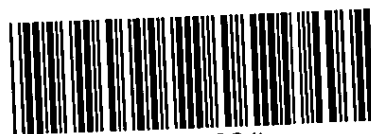


PEEL AIRPORTS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2009

COMPANY NUMBER 3385025

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PEEL AIRPORTS LIMITED

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PEEL AIRPORTS LIMITED

Directors, Professional Advisers and Registered Office

Directors: John Whittaker
Andrew Simpson
Mark Whitworth
Paul Wainscott
Peter Hosker
Peter Nears
Neil Lees
Steven Underwood

Secretary: Neil Lees

Registered Office: Peel Dome
The Trafford Centre
Manchester
M17 8PL

Registered Number: 3385025

Auditors: Deloitte LLP
Chartered Accountants & Registered Auditors
Manchester
United Kingdom

Bankers: Barclays Bank Plc

PEEL AIRPORTS LIMITED

Report of the Directors *for the year ended 31st March 2009*

The directors submit their annual report together with the financial statements of the company for the year ended 31st March 2009.

This directors' report has been prepared in accordance with the special provision relating to small companies under section 246(4) of the Companies Act 1985. Accordingly, no enhanced business review has been prepared.

Principal Activities and Review of the Business

The principal activity of the company is that of a holding company.

The directors expect the current level of activity to continue into the foreseeable future.

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the financial statements. Further detail is given in note 1 to the accounts.

Results and Dividends

The results for the year are set out on page 6.

No dividend can be paid (2008: same).

Directors

Except as stated, the directors who held office during the financial year and thereafter were:

John Whittaker	
Robert Hough	(resigned 15 August 2009)
Andrew Simpson	
Paul Wainscott	
Peter Hosker	
Peter Nears	
Mark Whitworth	
Neil Lees	(appointed 27 January 2009)
Steven Underwood	(appointed 27 January 2009)

PEEL AIRPORTS LIMITED

Report of the Directors *for the year ended 31st March 2009*

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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.

Auditors and the disclosure of information to the auditor

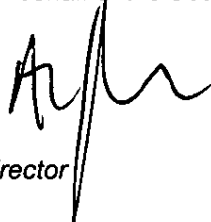
Each of the persons who is a director at the date of approval of this report confirms that:

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have 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 that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

On behalf of the Board



Director

30 September 2009

PEEL AIRPORTS LIMITED

Independent Auditors' Report to the members of Peel Airports Limited

We have audited the financial statements of Peel Airports Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte LLP

Chartered Accountants & Registered Auditors
Manchester, United Kingdom

30 September 2009

PEEL AIRPORTS LIMITED

Profit and Loss account *for the year ended 31 March 2009*

	Note	2009 £	2008 £
Administrative expenses		<u>(1,308,181)</u>	<u>(1,116,374)</u>
Operating loss	2	(1,308,181)	(1,116,374)
Loss on disposal of fixed assets		<u>(1,106,036)</u>	<u>(2,677)</u>
Loss on ordinary activities before interest		(2,414,217)	(1,119,051)
Interest receivable and similar income	3	6,438,584	6,032,872
Interest payable and similar charges	4	<u>(7,530,682)</u>	<u>(7,147,292)</u>
Loss on ordinary activities before taxation		(3,506,315)	(2,233,471)
Tax on loss on ordinary activities	5	<u>408,005</u>	<u>670,177</u>
Loss on ordinary activities after taxation	12	<u>(3,098,310)</u>	<u>(1,563,294)</u>

All of the above results derive from continuing operations.

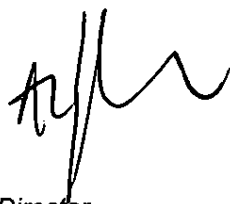
There are no recognised gains and losses other than those passing through the profit and loss account in the current or prior year. Accordingly, no separate statement of total recognised gains and losses has been prepared.

PEEL AIRPORTS LIMITED

Balance Sheet as at 31st March 2009

	Note	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	6		6,484		870
Investments	7		52,512,910		57,653,946
			<u>52,519,394</u>		<u>57,654,816</u>
Current assets					
Debtors	8	111,047,917		105,746,386	
Creditors: amounts falling due within one year	9	<u>(110,625,227)</u>		<u>(107,360,808)</u>	
			422,690		(1,614,422)
Net assets			<u>52,942,084</u>		<u>56,040,394</u>
Capital and reserves					
Called-up share capital	11		70,761,005		70,761,005
Profit and loss account	12		(17,818,921)		(14,720,611)
Shareholders' funds	13		<u>52,942,084</u>		<u>56,040,394</u>

Approved by the board of directors on 30 September 2009



Director

PEEL AIRPORTS LIMITED

Notes to the Financial Statements

1. Accounting Policies

1.1 Accounting Convention

The financial statements are prepared on the going concern basis under the historical cost convention.

