

Southampton International Airport Limited

**Report and Financial Statements
for the Year Ended 31 March 1996**

Company Registration Number 2431858



SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

REPORT AND FINANCIAL STATEMENTS 1996

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SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

E G Lomas	-	Chairman
P J Barlow	-	Managing Director
J R Bullen	-	Operations Director (appointed 16 June 1995)
M S Hodgkinson	-	Director
A J Mears	-	Finance Director

Secretary

G M Williams Hamer

Registered Office

130 Wilton Road
London
SW1V 1LQ

Auditors

Deloitte & Touche
Chartered Accountants and Registered Auditors
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BE

Bankers

Barclays Bank plc
Belgravia and Knightsbridge Business Centre
PO Box 4578
155 Brompton Road
London
SW3 1XD

Solicitors

Herbert Smith
Exchange House
Primrose Street
London
EC2A 2HS

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

REPORT OF THE DIRECTORS 1996

The directors present their annual report and the audited financial statements for Southampton International Airport Limited ("the Company") for the year ended 31 March 1996 (the "year").

PRINCIPAL ACTIVITIES

The Company owns and is the licensed operator of Southampton International Airport.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

During the first full year of operation of the new terminal, passenger traffic increased by 7.2% to 518,000 passengers.

The Company's financial performance shows significant improvement in revenue but the inevitable increase in costs arising from the new facility. During the year the final phase of the redevelopment was completed when the new apron area was brought into use. Surveys of customer views on the quality of service provided at Southampton International Airport indicate a high level of satisfaction.

The challenge for the coming year is to develop a growing route network and passenger base whilst maintaining close control over costs.

RESULTS AND DIVIDENDS

Retained loss for the year amounted to £1,241,000 (1995, Profit £423,000). The directors do not recommend the payment of a dividend. (1995 - £nil).

BOARD OF DIRECTORS

The following persons were directors of the Company during the year:

E G Lomas	Chairman
P J Barlow	Managing Director
J R Bullen	Operations Director (appointed 16 June 1995)
J Goodhind	Director (ceased on 16 June 1995)
M S Hodgkinson	Director
A J Mears	Finance Director

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

DIRECTORS' INTERESTS

The interests of the directors holding office at the end of the year in the ordinary shares of BAA plc are set out below:

Director	Shares		1 April 1995	Share Options		
	1 April 1995	31 March 1996		Number of Options		31 March 1996
				Granted during the year	Exercised during the year	
E G Lomas	3,732	3,754	111,773	16,035	-	127,808
P J Barlow	10,223	9,066	35,115	-	-	35,115
J R Bullen	755	368	18,033	-	-	18,033
A J Mears	4,670	12,130	25,571	355	19,974	5,952

The directors' interests of M S Hodgkinson are disclosed in the Report and Accounts of BAA plc, the Company's ultimate parent Company.

No director had any interests in the shares of the Company or any other subsidiary of BAA plc at any time during the year.

EMPLOYEES

The Company has no direct employees. The staff are employed by BAA plc which is the Company's ultimate parent company.

PAYMENT PRACTICE

The Company's policy is to follow the CBI "Prompt Payment - A Code of Good Practice" which is reproduced in the report and accounts of BAA plc.

RE-APPOINTMENT OF AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and accordingly have signed their report in their new name. Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the company in general meeting and the appointment of auditors annually are currently in force, therefore the auditors will be deemed to have been re-appointed.

130 Wilton Road
London
SW1V 1LQ

11 June 1996

Approved by the Board of Directors
and signed on behalf of the Board



G M Williams Hamer
Secretary

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 as at the end of the financial year and of the profit or loss of the Company 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keep proper accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of the auditors' responsibilities set out on page 5.

