. ACCOUNTING POLICIES (CONTINUED)

Debt instruments
Debt instruments are stated initially at fair value, net of transaction costs incurred, and subsequently at amortised cost Costs relating to raising loan finance are written off on a straight line basis over the period of the loan

Employee benefits
Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group

Share options
The Group operates an equity-settled, share-based compensation plan The fair value of the employee services received in exchange for the grant of the options is recognised as an expense The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets) Non-market vesting conditions are included in assumptions about the number of options that are expected to vest At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest The impact of the revision to original estimates, if any is recognised, in the income statement with a corresponding adjustment to equity The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised

Pension scheme arrangements
Both of the Group's main trading subsidiaries, Norwich Airport Limited and Maastricht-Aachen Airport, participate in separate defined benefit pension schemes

The company's subsidiary undertaking, NAL, is an admitted body 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 NAL by Norfolk County Council and Norwich City Council, NAL's participation in the scheme was changed such that future contributions will be set at a fixed rate of 6% 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 The scheme is accounted for as a defined contribution scheme

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

Full details of the Norfolk Pension Fund are disclosed within the financial statements of Norfolk County Council as at 31 March 2010

In addition, NAL is a participating member of a defined contribution scheme Contributions are charged to the profit and loss account in the period to which they relate

Maastricht-Aachen Airport and its fellow subsidiary company, Maastricht Handling Services, participate in two nationwide, multi-employer, schemes in the Netherlands (ABP and SFP) In both cases, the schemes are unable to identify the share of the underlying assets and liabilities relating to individual participating employers on a consistent and reasonable basis Accordingly, the schemes are accounted for as defined contribution schemes within these financial statements

1. ACCOUNTING POLICIES (CONTINUED)

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and rewards which are different from those of segments operating in other economic environments Direct costs are allocated to business segments based upon costs incurred in generating revenue in each business segment

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker ("CODM") The CODM has been determined to be the Board of Directors, as it is primarily responsible for the allocation of resources to segments and the assessment of the performance of segments

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks market risk (including foreign exchange currency rate risk and cash flow and fair value interest rate risk), credit risk and liquidity risk The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance The Group uses derivative instruments to manage its exposure to interest rate movements It is not the Group's policy to actively trade in derivatives

Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board The policies set by the Board of Directors are implemented by the Group's finance department

a) Market risk

i) Foreign exchange currency rate risk

The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the Euro Foreign exchange risk arises from the future commercial transactions, recognised assets and liabilities and net investment in foreign operations The Group has a policy to minimise foreign exchange currency rate risk through the regular monitoring of foreign currency flows Currency exposures are reviewed regularly and all significant foreign exchange transactions are approved by Group management

At 31 March 2010, the Group had monetary assets denominated in foreign currencies (principally the Euro) of £1,713,000 (2009 £855,000) and monetary liabilities (excluding deferred capital grants) denominated in foreign currencies of £3,826,000 (2009 £4,208,000) Management have considered and concluded that a movement of 10% would be a reasonable benchmark over which to determine the sensitivity of the Group's exposure to foreign exchange rate risk, because a movement of this magnitude is considered to be a reasonable approximation of movements that could be expected to occur

If the Euro had weakened/strengthened by 10% against Sterling with all other variables held constant, post-tax profit for the year would have been £234,000 (2009 £372,000) lower/higher, as a result of foreign exchange losses/ gains on translation of the Euro-denominated monetary assets at fair value through profit or loss For the year to 31 March 2010 the Group recognised a foreign exchange loss amounting to £1,686,000 (2009 gain of £5,087,000)

ii) Cash flow and fair value interest rate risk

The Group has interest bearing assets and liabilities The Group's income and operating cash inflows are substantially independent of changes in market interest rates The Group's interest rate risk arises from long-term borrowings Borrowings issued at variable rates expose the Group to cash flow interest rate risk

1. ACCOUNTING POLICIES (CONTINUED)

At the year end, the Group had interest hedging arrangements in place covering £8m of the £10m debt This allows the Group to minimise its exposure to significant interest rate increases whilst enabling the Group to take advantage of interest rate reductions The strategy for undertaking the hedge is to substantially match the loan liability with a derivative that allows an element of interest to be fixed and thereby limits the cash flow exposure relating to interest

Excluding the impact of the hedging arrangement, bank borrowings bear interest at rates between 2 3% and 5 92% (2009 2 3% and 5 92%) During the year the bank borrowings carried a rate averaging 4 9% (2009 5 3%)

At 31 March 2010 the Group has considered the impact of movements in interest rates over the past year and has concluded that a 1 0% movement is a reasonable benchmark At 31 March 2010, if interest rates had been 1 0% higher/lower with all other variables held constant, post tax losses for the year would have been approximately £73,000 (2009 £72,000) lower/higher, mainly as a result of the movement in interest rates on the floating rate borrowings, net of the hedging derivative instrument in place

b) Credit risk

The Group has no significant concentrations of credit risk The Group's principal financial assets are cash and bank balances, and trade and other receivables

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies

Concentrations of credit risk with respect to trade receivables are limited due to the Group's diverse customer base The Group also has in place procedures that require appropriate credit checks on potential customers before sales, other than on a cash basis, are made Customer accounts are also monitored on an ongoing basis and appropriate action is taken where necessary to minimise any credit risk The Directors therefore believe there is no further credit risk provision required in excess of normal provision for impaired receivables

Group management monitor the ageing of receivables which are more than one month overdue and debtor days on a regular basis At 31 March gross trade receivables amounted to 11 8% of revenue for the year (2009 16 7%) Of these gross trade receivables 35% (2009 46%) were more than one month overdue
The maximum exposure to credit risk at 31 March 2010 is the fair value of each class of receivable as disclosed in note 16 to the financial statements

1. **ACCOUNTING POLICIES (CONTINUED)**

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities The Group actively maintains cash balances and a mix of long-term and short-term finance facilities that are designed to ensure the Group has sufficient available funds for operations and acquisitions Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow The table below summarises the remaining contractual maturity for the Group's financial liabilities The amounts shown are the total contractual undiscounted cash flows which include interest, analysed by contractual maturity

31 March 2010

	In less than one year £'000	In more than one year but not more than two years £'000	In more than two years but not more than three years £'000	In more than three years but not more than five years £'000	Greater than five years £'000	Total £'000
Non-derivative financial liabilities:						
Borrowings	1,363	1,072	1,990	10,828	9,447	24,700
Bank overdraft	1,527	-	-	-	-	1,527
Finance leases	363	235	210	86	-	894
Trade and other payables	24,402	-	-	-	-	24,402
Other non-current liabilities	-	1,608	1,608	3,216	12,976	19,408
Derivative contracts						
Derivatives used for hedging	360	-	-	-	-	360
	28,015	**2,680**	**3,598**	**14,044**	**22,423**	**71,321**

