

Company Registration No 2881745 (England & Wales)

LONDON SOUTHEND AIRPORT COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2007

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LONDON SOUTHEND AIRPORT COMPANY LIMITED

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LONDON SOUTHEND AIRPORT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report with the audited financial statements of the company for the year ended 31 March 2007

Principal activities and review of the business

The principal activity of the company continued to be that of operating and managing a commercial airport

Revenues for the year ending 31st March 2007 rose by 28.3% to £6,383,598 (2006 £4,972,527) profit before tax amounted to £445,612 (2006 £155,658). As in the past, operating costs include further repairs and improvements to the airport infrastructure.

The revenue improvements demonstrate increasing activity at the airport and the growing capacity constraints at the larger London airports, particularly at peak hours. Of significance for Southend Airport was the launch of the Ford corporate shuttle, formerly operated from Stansted.

Following publication of the Government's 30 year National Airport Policy in a White Paper in December 2003, the airport is pursuing its Master Plan and has welcomed the launch of a Joint Area Action Plan by Southend Borough Council and Rochford District Council, to consider the economic and employment contribution that the airport and surrounding land can make to the Thames Gateway and local area.

Risk

The Board regularly reviews the risks facing the business.

The most important external risks over which the Board and management have no control, include a general decrease in the demand for air travel.

The most important internal risks over which the Board and management have some control, include the loss of key staff, and changes affecting our relationship with the operators using the airport. In these and other risks the Board have established controls which are reviewed regularly.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, liquidity risk and credit risk.

Price risk

The company is exposed to price risk due to normal inflationary increases in the purchase price of goods and services and changes in the market place in which it operates.

Liquidity risk

The company regularly reviews its liquidity risk and has arranged appropriate facilities to be available.

Credit risk

The company has a rigorous credit policy which it uses to manage credit risk.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

LONDON SOUTHEND AIRPORT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2007

Future developments

The proposal in the Master Plan follows the guidance in the Airports White Paper to develop the airport to 2 million passengers per annum by 2030. A subsequent report published by York Aviation on behalf of EEDA has supported the forecasts and the future of Southend Airport is now the subject of a Regeneration Framework to 2021 set out by Renaissance Southend in which it states

'Fully functioning Regional Airport including Runway Extension

Southend Airport has the potential to become a major economic asset for South Essex. Currently the airports potential is limited by its runway length and the lack of an attractive commercially appealing and marketable property offer around or near it.'

The Framework is expected to be issued for Public Consultation early in 2008 with plans published later in the same year.

Now under the management of a new Managing Director, Alastair Welch, the airport has embarked on a development programme aimed at establishing a new airport hotel and the airport railway station by mid 2009. Included in the consideration of options for the development of the airport, we are working hard to develop a scheme for a runway extension which would still leave St Laurence Church in its present location.

The financial outlook for the forthcoming year is for further growth and investment at the airport.

Directors

The following directors have held office since 1 April 2006

A R Walters

A R Campbell

A J M Welch

(Appointed 1 February 2007)

No director had a beneficial interest in the issued share capital of the company during the current or previous year. The shareholdings of A R Walters in Regional Airports Limited, the holding company, are disclosed in that company's financial statements.

Charitable donations

2007

2006

£

£

During the year the company made the following payments

Charitable donations

600

500

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Nexia Smith & Williamson, will be deemed to be reappointed for each succeeding financial year.

LONDON SOUTHEND AIRPORT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

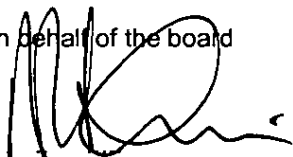
Statement of disclosure to auditor

In so far as the directors are aware

(a) there is no relevant information of which the company's auditors are unaware, and

(b) the directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the board



A R Walters

Director

21ST NOVEMBER 2007

LONDON SOUTHEND AIRPORT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO LONDON SOUTHEND AIRPORT COMPANY LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985 UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 20, together with the financial statements of London Southend Airport Company Limited for the year ended 31 March 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Nexia Smith & Williamson