The Directors have received confirmation that Peel Holdings (Airports) Limited ("PHA"), the division's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. In considering the ability of PHA to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the Directors have obtained an understanding of PHA's forecasts, the continuing availability of its facilities and its strategic and contingent plans. Additional details surrounding these uncertainties and mitigating actions can be found in the accounts for Peel Holdings (Airports) Limited.

Taking all these factors into account the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and accounts.

'As permitted by Financial Reporting Standard No. 1 (revised) "Cash Flow Statements", the company has not prepared a cash flow statement as the company is a wholly owned subsidiary undertaking of the Peel Holdings (Airports) Limited group of companies. Peel Holdings (Airports) Limited is a company incorporated and registered in England which produces group financial statements in accordance with the Companies Act 1985, which include a consolidated group cash flow statement.

1.2 Compliance with Accounting Standards

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) which have been applied consistently throughout the current and prior years.

1.3 Tangible Fixed Assets and Depreciation

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

Motor Vehicles	4 years
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1.4 Investments

Fixed asset investments in subsidiary and joint venture undertakings are stated at cost less provision for impairment. Cost represents the aggregate cash consideration, costs incurred and the nominal value of shares issued.

1.5 Defined contribution pension scheme

The pension costs charged in the financial statements represent the contributions payable by the company during the year according to the schemes rules in accordance with FRS 17.

PEEL AIRPORTS LIMITED

Notes to the Financial Statements *(continued)*

1.6 Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis.

1.7 Group Accounts

Group accounts have not been prepared as permitted by Section 228 of the Companies Act 1985 as the company is itself a wholly owned subsidiary of a body corporate incorporated in the United Kingdom that itself prepares consolidated accounts that are publicly available. The financial statements thus provide information about the company as a single entity and not about its group.

1.8 Related Party Disclosures

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" and has not disclosed details of transactions with fellow wholly owned undertakings within the Peel Holdings (Airports) Limited group of companies.

2. Operating loss

	2009 £	2008 £
<i>Operating loss is stated after charging:</i>		
Depreciation of tangible assets	-	3,634
Loss on disposal of fixed asset investments	1,106,036	-
Remuneration payable to auditor in respect of tax compliance	<u>9,000</u>	<u>11,250</u>

The fees paid to the auditor of £1,000 in respect of the statutory audit of the company were borne by another group company (2008: same).

3. Interest receivable and similar income

	2009 £	2008 £
Bank interest	359	-
On amounts owed by group undertakings	<u>6,438,225</u>	<u>6,032,872</u>
	<u>6,438,584</u>	<u>6,032,872</u>

PEEL AIRPORTS LIMITED

Notes to the Financial Statements *(continued)*

4. Interest payable and similar charges

	2009 £	2008 £
On amounts payable to group companies	7,403,104	6,936,798
On bank loans and overdrafts	127,578	210,494
	<u>7,530,682</u>	<u>7,147,292</u>

5. Taxation

	2009 £	2008 £
UK current tax		
Adjustment for prior years	816	(136)
Receipt in respect of group relief	(408,821)	(670,041)
Current tax credit	<u>(408,005)</u>	<u>(670,177)</u>
Factors affecting the tax credit for the year		
Loss on ordinary activities before taxation	<u>(3,506,315)</u>	<u>(2,233,471)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2008: 30%)	(981,768)	(670,041)
Effects of:		
Non deductible expenses	2	
Excess of book taxable over book profits on sale of investments	309,690	
Tax losses carried forward	263,255	
Adjustments to previous periods	816	(136)
	<u>573,763</u>	<u>(136)</u>
Current tax credit	<u>(408,005)</u>	<u>(670,177)</u>

There is no provided or unprovided deferred tax in either year.

PEEL AIRPORTS LIMITED

Notes to the Financial Statements *(continued)*

6. Tangible Fixed Assets

	Plant and vehicles £
Cost	
At 1st April 2008	870
Additions	5,614
Disposals	-
At 31st March 2009	<u>6,484</u>
Depreciation	
At 1st April 2008	-
Charge for the financial year	-
Disposals	-
At 31st March 2009	<u>-</u>
Net book value	
At 31st March 2009	<u>6,484</u>
At 31st March 2008	<u>870</u>

PEEL AIRPORTS LIMITED

Notes to the Financial Statements (continued)