31 March 2009

	In less than one year £'000	In more than one year but not more than two years £'000	In more than two years but not more than three years £'000	In more than three years but not more than five years £'000	Greater than five years £'000	Total £'000
Non-derivative financial liabilities						
Borrowings	967	1,363	1,072	5,140	17,125	25,667
Bank overdraft	1,106	-	-	-	-	1,106
Finance leases	407	363	235	296	-	1,301
Trade and other payables	25,259	-	-	-	-	25,259
Other non-current liabilities	-	1,727	1,584	1,584	15,268	21,747
	27,739	**3,453**	**2,891**	**8,604**	**32,393**	**75,080**

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1. ACCOUNTING POLICIES (CONTINUED)

Capital risk management

The Group's policy is to maintain a strong capital base, defined as bank facilities plus total shareholders' equity, so as to maintain creditor confidence and to sustain future development of the business

Within this overall policy, the Group seeks to maintain an optimum capital structure by a mixture of debt and retained earnings The bank facilities include both financial and non-financial covenants There have been no breaches of the terms of the respective loan agreements, breach of covenant or any defaults during the current or comparative periods

Funding needs are reviewed periodically and also each time a significant acquisition is made A number of factors are considered which include the EBITDA ratio, future funding needs and Group banking arrangements

	2010 £'000	2009 £'000
Net debt (see note 25)	**17,953**	19,309
EBITDA	**1,152**	426
Ratio	**15.6**	45 2

There were no changes to the Group's approach to capital management during the year

The primary source of funding for the Group is internally generated cash, given that the Group's debt facilities are not fully drawn down

Fair values of financial instruments

See note 17 for disclosure of the differences between the carrying amount and the fair value of borrowings The fair value of other financial assets and liabilities is not materially different to their book value due to the short term maturity of the instruments

Fair value measurement

Effective 1 April 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis The quoted market price used for financial assets held by the Group is the current bid price These instruments are included in level 1

1. ACCOUNTING POLICIES (CONTINUED)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3

Specific valuation techniques used to value financial instruments include

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2010

	Level 1 £'000	Level 2 £'000	Total £'000
Liabilities			
Derivatives used for hedging	-	360	-

2. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments The primary format, operating segments, is based on the Group's management and internal reporting structure Inter-segment pricing is determined on an arm's length basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis Unallocated items comprise mainly interest-bearing borrowings and associated costs, taxation related assets/liabilities, transaction costs and head office salary and premises costs

Operating segments
The operating segments identified are Norwich Airport, Maastricht Airport and Head Office as the Group is managed on a predominantly geographical basis The Head Office segment does not meet the quantitative thresholds set by IFRS 8 to permit its inclusion as a reportable segment However the directors consider that this segment merits individual identification as its function is fundamentally different to that of the other two segments

Year ended 31 March 2010

	Norwich International £'000	*Maastricht Aachen £'000*	*Head Office £'000*	*Group £'000*
Revenue	10,497	10,521	12	21,030
(Loss)/profit before income tax	(3,308)	(7,121)	(287)	(10,716)
Adjusted EBITDA	573	865	(286)	1,152
Total assets	29,830	80,602	750	111,182
Total liabilities	27,739	42,946	1,037	71,722
Reconciliation of adjusted EBITDA				
Profit/(loss) before income tax	(3,308)	(7,121)	(287)	(10,716)
Net finance expense/(income)	1,489	(175)	(1)	1,313
Depreciation	2,392	3,080	2	5,474
Amortisation of government grants	-	(1,584)	-	(1,584)
Exceptional item	-	(6,561)	-	(6,561)
Share of loss of associate	-	104	-	104
Adjusted EBITDA	573	865	(286)	1,152

2. SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2009

	Norwich International £'000	*Maastricht Aachen £'000*	*Head Office £'000*	*Group £'000*
Revenue	12,443	8,639	12	21,094
(Loss)/profit before income tax	(2,714)	(2,084)	(711)	(5,509)
Adjusted EBITDA	1,546	(432)	(687)	427
Total assets	31,957	93,461	1,053	126,471
Total liabilities	27,683	46,528	1,110	75,321
Reconciliation of adjusted EBITDA				
(Loss) before income tax	(2,714)	(2,084)	(711)	(5,509)
Net finance expense/(income)	1,144	172	22	1,338
Depreciation	2,372	3,448	2	5,822
Amortisation of government grants	-	(1,968)	-	(1,968)
Decrease in fair value of investment property	744	-	-	744
Adjusted EBITDA	1,546	(432)	(687)	427

3. OPERATING EXPENSES

	2010 £'000	*2009 £'000*
Employee benefit expense (note 9)	**11,473**	12,045
Premises costs, consumables and other expenses	**8,405**	8,622
Depreciation (note 11)	**5,474**	5,822
Deferred government grants and subsidies released (notes 4 and 19)	**(1,584)**	(1,968)
	23,768	24,521

4. OPERATING LOSS

This is stated after charging/(crediting)

		2010 £'000	2009 £'000
Auditors' remuneration for			
Audit services	- company & consolidation	**13**	10
	- subsidiaries	**91**	96
Non audit fees	- tax compliance services	**7**	33
	- other services	**13**	3
Depreciation of owned fixed assets		**5,208**	5,593
Depreciation of assets held under finance leases and hire purchase contracts		**266**	229
(Profit)/loss on disposal of fixed assets		**38**	(9)
Release of government grant and subsidies		**(1,584)**	(1,968)
Operating lease rentals – plant and machinery		**66**	63
Operating lease rentals – land and buildings		**99**	91
Net income from investment property		**(414)**	(413)
Decrease in fair value of investment property (notes 11 and 22)		**-**	744

5. EXCEPTIONAL ITEM

	2010 £'000	2009 £'000
Loss on disposal of fixed assets	**6,561**	-

The acquisition of the OMDV BV Group in two tranches of 70% on 29 July 2004 and 30% on 10 January 2005 led to a recognised gain on fair value of €40,158,137, which was recognised as a profit under IFRS reporting standards in the financial year of acquisition Subsequently, on 2 July 2009 some of these assets have been transferred at cost to the associate company LDAVM CV (see note 12) This transaction gave rise to a loss of £6,561,000

6. FINANCE INCOME

	2010 £'000	2009 £'000
Bank interest receivable	**349**	71

7. FINANCE COSTS

	2010 £'000	2009 £'000
Bank loans and overdrafts	**1,192**	1,271
Finance charges payable under finance leases and hire purchase contracts	**57**	54
Amortisation of debt issue costs	**15**	15
Other interest	**38**	69
Fair value loss in respect of hedging arrangements	**360**	-
	1,662	1,409

8. DIRECTORS' EMOLUMENTS

	2010	*2009*
	£'000	*£'000*
Executive directors' salaries	**95**	210
Compensation for loss of office	**-**	159
Employer pension contributions	**7**	13
Non-executive directors' fees	**140**	118
	242	500

The pension contributions, which are being incurred in respect of one director (2009 two directors), are under a defined contribution scheme The emoluments of the highest paid director were £102,000 (2009 £184,000), including termination costs of £nil (2009 £80,000)

9 STAFF COSTS

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

Group

	2010	*2009*
	Number	*Number*
Operational	**291**	322
Administration	**37**	34
Executive directors	**1**	3
	329	359