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 17 which have been prepared under the accounting policies set out on pages 9 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BE

11 June 1996

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	Note	1996	1995
		£000	£000
Revenue from continuing operations		8,941	6,207
Operating costs from continuing operations	3	(7,772)	(4,844)
Operating Profit from continuing operations		1,169	1,363
Net Interest payable	4	(3,739)	(2,328)
Loss on ordinary activities before taxation		(2,570)	(965)
Tax on loss on ordinary activities	5	1,329	1,388
(Loss) / Profit for the financial year		(1,241)	423
Accumulated Losses brought forward		(3,265)	(3,688)
Accumulated Losses carried forward		(4,506)	(3,265)

The notes on pages 9 to 17 form part of these financial statements.

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

	Note	1996 £000	1995 £000
NOTE OF HISTORICAL COST PROFITS AND LOSSES			
Reported loss on ordinary activities before taxation		(2,570)	(965)
Difference between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount		65	46
Difference between historical cost loss and the revalued loss on the disposal of assets		720	-
Realisation of property revaluation losses		(1,653)	(472)
		-----	-----
Historical cost loss on ordinary activities before taxation		(3,438)	(1,391)
		=====	=====
Historical cost loss for the year after taxation		(2,109)	(2)
		=====	=====
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES			
(Loss) / Profit for the financial year	10	(1,241)	423
Unrealised revaluation surplus	10	5,195	-
		-----	-----
Total gains relating to the year		3,954	423
		=====	=====
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS			
(Loss) / Profit for the financial year	10	(1,241)	423
Other recognised gains relating to the year	10	5,195	-
		-----	-----
Movement in shareholders' funds in the year		3,954	423
Opening shareholders' funds		(3,265)	(3,688)
		-----	-----
Closing shareholders' funds		689	(3,265)
		=====	=====

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

BALANCE SHEET AT 31 MARCH 1996

	Note	1996 £000	1995 £000
Fixed assets			
Tangible assets	6	49,592	41,021
Current assets			
Debtors	7	5,203	4,813
Creditors: amounts falling due within one year	8	54,110	49,099
Net current liabilities		(48,907)	(44,286)
Total assets less current liabilities		689	(3,265)
Net Assets / (Liabilities)		689	(3,265)
Capital and Reserves			
Called up share capital	9	-	-
Revaluation Reserve	10	5,195	-
Profit and loss account	10	(4,506)	(3,265)
Total equity shareholders' funds		689	(3,265)

The notes on pages 9 to 17 form part of these financial statements.

These financial statements were approved by the Board of Directors on 11 June 1996 and signed on behalf of the Board.



P J BARLOW



A J MEARS

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} Directors
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SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below:-

(a) Accounting convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of tangible fixed assets, as separately noted. In the opinion of the directors, the modified historical cost basis is more relevant to the accounts of the company.

(b) Revenue

Revenue comprises the invoiced value of sales from airport activities and of property rentals due and agreed net of value added tax. All revenue is derived from within the United Kingdom.

(c) Tangible fixed assets

Gross cost of fixed assets is derived as follows:

Runways, buildings and services, furniture and fittings, plant and machinery	At depreciated replacement costs or valuation updated from appropriate indices.
--	---

Land	At open market valuation by independent professional valuers. The directors consider that there has been no change in value since the last independent professional open market valuation which was performed at 31 March 1994.
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Cost of assets have been apportioned between categories based on professional valuations and adjusted for the expected remaining useful lives of the assets.

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

(d) Depreciation

No depreciation is provided in respect of freehold investment properties or land.

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the loss for the financial year would have been increased by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

In respect of other assets, depreciation is calculated to write down assets to their residual values in equal instalments on the following bases:-

Runways and lighting	15 - 100 years
Buildings and services	5 - 100 years
Plant and equipment	5 - 40 years

No depreciation is provided on freehold land and assets in course of construction.

