

PEEL AIRPORTS LEASING LIMITED

REPORT & ACCOUNTS
YEAR ENDED 31ST MARCH 2007

COMPANY NUMBER 3387733

TUESDAY



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PEEL AIRPORTS LEASING LIMITED

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PEEL AIRPORTS LEASING LIMITED

Directors, Professional Advisers and Registered Office

Directors	John Whittaker Robert Hough DL, LL B Andrew Simpson A C A Mark Whitworth Peter Scott F C C A Paul Wainscott A C I S Peter Hosker LL B
Secretary	Neil Lees, A C I S
Registered Office	Peel Dome The Trafford Centre Manchester M17 8PL
Registered Number	3387733
Auditors	Deloitte & Touche LLP, Manchester
Bankers	Barclays Bank plc

PEEL AIRPORTS LEASING LIMITED

Report of the Directors *for the year ended 31st March 2007*

The directors present their report and financial statements for the year ended 31st March 2007

Principal Activities and Review of Business

The principal activity of the company continued to be that of leasing assets

Results and Dividends

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

No dividend can be paid (2006 same)

Directors and Their Interests

The following directors have held office during the year

J Whittaker
R E Hough DL, LL B
A C Simpson (appointed 2nd October 2006)
P A Scott F C C A
P P Wainscott A C I S
P J Hosker LL B

The following director has been appointed after the year end

M Whitworth (appointed 10th April 2007)

The directors have no interests in the share capital of the company

John Whittaker, Andrew Simpson, Mark Whitworth, Peter Scott and Paul Wainscott are also directors of the intermediate holding company, Peel Holdings (Airports) Limited, in whose accounts their beneficial interests in the shares and financial instruments of that company, companies within the Peel Holdings (Airports) Limited group and the ultimate holding company, Tokenhouse Investments (Guernsey) Limited, are disclosed

PEEL AIRPORTS LEASING LIMITED

Report of the Directors *for the year ended 31st March 2007 (continued)*

Directors' Responsibilities

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, 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 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.

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche 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



N Lees
Secretary

21 September 2007

PEEL AIRPORTS LEASING LIMITED

Independent Auditors' Report to the members of Peel Airports (Leasing) Limited

We have audited the financial statements of Peel Airports (Leasing) Limited for the year ended 31 March 2007 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 other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

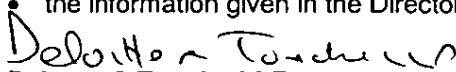
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2007 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 & Touche LLP
Chartered Accountants
Manchester, United Kingdom

28.9.2007

PEEL AIRPORTS LEASING LIMITED

Profit and Loss Account *for the year ended 31st March 2007*

	Note	2007 £	2006 £
Turnover	2	94,629	90,547
Administrative expenses		(108,126)	(91,929)
Operating loss	3	(13,497)	(1,382)
Profit on disposal of fixed assets	4	6,874	6,223
(Loss)/profit on ordinary activities before interest		(6,623)	4,841
Other interest receivable and similar income	5	1,845	1,639
Interest payable and similar charges	6	(18,763)	(16,582)
Loss on ordinary activities before taxation		(23,541)	(10,102)
Tax on loss on ordinary activities	7	2,964	1,035
Loss for the financial year	12	(20,577)	(9,067)

All of the above results derive from continuing operations

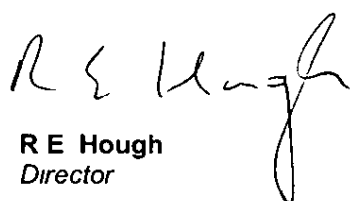
There are no recognised gains and losses other than those passing through the profit and loss account in the current or prior year. Accordingly, no separate statement of total recognised gains and losses has been prepared.

PEEL AIRPORTS LEASING LIMITED

Balance Sheet *as at 31st March 2007*

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	8	224,929	188,194
Current assets			
Debtors	9	75,334	52,554
Cash at bank and in hand		22,956	73,913
		<u>98,290</u>	<u>126,467</u>
Creditors (amounts falling due within one year)	10	<u>(362,581)</u>	<u>(333,446)</u>
Net current liabilities		(264,291)	(206,979)
Net liabilities		<u>(39,362)</u>	<u>(18,785)</u>
Capital and reserves			
Called-up share capital	11	100	100
Profit and loss account	12	(39,462)	(18,885)
Equity shareholders' deficit	13	<u>(39,362)</u>	<u>(18,785)</u>

The financial statements were approved by the Board on 21 September 2007


R E Hough
Director

PEEL AIRPORTS LEASING LIMITED

Notes to the Accounts

1 Accounting Policies

1.1 Accounting Convention

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

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 and Wales 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 law and United Kingdom accounting standards

1.3 Turnover

Turnover comprises income arising from the leasing of assets under operating leases. The income is recognised on a straight line basis over the period of hire.