Staff costs

	2010	*2009*
	£'000	*£'000*
Wages and salaries	**9,443**	9,942
Employer national insurance contributions	**1,174**	1,182
Employer pension contributions	**856**	921
	11,473	12,045

Company

	2010	*2009*
	Number	*Number*
Executive directors	**1**	3
	1	3

9. STAFF COSTS (CONTINUED)

Staff costs

	2010	*2009*
	£'000	*£'000*
Wages and salaries	**95**	378
Employer national insurance contributions	**11**	38
Employer pension contributions	**7**	20
	113	436

10. TAX ON LOSS

	2010	*2009*
	£'000	*£'000*
(a) The taxation (charge)/credit is made up as follows		
Deferred taxation credit/(charge) – current year	**711**	(1,562)
Deferred taxation credit – prior year adjustment	**-**	598
Total taxation credit/(charge) (note 22)	**711**	(964)

(b) The tax charge for the year is different to that derived from the standard effective rate of corporation tax in the UK The differences are explained below

	2010	*2009*
	£'000	*£'000*
Loss before taxation	**(10,716)**	(5,509)
Loss multiplied by the rate of corporation tax in the UK of 28% (2009 28%)	**(3,000)**	(1,543)
Effects of		
Unrecognised timing differences	**-**	1,937
Permanent differences	**2,166**	584
Other	**123**	(14)
Total tax (credit)/charge	**(711)**	964

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011 Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and, therefore, are not reflected in these financial statements The changes are not anticipated to have a material impact on the Group's financial statements in future periods

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

11. PROPERTY PLANT AND EQUIPMENT

	Investment property £'000	*Land and buildings £'000*	*Runways, roadways and fencing £'000*	*Plant, vehicles and equipment £'000*	*Assets under construction £'000*	*Total £'000*
Cost or valuation						
Brought forward	5,990	69,556	31,313	13,743	7,612	128,214
Additions	-	407	682	4,741	(902)	4,928
Disposals	-	(114)	(10)	(2)	(1,854)	(1,980)
Revaluations	(1,790)	-	-	-	-	(1,790)
Exchange adjustments	-	7,101	3,426	1,786	1,038	13,351
At 31 March 2009	4,200	76,950	35,411	20,268	5,894	142,723
Additions	-	131	76	492	1,519	2,217
Disposals	-	(13,557)	(1)	(27)	(7,094)	(20,678)
Revaluations	-	-	-	-	-	-
Exchange adjustments	-	(1,874)	(879)	(496)	(319)	(3,568)
At 31 March 2010	**4,200**	**61,650**	**34,607**	**20,237**	**-**	**120,694**
Depreciation						
Brought forward	-	6,140	4,898	5,657	-	16,695
Charge for the year	-	2,124	1,699	1,999	-	5,822
Disposals	-	(107)	(10)	-	-	(117)
Exchange adjustments	-	573	677	711	-	1,961
At 31 March 2009	-	8,730	7,264	8,367	-	24,361
Charge for the year	-	1,945	1,470	2,059	-	5,474
Disposals	-	-	-	(25)	-	(25)
Exchange adjustments	-	(150)	(181)	(186)	-	(517)
At 31 March 2010	**-**	**10,525**	**8,553**	**10,215**	**-**	**29,293**
Net book value						
At 31 March 2010	**4,200**	**51,125**	**26,054**	**10,022**	**-**	**91,401**
At 31 March 2009	4,200	72,420	28,147	11,901	5,894	118,362

The most recent valuation of the investment property was made as at 31 March 2009 by Bidwells Property Consultants, Chartered Surveyors, on an open market basis It was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the UK

11. PROPERTY PLANT AND EQUIPMENT(CONTINUED)

The Directors are of the opinion that the previous valuation on 31st March 2009 remains unchanged at a sum of £4,200,000 and that this value should be shown in the accounts for the year ended 31st March 2010 reflecting the stability in the market since the last valuation tempered by the particular circumstances pertaining to the property This statement is made on the basis that there are no material changes in the extent or condition of the property or in the lease thereof to Royal Bank of Scotland

Deferred taxation is provided on timing differences arising from the revaluation of fixed assets No depreciation is provided in respect of the Group's investment property

On an historical cost basis, the property would have been included at an original cost of £4,325,000 (2009 £4,325,000), and aggregate depreciation of £nil (2009 £nil)

The net book value of land and buildings comprises

	2010	*2009*
	£'000	*£'000*
Freehold land and buildings	**44,165**	56,771
Long leasehold land	**6,960**	15,649
	51,125	72,420

Freehold land and buildings includes land held at £11,097,000 (2009 £19,523,000) which is not depreciated The long leasehold land represents a 75 year rent-free lease for land at Maastricht Airport which commenced on 31 December 2002 and is being depreciated

Assets held under finance leases and hire purchase contracts, capitalised and included in tangible fixed assets comprises

	2010	*2009*
	£'000	*£'000*
Cost	**2,010**	2,010
Accumulated depreciation	**(1,181)**	(915)
Net book value	**829**	1,095

12. INVESTMENT IN ASSOCIATE

On 2 July 2009 three new partners joined Businesspark (MAA) BV ("BPMAA"), a subsidiary of NV HBLM, in the incorporation of Land Development Aviation Valley Maastricht CV ("LDAVM CV")

LDAVM CV was set up to progress the horizontal development of the zoned business park adjacent to the airport with the aim of preparing and selling plots of land for development The new partners are Dura Vermeer, the Aviation Logistics Development Company (backed by the Kroon and Wessels Groups based in the Netherlands) and the Province of Limburg

12. INVESTMENT IN ASSOCIATE (CONTINUED)

Together, these three new partners now hold 60% of LDAVM CV, and BPMAA retains the remaining 40% stake

On completion of the transaction BPMAA transferred its net assets to LDAVM CV, which amounted to €14,523,970 In exchange for the transfer of assets the OMDV Group received a 40% interest in the associate with cost of €3,760,000, cash of €4,690,000 and the balance as a short term receivable of €6,073,970 The movement in investment in associate is represented below

	£'000
At 2 July 2009 (transfer date)	3,354
Long lease land sale	992
Share of loss in associate	(104)
At 31 March 2010	**4,242**

The sale by BPMAA of 60% of LDAVM CV realised substantial funds, some of which were immediately lent back to LDAVM CV for use as working capital attracting interest at a market rate In addition BPMAA has the right to further significant payments from certain of the new partners triggered by events in the development of the project Due to the uncertain timing of these payments no asset has been recognised in these financial statements The Directors are of the opinion that the value of the investment on 31 March 2010 is supported by the underlying assets under the associate's ownership

13. INTANGIBLE ASSETS

	Goodwill *£'000*
At 1 April 2008	1,239
Exchange gain	45
At 31 March 2009	1,284
At 1 April 2009	1,284
Exchange loss	(11)
At 31 March 2010	**1,273**