(e) Deferred taxation

Deferred taxation arises in respect of items where there is a timing difference between their treatment for accounting purposes and their treatment for taxation purposes. Provision is made at the appropriate rates for deferred taxation to the extent that it is considered the liability or asset will arise in the foreseeable future.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

f) Pension Costs

The BAA plc pension scheme is a defined benefit scheme which is self administered. The pension cost charged to the profit and loss account is such as to spread the cost of pensions over employees' working lives with the company.

g) Leases

Rental costs under operating leases are charged to the profit and loss account in equal instalments over the period of the leases.

h) Capitalisation of interest

From 1 April 1993 the directors decided that interest would no longer be capitalised into the cost of assets in the course of construction.

2. PENSIONS

Employees are members of the BAA plc group schemes. Details of these schemes are disclosed in the accounts of the ultimate parent company.

3. OPERATING COSTS FROM CONTINUING OPERATIONS

	1996	1995
	£000	£000
External charges:		
Staff costs	3,783	2,666
Property rent and rates	285	112
Other property costs	411	315
Maintenance expenditure	488	377
Retail expenditure	919	660
General expenses	1,428	485
Depreciation of fixed assets	1,370	705
(Increase) in valuation of tangible assets	(1,652)	(472)
Loss /(Profit) on disposals	740	(4)
	-----	-----
	7,772	4,844
	=====	=====
(a) External charges include:		
Auditors' remuneration	12	1
	=====	=====

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996**

3. OPERATING COST FROM CONTINUING OPERATIONS (continued)

(b) Directors' emoluments	1996 £000	1995 £000
Fees	-	-
Other emoluments	130	130

The emoluments of the directors, excluding pension scheme contributions, were as follows:

	1996 £000	1995 £000
Chairman	-	-
Highest paid director	75	68
	=====	=====

The number of directors whose emoluments, excluding pension contributions, fell within the following ranges was:

	Number	Number
£0 - £5,000	3	4
£5,001 - £10,000	1	-
£35,001 - £40,000	1	-
£50,001 - £55,000	-	1
£65,001 - £70,000	-	1
£70,001 - £75,000	1	-

c) Employee information

	1996 £000	1995 £000
Employee costs during the year were:		
Wages & salaries	3,061	2,051
Social security costs	238	155
Pension costs	237	232
	-----	-----
	3,536	2,438
	=====	=====

The average number of persons employed was 192 (1995 - 133)

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

4. NET INTEREST PAYABLE

	1996	1995
	£000	£000
Interest payable:		
Group	(3,740)	(2,330)
	-----	-----
Interest receivable:		
External	1	2
	-----	-----
	(3,739)	(2,328)
	=====	=====

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	1996	1995
	£000	£000
United Kingdom corporation tax at 33%		
(1995 - 33%) based on loss for the year	1,329	1,388
	=====	=====

The tax benefits of £1,329,000 (1995 - £1,388,000) arising from the losses incurred will be surrendered to a fellow subsidiary company in exchange for a payment of the same amount.

Tax losses exceed accounting losses in 1996, primarily due to the effect of timing differences of Southampton International Airport Limited for which no deferred taxation provision is required.

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

6. TANGIBLE ASSETS

	Runways & Lighting £'000	Buildings & Services £'000	Furniture & Fittings £'000	Plant and Equipment £'000	Land £'000	Assets in the course of construction £'000	Investment Properties £'000	Total £'000
Gross Replacement Cost								
1 April 1995	6,894	11,471	407	10,942	13,700	1,139	-	44,553
Reclassifications	-	(1,536)	(5)	(264)	-	-	1,805	-
Additions	18	69	243	822	-	2,713	-	3,865
AICC	2,037	(504)	343	966	14	(2,856)	-	-
Inter-Company transfers	-	-	-	8	-	-	-	8
Disposals	-	(858)	(105)	(492)	-	-	-	(1,455)
Change in value during year	366	897	10	503	-	-	5,195	6,971
31 March 1996	9,315	9,539	893	12,485	13,714	996	7,000	53,942
Depreciation								
1 April 1995	1,434	153	263	1,682	-	-	-	3,532
Transfers	-	-	-	-	-	-	-	-
Disposals	-	(121)	(105)	(450)	-	-	-	(676)
Change in value during year	59	5	3	57	-	-	-	124
Charge for the Year	118	250	138	864	-	-	-	1,370
31 March 1996	1,611	287	299	2,153	-	-	-	4,350
Value to the Business								
31 March 1996	7,704	9,252	594	10,332	13,714	996	7,000	49,592
31 March 1995	5,460	11,318	144	9,260	13,700	1,139	-	41,021