Nexia Smith & Williamson

Chartered Accountants

Registered Auditor

5th December 2007

Imperial House
18-21 Kings Park Road
Southampton
SO15 2AT

LONDON SOUTHEND AIRPORT COMPANY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 £	2006 £
Gross profit		3,820,845	3,015,873
Administrative expenses		(3,798,825)	(2,879,319)
Operating profit	2	22,020	136,554
Other interest receivable and similar income	3	25,091	26,353
Interest payable and similar charges	4	398,501	(7,249)
Profit on ordinary activities before taxation		445,612	155,658
Tax on profit on ordinary activities	5	(29,005)	(39,268)
Profit for the year	17	416,607	116,390

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

Note of historical cost profits and losses

	2007 £	2006 £
Reported profit on ordinary activities before taxation	445,612	155,658
Realisation of property revaluation gains of previous years	-	-
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	35,833	35,833
Historical cost profit on ordinary activities before taxation	481,445	191,491
Historical cost profit for the year retained after taxation, extraordinary items and dividends	452,440	52,223

LONDON SOUTHEND AIRPORT COMPANY LIMITED

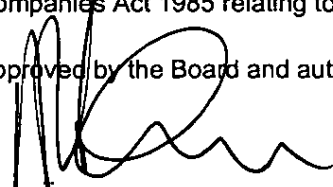
ABBREVIATED BALANCE SHEET

AS AT 31 MARCH 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Intangible assets	7	66,000		74,000	
Tangible assets	8	1,878,997		1,833,964	
Investments	9	2		2	
		<u>1,944,999</u>		<u>1,907,966</u>	
Current assets					
Stocks	10	104,962		100,292	
Debtors	11	1,107,086		814,177	
Cash at bank and in hand		582,969		641,448	
		<u>1,795,017</u>		<u>1,555,917</u>	
Creditors: amounts falling due within one year	12	<u>(1,380,745)</u>		<u>(1,108,272)</u>	
Net current assets		<u>414,272</u>		<u>447,645</u>	
Total assets less current liabilities		<u>2,359,271</u>		<u>2,355,611</u>	
Creditors: amounts falling due after more than one year	13	(120,046)		(435,364)	
Accruals and deferred income	14	(1,136,875)		(1,234,504)	
		<u>1,102,350</u>		<u>685,743</u>	
Capital and reserves					
Called up share capital	16	24,000		24,000	
Revaluation reserve	17	92,570		128,403	
Other reserves	17	6,000		6,000	
Profit and loss account	17	979,780		527,340	
Shareholders' funds	18	<u>1,102,350</u>		<u>685,743</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

Approved by the Board and authorised for issue on 21st NOVEMBER 2007


A R Walters
Director

LONDON SOUTHEND AIRPORT COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	£	2007 £	£	2006 £
Net cash inflow from operating activities		137,523		172,563
Returns on investments and servicing of finance				
Interest received	25,091		26,353	
Interest paid	(6,499)		(7,249)	
Net cash inflow for returns on investments and servicing of finance		18,592		19,104
Taxation		(53,469)		(8,161)
Capital expenditure				
Payments to acquire intangible assets	-		(80,000)	
Payments to acquire tangible assets	(243,794)		(68,276)	
Receipts from sales of tangible assets	500		750	
Net cash outflow for capital expenditure		(243,294)		(147,526)
Equity dividends paid		-		(100,000)
Net cash outflow before management of liquid resources and financing		(140,648)		(64,020)
Financing				
New long term bank loan	124,600		-	
Repayment of long term bank loan	(1,139)		-	
Capital element of hire purchase contracts	(41,292)		(37,129)	
Net cash inflow/(outflow) from financing		82,169		(37,129)
Decrease in cash in the year		(58,479)		(101,149)