Turnover excludes sales related taxes

1.4 Tangible fixed assets and depreciation

Tangible fixed assets 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	rates varying between 15% and 25% per annum
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1.5 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.

PEEL AIRPORTS LEASING LIMITED

Notes to the Accounts *(continued)*

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating Loss

	2007 £	2006 £
Operating loss is stated after charging		
Depreciation of tangible assets	<u>96,724</u>	<u>87,257</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 (2006 same)

4 Profit on Disposal of Fixed Assets

	2007 £	2006 £
Disposal of motor vehicles	<u>6,874</u>	<u>6,223</u>

The effect of the profit on disposal of fixed assets on the amount charged to the profit and loss account for taxation was £2,062 (2006 £1,867), however, this is offset by losses

5 Interest Receivable

	2007 £	2006 £
On amounts owed by group undertakings	<u>1,845</u>	<u>1,639</u>

6 Interest Payable

	2007 £	2006 £
On amounts payable to group companies	18,634	16,302
On bank loans and overdrafts	129	280
	<u>18,763</u>	<u>16,582</u>

PEEL AIRPORTS LEASING LIMITED

Notes to the Accounts *(continued)*

7 Taxation

	2007	2006
	£	£
UK current year tax		
Adjustments to prior years	4,098	1,996
Receipt in respect of group relief	(7,062)	(3,031)
Current tax credit	<u>(2,964)</u>	<u>(1,035)</u>
Factors affecting the tax credit for the year		
Loss on ordinary activities before taxation	<u>(23,541)</u>	<u>(10,102)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2006 30%)	(7,062)	(3,031)
Effects of Adjustment to previous periods	4,098	1,996
Current tax credit	<u>(2,964)</u>	<u>(1,035)</u>

There is no provided or unprovided deferred tax in either year

8 Tangible Fixed Assets

	Motor vehicles £
Cost.	
At 1st April 2006	361,028
Additions	156,971
Disposals	(96,031)
At 31 March 2007	<u>421,968</u>
Depreciation	
At 1st April 2006	172,834
On disposals	(72,519)
Charge for the year	96,724
At 31st March 2007	<u>197,039</u>
Net Book Value	
At 31st March 2007	<u>224,929</u>
At 31st March 2006	<u>188,194</u>

All of the assets above are held for hire under operating leases

PEEL AIRPORTS LEASING LIMITED

Notes to the Accounts *(continued)*

9 Debtors

	2007 £	2006 £
Trade debtors	-	21,135
Amounts owed by parent and fellow subsidiary undertakings	75,334	31,419
	<u>75,334</u>	<u>52,554</u>

10 Creditors amounts falling due within one year

	2007 £	2006 £
Trade creditors	-	10,951
Amounts owed by parent and fellow subsidiary undertakings	360,302	321,013
Taxes and social security costs	2,279	1,482
	<u>362,581</u>	<u>333,446</u>

11. Share Capital

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

12. Reserves

	Profit and loss account £
At 31 March 2006	(18,885)
Loss for the year	(20,577)
At 31 March 2007	<u>(39,462)</u>

PEEL AIRPORTS LEASING LIMITED

Notes to the Accounts *(continued)*

13 Reconciliation of movements in equity shareholders' deficit

	2007 £	2006 £
Loss for the financial year	(20,577)	(9,067)
Opening equity shareholders' deficit	(18,785)	(9,718)
Closing equity shareholders' deficit	<u>(39,362)</u>	<u>(18,785)</u>

14 Contingent Liabilities

At 31st March 2007, the company had guaranteed bank loans of other group companies amounting to £69,250,000 (2006 £65,000,000)

15. Employees

There were no employees during the year or the previous year apart from the directors

No director received any remuneration for their services to the company (2006 £nil)

16 Ultimate Parent Company

The ultimate holding company for the period was Tokenhouse Investments (Guernsey) Limited, a company incorporated in Guernsey. Tokenhouse Investments (Guernsey) Limited is controlled by the 1997 Billown settlement trust

The largest group of undertakings, of which the company is a member, that produces consolidated accounts is Peel Holdings (Guernsey) Limited, a company registered in Guernsey. Its group accounts are available from the Company Secretary, Frances House, Sir William Place, St Peter Port, Guernsey

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

17 Post Balance Sheet Events

As a result of the Budget announced by the Chancellor of the Exchequer on 21 March 2007, the rate of corporation tax for large companies in the United Kingdom will reduce from 30% to 28% from April 2008 and that the corporation tax rates for small companies will be increased from 19% to 22% over the next three years. The impact of these changes is not expected to be material