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

6. TANGIBLE ASSETS (continued)

Valuation

Investment properties were valued at £7m at open market value as at 31 March 1996 by Drivers Jonas, Chartered Surveyors. The valuation was prepared in accordance with the Statement of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors taking account inter alia, of planning constraints and reflecting the demand for proper related uses. As a result of the valuation a surplus of £5,195,000 has been transferred to revaluation reserve.

7. DEBTORS

	1996	1995
	£000	£000
Due within one year:		
Trade debtors	854	424
Amount owed by subsidiary undertakings	2,638	2,937
Other debtors and prepayments	382	452
Group relief	1,329	1,000
	-----	-----
	5,203	4,813
	=====	=====

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	£000	£000
Bank Loans and overdraft	242	28
Trade creditors	345	230
Amounts owed to fellow subsidiary undertakings	51,229	47,029
Other creditors	2,294	1,812
	-----	-----
	54,110	49,099
	=====	=====

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

9. CALLED UP SHARE CAPITAL

	1996	1995
	£	£
Authorised: 100 shares of £1 each	100	100
	=====	=====
Authorised, allotted and fully paid 2 ordinary shares of £1 each	2	2
	=====	=====

10. RESERVES

	Total	Profit and Loss Account	Revaluation
	£000	£000	£000
1 April 1995	(3,265)	(3,265)	-
(Loss) for the year	(1,241)	(1,241)	-
Revaluation surplus	5,195	-	5,195
	-----	-----	-----
31 March 1996	689	(4,506)	5,195
	=====	=====	=====
Realised	(4,506)	(4,506)	-
Unrealised	5,195	-	5,195
	-----	-----	-----
	689	(4,506)	5,195
	=====	=====	=====

11. CAPITAL COMMITMENTS

	1996	1995
	£000	£000
The following contractual commitments have been made at 31 March 1996:		
Contracted for but not provided	-	1,386
Capital expenditure authorised but not contracted	-	-
	-----	-----
	-	1,386
	=====	=====

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

12. DEFERRED TAXATION

In accordance with the accounting policy stated in Note 1(e) no provision for deferred taxation is required. The unprovided deferred tax liabilities, computed at the expected long term rate of 33% are as follows:

	1996	1995
	£000	£000
Excess of capital allowances over depreciation	3,459	3,313
Other timing differences	-	(8)
	-----	-----
	3,459	3,305
	=====	=====

13. ULTIMATE PARENT COMPANY

The ultimate parent company is BAA plc. The ultimate parent company is registered in England and Wales. The Company is included in the group accounts of BAA plc.

Copies of the financial statements of BAA plc may be obtained by writing to the Company Secretary at 130 Wilton Road, London SW1V 1LQ.

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

AIRPORTS ACT 1986

**PERMISSION TO LEVY CHARGES
YEAR ENDED 31 MARCH 1996**

The following information is disclosed in accordance with the accounts conditions imposed under section 40(1)(a) of the Act.

Statement A:	Operational and non-operational trading results
Statement B:	Basis of cost allocation
Statement C:	Connected party transactions
Statement D:	Audit report

The information in Statements A, B and C attached was approved by the Board of Directors on 11 June 1996.