The goodwill arising on the acquisition of the Mercure Hotel business is allocated to the cash generating unit ("CGU") which is identified as the net assets acquired and held within a separate subsidiary company The recoverable amount of this CGU is based on value-in-use calculations These calculations use pre-tax cash flow projections based on the financial budgets approved by the board covering a five year period Cash flows beyond the five year period are extrapolated using a growth rate of RPI and certain other assumptions Based on these calculations the directors do not consider any impairment adjustment to be required

13 INTANGIBLE ASSETS (CONTINUED)

	2010	2009
Growth rate applied beyond approved forecast period	**4.25%**	4 25%
Pre-tax discount rate	**11 5%**	11 5%

The pre-tax discount rate applied to the cash flow projections is derived from the Group's post tax weighted average cost of capital The risks relating to each segment are considered to be the same, as such, the discount rate applied to each segment is the same Furthermore, the Directors consider the growth rate to be consistent between segments

Based on the results of the current period impairment review, no impairment charges have been recognised by the Group in the year ended 31 March 2010 (2009 £nil) Having assessed the anticipated future cash flows the Directors do not consider there to be any reasonably possible changes in assumptions that would lead to such an impairment charge in the year ended 31 March 2010

There are no intangible assets, other than goodwill, with indefinite useful lives

14 CASH AND CASH EQUIVALENTS

	2010	*2009*
	£'000	*£'000*
Cash at bank and on hand	**3,315**	2,302

Cash and cash equivalents include the following for the purposes of the cash flow statement

	2010	*2009*
	£'000	*£'000*
Cash and cash equivalents	**3,315**	2,302
Bank overdrafts (note 17)	**(1,527)**	(1,106)
	1,788	1,196

15 INVENTORIES

	2010	*2009*
	£'000	*£'000*
Spares and consumables	**264**	339

15 INVENTORIES (CONTINUED)

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

The Group consumed £363,000 (2009 £466,000) of inventories during the year

16 TRADE AND OTHER RECEIVABLES

	2010	*2009*
	£'000	*£'000*
Current receivables		
Trade receivables	**2,490**	3,525
Less provision for impairment of trade receivables	**(161)**	(543)
Loan to associate	**7,106**	-
Other debtors	**800**	304
Prepayments	**452**	899
	10,687	4,185

Credit risk

The Group's credit risk is primarily attributable to its trade receivables balance The amounts presented in the balance sheet are net of a provision for doubtful debts The impairment of trade receivables has been charged to premises costs, consumables and other expenses within the income statement

	2010	2009
	£'000	£'000
One to six months overdue	**1,339**	1,786

A provision for impairment is established based on historical experience The amount of the provision was £161,000 (2009 £543,000) The individually impaired receivables relate mainly to individual customers who are in unexpectedly difficult economic situations These amounts continue to be legally pursued for collection notwithstanding they are fully provided Movements on the Group's provision for impairment of trade receivables are as follows

	2010	2009
	£'000	£'000
At beginning of the year	**543**	69
Charged to the income statement within administrative expenses	**107**	500
Utilised in the period	**(489)**	(26)
At end of the year	**161**	543

Other receivables do not contain impaired assets

17A. BORROWINGS

	2010	*2009*
	£'000	*£'000*
Bank overdraft	**1,527**	1,106
Bank loan	**18,983**	19,456
Other loan	**35**	36
Obligations under finance leases and hire purchase contracts (note 20)	**723**	1,013
	21,268	21,611
Current borrowings		
Bank overdraft	**1,527**	1,106
Bank loan	**321**	333
Obligations under finance leases and hire purchase contracts (note 20)	**282**	287
	2,130	1,726
Non-current borrowings		
Bank loan	**18,662**	19,123
Other loan	**35**	36
Obligations under finance leases and hire purchase contracts (note 20)	**441**	726
	19,138	19,885
Total borrowings	**21,268**	21,611

17A. BORROWINGS (CONTINUED)

The repayment profile of the bank loans is as follows

	2010	*2009*
	£'000	*£'000*
Amounts falling due		
Between one and two years	**329**	322
Between three and five years	**10,285**	5,636
Over five years	**8,048**	13,165
Total due after more than one year	**18,662**	19,123
Due within one year	**321**	333
	18,983	19,456

The above amounts are stated after the deduction of associated unamortised debt issue costs of £88,000 (2009 £103,000) These debt issue costs are being amortised on a straight line basis over the terms of the underlying loans

Bank loans
Bank loans are comprised of a loan of £6,452,000 (2009 £6,445,000) taken out by Omniport Norwich Limited ("ONL"), a loan of £3,495,000 (2009 £3,494,000) taken out by Norwich Airport Limited ("NAL"), a loan of £5,245,000 (2009 £5,344,000) taken out by Legislator 1364 Limited ("Legislator") and £3,791,000 (2009 £4,173,000) taken out by NV Holding Businesspark Luchthaven Maastricht (NV HBLM)

ONL and NAL
ONL and NAL's loans are drawn under a single revolving credit facility totalling £10,000,000, shared between the two entities The facility requires no capital repayments prior to 31 October 2012 after which time the facility will convert to a term loan and be repaid in 60 equal monthly instalments The facility is secured on the assets of Norwich Airport Limited, as is the bank overdraft The facility attracts interest at 1 7% over base rate

Interest Rate Hedge Arrangement
An interest rate hedge facility against Bank of England base rates on the revolving credit facility of £10,000,000 with a notional amount of £8,000,000 has been put in place The hedge fixes the interest payable at 5 08% plus margin until 31 January 2011 The fair value of the hedge arrangement has been ascertained based on the market price of comparable instruments at the balance sheet date The fair value of this hedging instrument, which is recognised in these financial statements, is £360,000 in favour of the bank as at 31 March 2010

Legislator 1364 Limited
This loan is secured on the property held by the Group's subsidiary Legislator 1364 Limited It is repayable in quarterly instalments of £27,000, with a balloon repayment in October 2014 The interest has been fixed throughout the term at a rate of 5 915%

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17A BORROWINGS (CONTINUED)

NV HBLM
A mortgage loan of EUR 4,500,000 has a remaining term of 17 years The loan attracts interest at 1 20% over 3 month-Euribor and is secured on land and buildings at Horsterweg 18 at Maastricht-Airport Repayments are linear over the remaining term

Fair values of financial assets and liabilities

Fair values of financial assets and liabilities are disclosed below

	2010		2009	
	Carrying value £'000	**Fair value £'000**	Carrying value £'000	Fair value £'000
Primary financial instruments held or issued to finance the Group's operations				
Short-term borrowings	**(1,848)**	**(1,265)**	(1,439)	(891)
Long-term borrowings	**(18,697)**	**(17,584)**	(19,159)	(18,173)
Finance leases	**(723)**	**(705)**	(1,013)	(988)
Derivative used for hedging	**(360)**	**(360)**	-	-
Cash and cash equivalents	**3,315**	**3,315**	2,302	2,302
	(18,313)	**(16,599)**	(19,309)	(17,750)