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

1	Reconciliation of operating profit to net cash inflow from operating activities	2007		2006	
		£		£	
	Operating profit	22,020		136,554	
	Depreciation of tangible assets	198,761		207,618	
	Amortisation of intangible assets	8,000		6,000	
	Profit on disposal of tangible assets	(500)		(750)	
	(Increase)/decrease in stocks	(4,670)		32,619	
	Increase in debtors	(301,717)		(83,668)	
	Increase/(decrease) in creditors within one year	313,258		(31,171)	
	Movement on grant provision	(97,629)		(94,639)	
	Net cash inflow from operating activities	137,523		172,563	
2	Analysis of net funds	1 April 2006	Cash flow	Other non- 31 March 2007	
				cash changes	
		£	£	£	£
	Net cash				
	Cash at bank and in hand	641,448	(58,479)	-	582,969
	Debt				
	Finance leases	(71,679)	41,292	-	(30,387)
	Debts falling due within one year	-	(4,558)	-	(4,558)
	Debts falling due after one year	(405,000)	(118,903)	405,000	(118,903)
		(476,679)	(82,169)	405,000	(153,848)
	Net funds	164,769	(140,648)	405,000	429,121
3	Reconciliation of net cash flow to movement in net funds	2007		2006	
		£		£	
	Decrease in cash in the year	(58,479)		(101,149)	
	Cash outflow from decrease in debt and lease financing	(82,169)		37,129	
	Change in net debt resulting from cash flows	(140,648)		(64,020)	
	Debenture written back	405,000		-	
	Movement in net funds in the year	264,352		(64,020)	
	Opening net funds	164,769		228,789	
	Closing net funds	429,121		164,769	

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents invoiced sales from airport activities and of property rentals due, excluding value added tax

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows

Freehold land	is not depreciated
Freehold land and buildings	5% straight line
Long leasehold property	10% straight line
Plant and machinery	6.67% - 20% straight line
Fixtures and fittings	5% - 20% straight line
Motor vehicles	20% straight line

A policy of revaluation has not been adopted. Although the carrying value of tangible fixed assets reflects a revaluation carried out on 23 November 1994, the company has adopted the option within the transitional arrangements of FRS 15 to retain the book values of fixed assets at their previously revalued amounts

1.6 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding

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

1.7 Investments

Fixed asset investments are stated at cost less provision for any diminution in value

1.8 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

1 Accounting policies

(continued)

1 9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1 10 Deferred taxation

Deferred taxation is provided for on a full provision basis on all timing differences that have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Any assets or liabilities recognised have not been discounted.

1 11 Government grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. As stated in note 9 the company's subsidiaries have been dormant since incorporation and are therefore considered to be immaterial, subsequently consolidated accounts have not been prepared.

2 Operating profit

2007

2006

£

£

Operating profit is stated after charging

Amortisation of intangible assets

8,000

6,000

Depreciation of tangible assets

198,761

207,618

Operating lease rentals

68,750

60,040

Auditors' remuneration

9,540

8,300

Non-audit services (paid to related company of the auditors)

2,600

2,430

Directors' emoluments

39,955

20,883

and after crediting

Government grants

(99,358)

(99,267)

Profit on disposal of tangible assets

(500)

(750)

3 Investment income

2007

2006

£

£

Bank interest

25,091

26,353

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

4	Interest payable	2007 £	2006 £
	On bank loans and overdrafts	2,462	-
	Hire purchase interest	4,037	7,249
	Other interest	(405,000)	-
		<u>(398,501)</u>	<u>7,249</u>

The debenture written-back represents a debenture that was assigned from Southend Borough Council to Regional Airports Limited on 12 December 1996 that was due for repayment on 31 March 2144. Regional Airports Limited have stated that this debenture is no longer considered to be payable, consequently this has been written back.