7. Fixed Asset Investments

	Shares in participating interests £	Loans to participating interest £	Share in group undertakings £	Total £
Cost				
At 1st April 2008	5,089,100	1,590,936	56,068,047	62,748,083
Additions	-	375,000	-	375,000
Disposals	(5,089,100)	(1,965,936)	-	(7,055,036)
At 31st March 2009	-	-	56,068,047	56,068,047
Provisions for impairment				
At 1st April 2008	1,539,000	-	3,555,137	5,094,137
Disposals	(1,539,000)	-	-	(1,539,000)
At 31st March 2009	-	-	3,555,137	3,555,137
Net book value				
At 31st March 2009	-	-	52,512,910	52,512,910
At 31st March 2008	3,550,100	1,590,936	52,512,910	57,653,946

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

	Shares held		
Company	Country of registration or incorporation	Class	%
Subsidiary undertakings			
Doncaster Sheffield Airport Limited	United Kingdom	Ordinary	100
Liverpool Airport PLC	United Kingdom	Ordinary	100
Peel Airports (Liverpool) Limited	United Kingdom	Ordinary	100
Peel Airports Leasing Limited	United Kingdom	Ordinary	100
City Airport Manchester Limited	United Kingdom	Ordinary	100
Durham Tees Valley Airport Limited*	United Kingdom	'A' Ordinary	75
		Deferred	65
Participating interests			
Sheffield Airport Properties Limited**	United Kingdom	'A' Ordinary	50
Sheffield City Airport Limited**	United Kingdom	'A' Ordinary	50

* The company owns 100% of the 'A' ordinary shares of £0.01 each, representing 75% of the voting rights of the company. The company also owns 65% of the deferred shares of £0.01 each, which have no voting rights.

** The company disposed of the participating interest on 30 September 2008.

A full list of subsidiary undertakings will accompany the next annual return to be filed with the Registrar of Companies.

PEEL AIRPORTS LIMITED

Notes to the Financial Statements *(continued)*

8. Debtors

	2009 £	2008 £
Trade debtors	6,314	7,723
Amounts owed by parent and fellow subsidiary undertaking	110,696,697	105,659,672
Other debtors	15	-
Prepayments	344,891	78,991
	<u>111,047,917</u>	<u>105,746,386</u>

9. Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdraft	1,975,209	2,219,572
Trade creditors	95,836	1,280
Amounts owed to parent and fellow subsidiary undertakings	107,984,050	105,020,165
Other taxes and social security	282,860	3,994
Accruals and deferred income	287,272	115,797
	<u>110,625,227</u>	<u>107,360,808</u>

The unsecured bank overdraft bears a variable rate of interest based on LIBOR plus applicable margin.

10. 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 under the rules of the scheme.

	2009 £	2008 £
Contributions payable by the company for the year	<u>22,074</u>	<u>24,872</u>

11. Share Capital

	2009 £	2008 £
Authorised:		
75,000,000 ordinary shares of £1 each	75,000,000	75,000,000
25,000,000 preference shares of £1 each	25,000,000	25,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
Allotted, called up and fully paid		
70,761,005 ordinary shares of £1 each	<u>70,761,005</u>	<u>70,761,005</u>

PEEL AIRPORTS LIMITED

Notes to the Financial Statements *(continued)*

12. Statement of movements on profit and loss account

	Profit and loss account £
At 1st April 2008	(14,720,611)
Loss for the financial year	(3,098,310)
At 31st March 2009	<u>(17,818,921)</u>

13. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Loss for the financial year	(3,098,310)	(1,563,294)
Opening shareholders' funds	56,040,394	57,603,688
Closing shareholders' funds	<u>52,942,084</u>	<u>56,040,394</u>

14. Contingent liabilities

At 31st March 2009 the company had guaranteed bank loans of other group companies amounting to £99,391,690 (2008: £78,912,271).

15. Directors' emoluments

The company paid a recharge in respect of directors' emoluments of £212,708 (2008: £52,730) to another group company.

No director received any emoluments directly from Peel Airports Limited for their services to the company during the financial year (2008: £nil).

PEEL AIRPORTS LIMITED

Notes to the Financial Statements *(continued)*

16. Employees

Number of employees

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

	2009 Number	2008 Number
Administration	<u>4</u>	<u>4</u>
	2009 £	2008 £
Employment costs		
Wages and salaries	316,587	432,193
Social security costs	43,327	60,562
Other pension costs	22,074	24,872
Other	<u>212,708</u>	<u>5,678</u>
	<u>594,696</u>	<u>523,305</u>

17. Ultimate Parent Company

The ultimate holding company in the period to 31st March 2009 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown Settlement Trust.

The largest group of companies, of which the company is a member, that produces consolidated accounts is Tokenhouse Holdings (IOM) Limited, a company incorporated in the Isle of Man.

The smallest group of companies, of which the company is a member, that produces consolidated accounts, is Peel Airports Holdings Limited, a company incorporated in England. Its Group accounts are available from the Company Secretary, Peel Dome, The Trafford Centre, Manchester M17 8PL.