The fair values of financial instruments and derivatives have been determined by reference to observable inputs The fair values of all other items have been calculated by discounting expected future cash flows at prevailing interest rates The above table excludes other receivables/payables, which have fair values equal to their carrying values

Borrowing facilities
The Group has the following undrawn committed borrowing facilities available

	2010 £'000	*2009 £'000*
Bank overdraft	**473**	894

All undrawn facilities carry variable interest rates The bank overdraft is part of an annually renewable facility

17B FINANCIAL INSTRUMENTS

31 March 2010	Loans and receivables £'000
Assets as per balance sheet	
Trade and other receivables (excluding prepayments and accrued income)	10,235
Cash and cash equivalents	3,315
	13,550

	Derivatives used for hedging £'000	Other financial liabilities £'000	Total £'000
Liabilities as per balance sheet			
Borrowings	-	(21,268)	(21,268)
Trade and other payables (excluding social security and other taxes)	-	(24,402)	(24,402)
Derivative financial instruments	(360)	-	(360)
	(360)	**(45,670)**	**(46,030)**

31 March 2009	Loans and receivables £'000
Assets as per balance sheet	
Trade and other receivables (excluding prepayments and accrued income)	3,286
Cash and cash equivalents	2,302
	5,588

17B. FINANCIAL INSTRUMENTS (CONTINUED)

	Other financial liabilities £'000	Total £'000
Liabilities as per balance sheet		
Borrowings	(21,611)	(21,611)
Trade and other payables (excluding social security and other taxes)	(25,259)	(25,529)
	(47,140)	**(47,140)**

Derivative financial instruments

Derivatives are used for hedging in the management of exposure to market risks This enables the optimisation of the overall cost of accessing debt capital markets, and the mitigation of the market risk which would otherwise arise from movements in interest rates

Hedging policies using derivative financial instruments are explained in the statement of accounting policies Derivatives that are held as hedging instruments are formally designated as hedges as defined in IAS 39

The ineffective portion recognised in the profit or loss that arises from cash flow hedges amounts to a loss of £360,000 (2009 £nil), representing 100% (2009 nil) of the fair value of the financial liability

Financial instruments not qualifying for hedge accounting

The Group's policy is not to use derivatives for trading purposes

The fair values of derivative financial instruments have been disclosed in the Group balance sheet as follows

	2010		2009	
	Assets £'000	**Liabilities £'000**	Assets £'000	Liabilities £'000
Current				
Derivatives used for hedging	-	**(360)**	-	-

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet The notional principal amounts of the hedge at 31 March 2010 was £8,000,000 (2009 £nil) The contract in respect of the derivative used for hedging expires on 31 January 2011

17B FINANCIAL INSTRUMENTS (CONTINUED)

Movements in fair values:

Group

	Interest rate collar arrangements £'000
At 31 March 2009	-
Fair value loss through income statement (note 7)	(360)
At 31 March 2010	**(360)**

18 TRADE AND OTHER PAYABLES

	2010 £'000	*2009 £'000*
Trade creditors	**1,938**	3,108
Other taxes and social security costs	**551**	295
Other creditors	**2,069**	1,917
Accruals and deferred income	**3,227**	2,314
Unspent deferred government grants (note 19)	**15,560**	16,336
Other deferred government grants (note 19)	**1,608**	1,584
Derivative financial instruments (note 17)	**360**	-
	25,313	25,554

The OMDV Group of companies has not complied with the investment requirement relating to government grants received in the past, which required the grant to be expended on specified improvements to Maastricht Airport by 1 February 2010 The outstanding amount of unallocated government grants, amounting to £15,560,000 (€17,443,000), is, accordingly, technically repayable on the demand of the Province of Limburg and the State of the Netherlands Further details relating to the deferred government grants are contained in Note 1

18. TRADE AND OTHER PAYABLES (CONTINUED)

The movement in the year on deferred income in respect of total government grants, split between current and non-current liabilities, is set out below

	2010	*2009*
	£'000	*£'000*
At 1 April	**37,974**	34,532
Credited to the profit and loss account in the year (note 4)	**(1,584)**	(1,968)
Exchange differences	**(1,364)**	5,410
At 31 March	**35,026**	37,974

19. OTHER NON-CURRENT LIABILITIES

	2010	*2009*
	£'000	*£'000*
Deferred consideration for acquisition	**1,188**	1,153
Deferred government grants	**17,858**	20,054
Other creditors	**-**	143
	19,046	21,350

The deferred consideration is due to Norfolk County Council and Norwich City Council following the purchase of Norwich Airport Limited on 2 March 2004 The balance 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

20. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Amounts due under finance leases and hire purchase contracts

Amounts payable	*2010* *£'000*	*2009* *£'000*
In two to five years	**441**	726
Total due after more than one year	**441**	726
Within one year	**282**	287
	723	1,013

The fair value of the Group's obligations under finance leases and hire purchase contracts approximates to their carrying amount

Future minimum lease payments under finance leases and hire purchase contacts, together with the future finance charges and present value of the net minimum lease payments are as follows

	2010 **£'000**	2009 £'000
Minimum lease payments		
Within one year	**363**	407
In two to five years	**531**	894
	894	1,301
Future finance charges		
Within one year	**81**	120
In two to five years	**90**	168
	171	288
Net minimum lease payments		
Within one year	**282**	287
In two to five years	**441**	726
	723	1,013

The finance leases and hire purchase contracts are secured over certain items of fixtures, fittings and equipment

21. OPERATING LEASE COMMITMENTS

At the year end, future aggregate minimum lease payments under operating leases were as follows

	2010 £'000	2009 £'000
Operating leases for plant and machinery, which expire		
Within one year	**103**	92
In two to five years	**108**	33
	211	125
Operating leases for land and buildings, which expire		
Within one year	**94**	96
In two to five years	**256**	306
More than five years	**401**	443
	751	845

22. DEFERRED TAXATION

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

	2010 £'000	2009 £'000
Provision brought forward	**6,806**	6,135
Profit and loss account (credit)/charge (note 10)	**(711)**	1,562
On revaluation of property	**-**	(293)
Prior year adjustments (note 10)	**-**	(598)
Provision carried forward	**6,095**	6,806
The provision for deferred taxation comprises		
Accelerated capital allowances	**6,337**	6,864
Tax losses	**(169)**	(14)
Other timing differences	**(73)**	(44)
Provision for deferred taxation	**6,095**	6,806

Prior to its acquisition on 29 July 2004, the NV Holding Businesspark Luchthaven Maastricht Group was, as a publicly owned entity, excluded from the Netherlands corporation tax regime Negotiations remain ongoing with the local tax authorities to determine the opening balances on which future corporation tax computations will be made The directors are of the opinion that a deferred tax asset will arise This has not been recognised as the directors do not consider that it meets the criteria for recoverability with sufficient certainty

The Group had an unprovided deferred tax asset relating to trading losses of £623,000 (2009 £613,000) This amount has not been recognised due to uncertainty as to future utilisation of these losses