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

5	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	18,996	52,253
	Adjustment for prior years	1,201	(2,400)
	Current tax charge	<u>20,197</u>	<u>49,853</u>
	Deferred tax		
	Deferred tax charge	9,261	(10,585)
	Deferred tax adjust re previous year	(453)	-
		<u>8,808</u>	<u>(10,585)</u>
		<u>29,005</u>	<u>39,268</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>445,612</u>	<u>155,658</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19 00% (2006 - 30 00%)	<u>84,666</u>	<u>46,697</u>
	Effects of		
	Non deductible expenses	18,878	2,979
	Depreciation in excess of capital allowances	5,782	40,564
	Non-taxable release of deferred grants	(13,200)	(29,780)
	Marginal relief	-	(8,207)
	Adjustments to previous periods	1,201	(2,400)
	Income not taxable for tax purposes	(76,950)	-
	Other tax adjustments	(180)	-
		<u>(64,469)</u>	<u>3,156</u>
	Current tax charge	<u>20,197</u>	<u>49,853</u>
6	Dividends	2007 £	2006 £
	Ordinary interim paid	<u>-</u>	<u>100,000</u>

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2006 & at 31 March 2007	80,000
	<hr/>
Amortisation	
At 1 April 2006	6,000
Charge for the year	8,000
	<hr/>
At 31 March 2007	14,000
	<hr/>
Net book value	
At 31 March 2007	66,000
	<hr/> <hr/>
At 31 March 2006	74,000
	<hr/> <hr/>

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

8 Tangible fixed assets

	Freehold land and buildings £	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation						
At 1 April 2006	30,000	1,998,036	1,238,228	448,346	70,491	3,785,101
Additions	179,576	1,820	24,139	37,259	1,000	243,794
Disposals	-	-	(112,500)	-	-	(112,500)
At 31 March 2007	209,576	1,999,856	1,149,867	485,605	71,491	3,916,395
Depreciation						
At 1 April 2006	-	664,264	906,799	349,547	30,527	1,951,137
On disposals	-	-	(112,500)	-	-	(112,500)
Charge for the year	-	99,358	68,605	23,534	7,264	198,761
At 31 March 2007	-	763,622	862,904	373,081	37,791	2,037,398
Net book value						
At 31 March 2007	209,576	1,236,234	286,963	112,524	33,700	1,878,997
At 31 March 2006	30,000	1,333,772	331,429	98,799	39,964	1,833,964

Plant and machinery held at 23 November 1994 was valued at that date by Chestertons plc, International Property Consultants at £1,020,950 on an existing use basis

Comparable historical cost for the land and buildings included at valuation

	£
Cost	
At 1 April 2006 & at 31 March 2007	615,081
Depreciation based on cost	
At 1 April 2006	412,054
Charge for the year	32,772
At 31 March 2007	444,826
Net book value	
At 31 March 2007	170,255
At 31 March 2006	203,027

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

8 Tangible fixed assets

(continued)

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 March 2007	73,457	30,345	103,802
At 31 March 2006	82,748	34,482	117,230
Depreciation charge for the year			
At 31 March 2007	9,291	4,138	13,429
At 31 March 2006	9,291	4,138	13,429

Freehold land and buildings includes land at cost of £31,756 (2006 £30,000) that is not depreciated

Included within long leasehold land are tenants improvements at a cost of £1,987,166 (2006 £1,985,345) that are funded by grants from Southend Borough Council. The improvements and the grants are being written off over twenty years in accordance with SSAP 4.

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 April 2006 & at 31 March 2007	2
Net book value	
At 31 March 2007	2
At 31 March 2006	2

The above represents the cost of investment in London Express Airport Limited and Thames Gateway Airport Limited, both of which are wholly-owned subsidiaries and have been dormant since incorporation.

10 Stocks

	2007 £	2006 £
Finished goods and goods for resale	104,962	100,292

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

11 Debtors	2007 £	2006 £
Trade debtors	1,017,142	604,770
Amounts owed by parent and fellow subsidiary undertakings	10,383	8,733
Other debtors	41,616	167,572
Prepayments and accrued income	37,945	24,294
Deferred tax asset (see note)	-	8,808
	<u>1,107,086</u>	<u>814,177</u>