P J BARLOW



A J MEARS

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Directors

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

PERMISSION TO LEVY CHARGES

STATEMENT A

OPERATIONAL AND NON-OPERATIONAL TRADING RESULTS IN ACCORDANCE WITH CONDITIONS 3 AND 4

FOR THE YEAR ENDED 31 MARCH 1996

	Income	Expenditure	Profit before tax and interest
	£000	£000	£000
Operational activities:			
Airport charges	4,483	4,210	273
Other operational activities	4,453	3,583	870
	-----	-----	-----
Total operational activities	8,936	7,793	1,143
Non-operational activities	5	(21)	26
	-----	-----	-----
	8,941	7,772	1,169
	=====	=====	=====

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

PERMISSION TO LEVY CHARGES

STATEMENT B

BROAD PRINCIPLES OF COST ALLOCATION IN ACCORDANCE WITH CONDITIONS 2 AND 3 FOR THE YEAR ENDED 31 MARCH 1996

Costs have been allocated into the following categories:

- Airport charges
- Other operational activities
- Non-operational activities

Airport charges comprise all activities in respect of which airport charges are levied. These are landing charges, passenger charges, aircraft parking charges and extension fees. All other activities are classified as other operational activities except for the provision and operation of facilities for commercial advertising and non-aviation related property rentals.

All income and direct costs are directly allocated to each activity. Other support costs which cannot be directly attributed are allocated between activities as indirect charges of overheads on appropriate bases. These include:

- Area occupied
- Staff deployed
- Direct expenditure excluding depreciation

Total costs include costs incurred by BAA plc. Those costs which are assessed according to usage are attributed to subsidiaries on that basis. The remaining BAA plc costs are allocated to subsidiaries proportionately on the basis of operating profit subject to a minimum charge of £100,000. Within the company these costs are allocated between activities as overheads.

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

PERMISSION TO LEVY CHARGES

STATEMENT C

DISCLOSED TRANSACTIONS IN ACCORDANCE WITH CONDITION 1 FOR THE YEAR ENDED 31 MARCH 1996

1. Intercompany account

The company's funding is met by a short-term loan from BAA plc. Interest on the current account is charged or credited to the net borrowing calculated at the last day of each month on the balance at the beginning of the month at a percentage derived from Barclays Bank base rate plus 1.5%. Interest on the short-term loan is calculated on a daily basis at a percentage derived from Barclays Bank base rate plus 1.5%. The interest rate prevailing on this account as at 31 March 1996 was 7.5%. During the year ended 31 March 1996, the minimum borrowing was £34,185,409 at 1 April 1995. The maximum borrowing was £39,250,418 at 31 March 1996.

2. Airport redevelopment

The Technical Services Division of BAA plc provides services to the company in respect of the redevelopment of Southampton International Airport. During the year fees amounting to £151,900 were charged in respect of these services.

3. BAA plc costs

The Company is charged by BAA plc for services supplied in carrying out the Company's business. This charge includes those costs which are assessed according to usage and are attributed to subsidiaries on that basis. The remaining BAA plc costs cannot be separately attributed on a usage basis because of the nature of the services supplied and have, therefore, been allocated proportionately on the basis of operating profit subject to a minimum charge of £100,000. In this financial year, Southampton International Airport Limited paid the minimum charge.

4. Other Transactions

There were no other material transactions which would require disclosure under Condition 1 of the accounts conditions.

SOUTHAMPTON INTERNATIONAL AIRPORT LIMITED

**PERMISSION TO LEVY CHARGES
FOR THE YEAR ENDED 31 MARCH 1996**

**STATEMENT D: AUDIT REPORT
AUDITORS' SPECIAL REPORT TO THE CIVIL AVIATION AUTHORITY ('CAA')**

We have reviewed the financial information pages 18 to 21 for which the directors of Southampton International Airport Limited are solely responsible.

In our opinion, the schedules A to C on Pages 19 to 21 present fairly the information set forth therein and are in accordance with the requirements of the Accounts Conditions imposed by the CAA under Section 40(1)(a) of the Airports Act 1986.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BE

11 June 1996