23. CALLED UP SHARE CAPITAL

	Number of ordinary shares '000	*Ordinary shares £'000*	*Share premium £'000*	*Total £'000*
At 1 April 2008	9,677	968	10,974	11,942
Warrants exercised	13	1	3	4
Ordinary shares issued	1,604	160	2,767	2,927
At 31 March 2009 and 31 March 2010	**11,294**	**1,129**	**13,744**	**14,873**

The total authorised number of ordinary shares is 12,022,691 shares (2009 12,022,691 shares) with a par value of 10p per share (2009 10p per share)

All issued shares are fully paid At the balance sheet date, the following financial instruments, convertible into Ordinary shares of 10 pence each, were outstanding

	2010 Number ('000s)	*2009 Number ('000s)*
Warrants exercisable at 35p each	**253**	253
Vested share options	-	62
	253	315

Share Options

Share options over ordinary 10p shares have been granted to certain directors The exercise price of these options was agreed at the date of grant The share options are only exercisable once they have become vested Movements in the number of share options outstanding and their related weighted average exercise price are as follows

	March 2010 ("LTIP2") scheme Number of share awards	Dec 2004 ("LTIP1") scheme Number of share awards
Outstanding at 1 April 2009	-	61,667
Granted during the year	180,000	-
Expired during the year	-	(61,667)
Outstanding at 31 March 2010	**180,000**	-
Exercisable at 31 March 2010	-	-

23. CALLED UP SHARE CAPITAL (CONTINUED)

The fair value per option granted and the assumptions used in the calculation are as follows

Grant date	March 2010	Dec 2004
Exercise price	£1 00	£1 63
Number of employees	1	1
Shares under option at date of grant	180,000	61,667
Vesting period (years)	3yrs 1 month	2yrs 10 months
Option life (years)	6yrs 11 months	1yr 9 months
Expected life (years)	6yrs 11 months	1yr 9 months
Expected dividends expressed as a dividend yield	0%	0%
Fair value per option	£1 11	£1 63

None of the outstanding options at 31 March 2010 are vested (2009 61,667) and nil were exercisable (2009 61,667) Share options outstanding at the end of the year have the following expiry date and exercise price

	2010 £'000	2009 £'000
2 December 2014 – Exercise price - £1 55		41,667
2 December 2014 – Exercise price - £1 69	-	20,000
1 March 2020 – Exercise price - £1 00	**180,000**	-
	180,000	61,667

The outstanding share options as at 31 March 2009 expired early during the year as part of an employee termination agreement

The share based payment expense in respect of the above share options for each of the two years ended 31 March is not material

24. STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity is presented as a primary statement (page 17) The other reserve reflects the exchange differences on overseas investments and the movement for the year is included in the consolidated statement of comprehensive income

25 ANALYSIS OF CHANGES IN NET DEBT

	At 31 March 2009	*Cash flows*	*Exchange differences*	***At 31 March 2010***
	£'000	*£'000*	*£'000*	***£'000***
Cash and cash equivalents	2,302	1,037	(24)	**3,315**
Bank overdraft	(1,106)	(421)	-	**(1,527)**
Net cash and cash equivalents	1,196	616	(24)	**1,788**
Bank loans and revolving facility net off	(19,559)	345	143	**(19,071**
Cost of raising finance	103	(15)	-	**88**
Other long term loan	(36)	-	1	**(35)**
Finance leases and hire purchase agreements	(1,013)	290	-	**(723)**
Total	(19,309)	1,236	120	(17,953)

26. RECONCILIATION OF OPERATING LOSS TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	2010	*2009*
	£'000	*£'000*
Operating loss	**(9,299)**	(4,171)
Decrease in fair value of investment property	**-**	744
Depreciation	**5,474**	5,822
Deferred government grants released	**(1,584)**	(1,968)
Loss/(profit) on disposal of fixed assets	**38**	(9)
Non-cash Premium from sale of land	**(1,443)**	-
Exceptional loss on sale of fixed assets	**6,561**	-
Decrease/(increase) in stocks	**71**	(97)
(Increase)/decrease in debtors	**809**	298
(Decrease) in creditors and provisions	**(414)**	(96)
Net cash generated from operating activities	**213**	523

27. CAPITAL COMMITMENTS
Amounts contracted for but not provided in the accounts amounted to £45,396 (2009 £218,000) for the Group

28. CONTINGENT LIABILITIES AND BANK GUARANTEES
The Group's bankers have issued a guarantee in favour of ABTA for £109,420 (2009 £144,000) on behalf of Travel Norwich Airport Limited, which is secured by a charge over cash held in a separate bank account by that subsidiary

Maastricht Aachen Airport BV has provided bank guarantees of €1,600,000 to the Nationale Borg (2009 €1,600,000) The guarantee is provided to enable the processing of local VAT and duties associated with Maastricht's cargo business

29 CONTINGENT ASSET
The OMDV Group has a potential deferred tax asset regarding Corporate Income Taxes The extent of this asset cannot currently reasonably be determined

30. RELATED PARTY TRANSACTIONS

Company

During the period the Company had the following transactions with Omniport Limited

	2010	2009
	£'000	£'000
Management charge	**58**	158

During the period the Company had the following transactions with NV HBLM

	2010	2009
	£'000	£'000
Technical services	**-**	323
Recharge of expenses incurred on behalf of NV HBLM	**12**	21
Interest charged on loans	**-**	63

30. RELATED PARTY TRANSACTIONS (CONTINUED)

During the period the Company had the following transactions with Norwich Airport Limited

	2010 £'000	2009 £'000
Corporation tax losses received by the Company	93	-
Recharge of expenses incurred on behalf of Norwich Airport Limited	17	12
Shareholder loan written off	(1,350)	-
Interest charged on loans	286	322

During the period the Company had the following transactions with OMDV BV

	2010 £'000	2009 £'000
Interest charged on loans	560	398

During the period the Company had the following transactions with Omniport Norwich Limited

	2010 £'000	2009 £'000
Corporation tax losses received by the Company	345	265

At 31 March 2010, the following balances were owed by/due to related companies

	2010 £'000 Receivable	2010 £'000 Payable	2009 £'000 Receivable	2009 £'000 Payable
Omniport Limited:				
Inter-company trade balances	296	-	572	-
Norwich Airport Limited.				
Inter-company trade balances	-	85	4	-
Inter-company loans	1,335	-	2,398	-
NV HBLM				
Inter-company trade balances	7	-	-	-
OMDV BV:				
Intercompany loans	5,582	-	5,668	-
Omniport Norwich Limited·				
Inter-company trade balances	-	438	-	265

30 RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel
During the year, Non-Executive Director fees of £28,408 (2009 £28,000) were paid to Penta Capital LLP ("Penta Capital") in respect of the services of Mr D Calder Penta Capital is the investment manager of certain investment funds which are shareholders of the company Mr Calder is also a partner of Penta Capital

Non-Executive Director fees of £25,000 (2009 £25,000) were paid to Caledonia Investments plc, also shareholders of the company, in respect of the services of Mr WP Wyatt