12 Creditors: amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	4,558	-
Net obligations under hire purchase contracts	29,244	41,315
Trade creditors	570,513	427,055
Amounts owed to parent and fellow subsidiary undertakings	30,752	13,266
Corporation tax	18,996	52,268
Other taxes and social security costs	61,719	72,094
Other creditors	15,049	5,461
Accruals and deferred income	649,914	496,813
	<u>1,380,745</u>	<u>1,108,272</u>

The bank loan is secured by way of a fixed charge over the company's freehold property

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

13 Creditors: amounts falling due after more than one year	2007	2006
	£	£
Debenture loans	-	405,000
Bank loans	118,903	-
Net obligations under hire purchase contracts	1,143	30,364
	<u>120,046</u>	<u>435,364</u>
Analysis of loans		
Not wholly repayable within five years by instalments		
Bank loan	123,461	-
Not wholly repayable within five years other than by instalments		
Debenture loan	-	405,000
	<u>123,461</u>	<u>405,000</u>
Included in current liabilities	(4,558)	-
	<u>118,903</u>	<u>405,000</u>
Instalments not due within five years	<u>98,847</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	4,484	-
In more than two years but not more than five years	15,572	-
In more than five years	98,847	405,000
	<u>98,847</u>	<u>405,000</u>
Net obligations under hire purchase contracts		
Repayable within one year	30,171	45,328
Repayable between one and five years	1,150	30,171
	<u>31,321</u>	<u>75,499</u>
Finance charges and interest allocated to future accounting periods	(934)	(3,820)
	<u>30,387</u>	<u>71,679</u>
Included in liabilities falling due within one year	(29,244)	(41,315)
	<u>1,143</u>	<u>30,364</u>

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

14 Accruals and deferred income

	Government grants £
Balance at 1 April 2006	1,234,504
Grants received during the year	1,729
Amortisation in the year	(99,358)
	<u> </u>
Balance at 31 March 2007	<u>1,136,875</u>

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the assets acquired by equal annual instalments. The amount of the grant to be released after more than five years is £739,442.

15 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2007 £	2006 £
Contributions payable by the company for the year	<u>111,271</u>	<u>113,085</u>

16 Share capital

	2007 £	2006 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
24,000 Ordinary shares of £1 each	<u>24,000</u>	<u>24,000</u>

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

17 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2006	128,403	6,000	527,340
Profit for the year	-	-	416,607
Transfer from revaluation reserve to profit and loss account	(35,833)	-	35,833
Balance at 31 March 2007	<u>92,570</u>	<u>6,000</u>	<u>979,780</u>

Other reserves

Capital redemption reserve

Balance at 1 April 2006 & at 31 March 2007

6,000

18 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	416,607	116,390
Dividends	-	(100,000)
Net addition to shareholders' funds	<u>416,607</u>	<u>16,390</u>
Opening shareholders' funds	685,743	669,353
Closing shareholders' funds	<u>1,102,350</u>	<u>685,743</u>

19 Financial commitments

At 31 March 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2008

	Land and buildings		Other	
	2007 £	2006 £	2007 £	2006 £
Operating leases which expire				
Between two and five years	-	-	3,711	3,711
In over five years	61,500	60,040	-	-
	<u>61,500</u>	<u>60,040</u>	<u>3,711</u>	<u>3,711</u>

LONDON SOUTHEND AIRPORT COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

20 Capital commitments	2007	2006
	£	£

At 31 March 2007 the company had capital commitments as follows

Contracted for but not provided in the financial statements	46,309	-
	<u> </u>	<u> </u>

21 Directors' emoluments	2007	2006
	£	£

Emoluments for qualifying services	39,955	20,883
	<u> </u>	<u> </u>

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007	2006
	Number	Number
Operational and administrative staff	77	57
	<u> </u>	<u> </u>

Employment costs	2007	2006
	£	£

Wages and salaries	1,799,871	1,484,866
Social security costs	182,903	150,872
Other pension costs	111,271	113,085
	<u> </u>	<u> </u>
	2,094,045	1,748,823
	<u> </u>	<u> </u>

23 Ultimate parent company

The ultimate holding company is Regional Airports Limited, a company registered in England and Wales