Non-Executive Director fees of £15,000 (2009 £15,000) were paid to Dr M Laing

Other related parties
Services have been purchased by Omniport Holdings Limited (the parent company) from Gambit Corporate Finance LLP and Horton Corporate Finance, entities in which Dr GHH Ainsworth is the managing partner, as follows

	2010	*2009*
	£'000	*£'000*
Non-Executive Director fees	**72**	72
Other corporate finance advice and services	**-**	50
	72	122

31. PENSIONS

Defined benefit pension scheme
Both of the Group's main trading subsidiaries, Norwich Airport Limited and Maastricht-Aachen Airport BV, participate in separate defined benefit pension schemes

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 were set at a fixed rate of 6% in relation to current service periods Any changes in contributions relating to past service costs are to 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 become liable for the current service costs in relation to current employees who participated in the scheme

Full details of the Norfolk Pension Fund are disclosed within the financial statements of Norfolk County Council as at 31 March 2010

Net employer contributions paid to the scheme during the year under review amounted to £155,000 (2009 £141,000) As at 31 March 2010 there was a creditor due to the scheme of £78,000 (2009 £56,000) covering both employer and employee contributions for the month of March, with a debtor of £28,000 (2009 £32,000) for the recovery of contributions from the two councils in excess of the fixed rate

Defined contribution pension scheme
The pension cost for the defined contribution scheme, which represents contributions payable by the company, amounted to £23,000 (2009 £45,000)

31 PENSIONS (CONTINUED)

The subsidiary companies MAA BV and MHS BV are members of defined benefit pension schemes

MAA BV is a member of Stichting Pensioenfonds ABP ("ABP") the industry sector pension fund Up to 31 March 2003 this was a final salary scheme From 1 January 2004, the pension rights of ordinary members have been based on the average-pay system Premiums to be paid are not determined by age, gender, civil status and health condition of MAA's employees, rather premiums are determined by the profiles of all members of the ABP ABP's investment income and expenses and net value cannot be reliably attributed to individual member companies such as MAA BV MAA BV is not entitled to claim any surplus from the ABP investment portfolio Furthermore, in the event of a deficit in the ABP scheme there is no obligation to provide supplementary contributions, other than higher future contributions Therefore MAA BV has accounted for the defined benefit scheme as though it were a defined contribution scheme

MHS BV is also a member of a defined benefit pension scheme, the Stichting Federatief Pensioenfonds ("SFP"), a voluntary industry sector pension fund for privatised, formerly public companies Up to 31 March 2004, the pension system was a final salary scheme From 1 January 2005, pension rights of ordinary members have been based on the average-pay system SFP has informed MHS BV that the required information to use defined benefit accounting is not available, and therefore accounting for its proportionate share of the defined benefit obligation, plan assets and costs cannot be done reliably MHS BV has therefore accounted for the defined benefit scheme as though it were a defined contribution scheme

Due to the introduction of the law "VUT, Prepensioen en Levensloop ("VPL")" per 1st January, 2006, the existing VUT-arrangement (early retirement plan) of MHS BV had to be ended

In order to be able to facilitate early retirement, MHS BV agreed to increase the existing pensions through a back-service for all employees This back-service was generated by both a higher build-up percentage and a lower franchise over the period in the past in which employees build up pensions at MHS BV

This back-service will be financed per 31 December, 2020 or earlier if employees reach the age of 62 earlier, in both situations provided that the employees are being employed at MHS BV at that moment

32 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At both balance sheet dates no one party had control of the company Omniport Holdings Limited is the parent undertaking of the largest Group of undertakings to consolidate these financial statements at 31 March 2010

The largest and smallest 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 financial statements are available from the company secretary, Omniport Holdings Limited, 3 Assembly Square, Britannia Quay, Cardiff Bay, Cardiff, CF10 4PL

33. SUBSEQUENT EVENTS

On 22 January 2010 a conditional agreement was made to lease a parcel of land on a 125 year lease The profit recognised on the asset disposal of £970,000, following contractual completion in April 2010, will be recorded in the financial statements for the year ending 31 March 2011

Omniport Holdings Limited

REGISTERED NUMBER 05040963

Parent company financial statements

31 March 2010

COMPANY BALANCE SHEET
as at 31 March 2010

	Note	*2010* *£'000*	*2009* *£'000*
FIXED ASSETS			
Tangible assets	3	**3**	5
Investments	4	**14,200**	15,263
		14,203	15,268
CURRENT ASSETS			
Debtors	5	**960**	670
Cash at bank and in hand		**350**	383
		1,310	1,053
CREDITORS amounts falling due within one year	6	**(547)**	(441)
NET CURRENT ASSETS		**763**	612
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,966**	15,880
PROVISIONS FOR LIABILITIES	7	**-**	(10)
NET ASSETS		**14,966**	15,870
CAPITAL AND RESERVES			
Called up share capital	8,9	**1,129**	1,129
Share premium	8,9	**13,744**	13,744
Capital reserve	9	**1,000**	1,000
Profit and loss account	9	**(907)**	(3)
Total shareholders' funds	9	**14,966**	15,870

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

The financial statements on pages 60 to 67 were approved by the Board of Directors on 21st December 2010 and were signed on its behalf by

Dr GHH Ainsworth
Chairman and Director

Mr AM Bell
Finance Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

1. ACCOUNTING POLICIES

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The principal accounting policies are set out below

Fixed asset investments

Fixed asset investments are stated at cost, less any provision for diminution of value Costs incurred to acquire investments are capitalised within the cost of investment

Foreign currencies

Transactions denominated in foreign currencies are translated at the prevailing rate Assets and liabilities are translated into sterling at the year-end rate of exchange, with differences taken to the Profit and Loss Account The loan receivable from OMDV BV, a foreign subsidiary operation, is treated as part of the net investment in that foreign operation

Share options

The Company operates an equity-settled, share-based compensation plan The fair value of the employee services received in exchange for the grant of the options is recognised as an expense The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets) Non-market vesting conditions are included in assumptions about the number of options that are expected to vest At each balance sheet date, the company revises its estimates of the number of options that are expected to vest The impact of the revision to original estimates, if any is recognised, in the income statement with a corresponding adjustment to equity The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Where the intrinsic value of a share option exceeds the fair value, the corresponding deferred tax on the excess is recognised directly in equity

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

2. LOSS OF THE HOLDING COMPANY

As permitted by Section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements Of the result for the Group for the year, a loss of £904,000 (2009 profit of £516,000) is dealt with in the accounts of the company

3. TANGIBLE ASSETS

	Computer Equipment £'000
Cost	
At 1 April 2009	8
Additions in the year	1
Disposals	(2)
At 31 March 2010	**7**
Accumulated depreciation	
At 1 April 2009	3
Charge for the year	2
Disposals	(1)
At 31 March 2010	**4**
Net book value	
31 March 2010	**3**
31 March 2009	5

4. INVESTMENTS

Interests in subsidiary undertakings

	2010 £'000	*2009 £'000*
Cost of shares in subsidiary undertakings		
Omniport Limited	**3,231**	3,231
OMDV BV	**4,052**	4,052
	7,283	7,283
Loans to subsidiary undertakings		
OMDV BV	**5,582**	5,582
Norwich Airport Limited	**1,335**	2,398
	14,200	15,263

The loans to Norwich Airport Limited attract interest at a combination of 6% over Bank of England base rate and 20% fixed Interest is capitalised on a quarterly basis The loans have no fixed repayment term and are unsecured An amount of £1,350,000 was formally waived during the year under review

The loan to OBDV BV attracts interest at 3 5% over ABN AMRO base rate and is capitalised on a monthly basis The loans have no fixed repayment term and are unsecured.

4 INVESTMENTS (CONTINUED)

Subsidiary and associate undertakings

Name of company	*Holding*	*Proportion of voting rights and shares held*		*Nature of business*
Held by Omniport Holdings Limited				
Omniport Limited	Ordinary shares	100%		Airport ownership & operation
Omniport Dura Vermeer BV ("OMDV BV")	Ordinary shares	100%	Φ	Holding company
Held by Omniport Limited				
Omniport Norwich Limited	Ordinary shares	100%		Airport ownership & operation
Held by Omniport Norwich Limited				
Norwich Airport Limited	Ordinary shares	80 1%		Airport ownership & operation
Held by Norwich Airport Limited				
Travel Norwich Airport Limited	Ordinary shares	100%		Travel agency
Legislator 1364 Limited	Ordinary shares	100%		Property rental
Held by OMDV BV				
NV Holding Businesspark Luchthaven Maastricht ("HBLM")	Ordinary shares	100%		Holding company
Held by HBLM				
Maastricht Aachen Airport BV	Ordinary shares	100%		Airport ownership & operation
Businesspark MAA BV	Ordinary shares	100%		Property development
Maastricht Handling Services BV	Ordinary shares	100%		Airport handling services
Real Estate MAA BV	Ordinary shares	100%		Property investment
Saturn Maastricht BV	Ordinary shares	100%		Hotel ownership
Held by Businesspark MAA BV				
Land Development Aviation Valley Maastricht BV	Ordinary shares	40%		Property development

Φ The share capital of OMDV BV is divided into 'A' and 'B' shares The 18,000 founding 'A' shares of €1 each are held by Omniport Holdings Limited (60%) and Dura Vermeer Deelnemingen BV (40%) and can only return par value Control is exercised via 'B' shares, which are 100% owned by Omniport Holdings Limited OMDV BV and the subsidiary undertakings held beneath it are registered in the Netherlands All other companies are registered in England and Wales

5. DEBTORS

	2010 £'000	2009 £'000
Due within one year		
Amount owed by subsidiary undertakings	**311**	576
Other debtors	**1**	8
Prepayments and accrued income	**648**	86
	960	670

Amounts owed by subsidiary undertakings are interest free, unsecured and have no fixed date of repayment Accrued income of £648,000 represents interest owed on loans to OMDV BV

6 CREDITORS amounts falling due within one year

	2010 £'000	2009 £'000
Amounts owed to Group undertakings	**438**	265
Trade creditors	**16**	30
Accruals and deferred income	**93**	146
	547	441

Amounts owed to subsidiary undertakings are interest free, unsecured and have no fixed date of repayment

7. PROVISION FOR LIABILITIES

A deferred tax liability of £293,000 (2009 £362,000) relating to foreign exchange gains on loans to a subsidiary company has not been recognised as the directors consider the timing of repayment of these loans, at which time the taxable event would arise, to be remote

8. CALLED UP SHARE CAPITAL

	Number of ordinary shares	Ordinary shares £'000	Share premium £'000	Total £'000
At 1 April 2008	9,677,218	968	10,974	11,942
Warrants exercised	13,160	1	3	4
Ordinary shares issued	1,603,804	160	2,767	2,927
At 31 March 2009	11,294,182	1,129	13,744	14,873
At 31 March 2010	**11,294,182**	**1,129**	**13,744**	**14,873**

8 CALLED UP SHARE CAPITAL (CONTINUED)

The total authorised number of ordinary shares is 12,022,691 shares (2009 12,022,691) with a par value of 10p per share (2009 10p per share) All issued shares are fully paid

All issued shares are fully paid At the balance sheet date, the following financial instruments, convertible into Ordinary shares of 10 pence each, were outstanding

	2010 Number ('000s)	*2009 Number ('000s)*
Warrants exercisable at 35p each	**253**	253
Vested share options	**-**	62
	253	315

Share Options
Share options over ordinary 10p shares have been granted to certain directors The exercise price of these options was agreed at the date of grant The share options are only exercisable once they have become vested Movements in the number of share options outstanding and their related weighted average exercise price are as follows

	March 2010 ("LTIP2") scheme Number of share awards	Dec 2004 ("LTIP1") scheme Number of share awards
Outstanding at 1 April 2009	-	61,667
Granted during the year	180,000	-
Expired during the year	-	(61,667)
Outstanding at 31 March 2010	**180,000**	-
Exercisable at 31 March 2010	-	-

8. CALLED UP SHARE CAPITAL (CONTINUED)

The fair value per option granted and the assumptions used in the calculation are as follows

Grant date	March 2010	Dec 2004
Exercise price	£1 00	£1 63
Number of employees	1	1
Shares under option at date of grant	180,000	61,667
Vesting period (years)	3yrs 1 month	2yrs 10 months
Option life (years)	6yrs 11 months	1yr 9 months
Expected life (years)	6yrs 11 months	1yr 9 months
Expected dividends expressed as a dividend yield	0%	0%
Fair value per option	£1 11	£1 63

None of the outstanding options at 31 March 2010 are vested (2009 61,667) and nil were exercisable (2009 61,667) Share options outstanding at the end of the year have the following expiry date and exercise price

	2010 £'000	2009 £'000
2 December 2014 – Exercise price - £1 55	-	41,667
2 December 2014 – Exercise price - £1 69	-	20,000
1 March 2020 – Exercise price - £1 00	**180,000**	-
	180,000	61,667

The outstanding share options as at 31 March 2009 expired early during the year as part of an employee termination agreement

The share based payment expenses in respect of the above share options for each of the two years ended 31 March is not material

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND MOVEMENT IN RESERVES

	Share capital	*Share premium*	*Capital Reserve*	*Profit and loss account*	*Total share-holders' funds*
	£000	*£000*	*£000*	*£000*	*£000*
At 31 March 2008	968	10,974	1,000	(519)	12,423
Share issues	161	2,770	-	-	2,931
Retained profit for the year	-	-	-	516	516
At 31 March 2009	1,129	13,744	1,000	(3)	15,870
Retained loss for the year	-	-	-	(904)	(904)
At 31 March 2010	**1,129**	**13,744**	**1,000**	**(907)**	**14,966**

10. COMMITMENTS

No commitments were outstanding at the balance sheet date other than those recognised in the financial statements (2009 £nil)

11. CONTINGENT ASSET

Omniport Holdings Limited has provided financial support to Norwich Airport Limited by deferral of certain loans and management charges amounting to £2,202,780 (2009 £564,828) These amounts will be repayable in the future should certain events occur