GATWICK AIRPORT LIMITED

Report and Financial Statements
for the year ended 31 March 2011

Company Registration Number 1991018

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir David Rowlands	
Stewart Wingate	
Nicholas Dunn	
Raphael Arndt	(appointed 23 March 2011)
Andrew Gillespie-Smith	
James van Hoften	
Andrew Jurenko	
Christopher Koski	
Michael McGhee	
Sir Roy McNulty	(appointed 23 March 2011)
William Woodburn	

SECRETARY

TMF Corporate Administration Services Limited	(appointed 29 October 2010)
Robert Herga	
Mawlaw Secretaries	(resigned 29 October 2010)

REGISTERED OFFICE

5th Floor Destinations Place
Gatwick Airport
Gatwick
West Sussex
RH6 0NP

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
First Point
Buckingham Gate
Gatwick
West Sussex
RH6 0NT

BANKERS

The Royal Bank of Scotland plc
2 ½ Devonshire Square
London
EC2M 4BA

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 March 2011.

During the prior period, Gatwick Airport Limited ("the Company") changed its year end from 31 December to 31 March. This aligned the Company's financial and regulatory year ends. As a result, the comparatives in these financial statements of the Company are the 15 months period ended 31 March 2010.

To provide a more meaningful review of the business, the business review and review of financial performance compares the year ended 31 March 2011 with the 12 months ended 31 March 2010, as previously included in the audited financial statements for the period ended 31 March 2010.

PRINCIPAL ACTIVITIES

The Company is the owner and operator of Gatwick Airport ("Gatwick") ("the airport").

CHANGE IN OWNERSHIP OF GATWICK AIRPORT LIMITED

Gatwick Airport Limited is ultimately owned by a consortium through a number of UK and overseas holding companies and limited liability partnerships.

On 10 February 2011, as part a refinancing (discussed in the refinancing section below), the Company acquired a subsidiary, Gatwick Funding Limited, for consideration of £250. Gatwick Funding Limited is incorporated in Jersey and has a share capital of £2.00 comprising two ordinary shares at £1.00 per share.

On 2 March 2011, also as part of the refinancing, Ivy Bidco Limited, the immediate owner of the share capital of the Company, transferred those shares to Ivy Holdco Limited, its wholly-owned subsidiary.

The Company and its wholly-owned subsidiary Gatwick Funding Limited are referred to collectively in the Directors' report, the business review and the financial statements as "the Group".

Ivy Holdco Limited, the Company and Gatwick Funding Limited are referred to collectively in the Directors' report, the business review and the financial statements as "the Holdco Group".

Ivy Bidco Limited, its wholly-owned subsidiaries Ivy Holdco Limited, Ivy Subco Limited, the Company and Gatwick Funding Limited are referred to collectively in the Directors' report, the business review and the financial statements as "the Bidco Group".

OWNERSHIP

The consortium that ultimately owns the Company currently comprises the following parties:

Global Infrastructure Partners ("GIP")[1]	41.95%
The Abu Dhabi Investment Authority ("ADIA")[2]	15.90%
The California Public Employees' Retirement System ("CalPERS")[3]	12.78%
National Pension Service of Korea ("NPS")[4]	12.14%
Future Fund Board of Guardians ("Future Fund")[5]	17.23%

[1] Global Infrastructure Partners ("GIP") is a US$5.64 billion independent, specialist infrastructure fund that invests worldwide in infrastructure assets and businesses in both OECD and select emerging market countries. GIP was founded in 2006 by former senior executives from Credit Suisse and the General Electric Company. GIP targets investments in the energy, transportation and water / waste industries. GIP has offices in New York and London with an affiliate in Sydney and portfolio operations headquarters in Stamford, Connecticut.

DIRECTORS' REPORT (continued)

OWNERSHIP (continued)

[2] The Abu Dhabi Investment Authority ("ADIA"), established in 1976, is a globally diversified investment institution, whose sole mission is to invest funds on behalf of the Government of the Emirate of Abu Dhabi to make available the necessary financial resources to secure and maintain the welfare of the Emirate.

[3] The California Public Employees' Retirement System ("CalPERS") manages retirement benefits for more than 1.6 million public employees, retirees, and their families and more than 3,000 employers in the state of California, United States of America. CalPERS also manages health benefits for more than 1.3 million members. The CalPERS fund invests in a range of asset classes, with a current market value of approximately US$235 billion.

[4] National Pension Service of Korea ("NPS"), which is a public pension fund for the general public in Korea which has grown to 300 trillion won (US$270 billion), and is the fourth largest pension fund in the world.

[5] Future Fund Board of Guardians ("Future Fund") is a financial asset fund established by the Future Fund Act 2006 to assist future Australian governments meet the cost of public sector superannuation liabilities by delivering investment returns on contributions to the fund. The fund has approximately A$75 billion assets under management.

BOARD OF DIRECTORS

The Company has two executive and nine non-executive directors. The following non-executive directors oversee the Company on behalf of the consortium:

- Raphael Arndt,
- Andrew Gillespie-Smith,
- Christopher Koski,
- Michael McGhee, and
- William Woodburn.

The Company's Board of Directors at the year end were as follows:

Sir David Rowlands (Non-executive Chairman)
Sir David Rowlands is chairman of the GAL Board. He retired in 2007 as Permanent Secretary at the Department for Transport. Sir David is currently non-executive chairman of rolling stock company, Angel Trains. He stepped down as chairman of High Speed Two Limited in February 2010. Sir David is also a governor of Anglia Ruskin University and a member of the RAC Foundation's public policy committee.

Stewart Wingate (Chief Executive Officer)
Stewart was appointed Chief Executive Officer in December 2009. He was with BAA from 2004 until September 2009, first as Customer Services Director of Glasgow Airport, then as Chief Executive Officer of Budapest Airport and most recently as Managing Director of Stansted Airport. Stewart is a Chartered Engineer and a Fellow of the Institute of Engineering and Technology. Stewart has a Masters in Business Administration with distinction and a 1st Class Honours degree in Electrical and Electronic Engineering.

Nicholas Dunn (Chief Financial Officer)
Nicholas was appointed Chief Financial Officer in April 2010. He joined from Anglo American plc where he was General Manager, Corporate Finance. Prior to that, he worked for six years with Centrica plc in a number of senior finance roles including Director of Group M&A, Finance Director for Centrica Energy and Finance Director for British Gas Business. Nicholas has more than 10 years' experience in investment banking, with the majority of this time specialising in the transportation and energy sectors. He has advised governments and private investors on the financing of airports and air traffic control and has managed airport acquisition, IPO and financing transactions in the UK and internationally. Nicholas holds a BEng (1st Class Honours) in Electronic Engineering from the University of Southampton.

DIRECTORS' REPORT (continued)

BOARD OF DIRECTORS (continued)

Raphael Arndt (Non-executive director, Future Fund representative, appointed 23/03/2011)
Raphael has been Head of Infrastructure and Timberland at the Future Fund since 2007 with a particular focus on building and managing the Fund's investments in these areas. He joined from Hastings Funds Management where he was an Investment Director responsible for managing successful infrastructure and timberland portfolios as well as leading infrastructure and timberland transactions.

Raphael also has significant asset management experience in both sectors. Previously he was Director, Policy at the Australian Council for Infrastructure Development (AusCID) and completed a Ph.D at Melbourne University which addressed "Efficient Risk Allocation in the Private Provision of Infrastructure". Raphael has advised on infrastructure and capital works projects at the Victorian Department of Treasury and Finance.

Andrew Gillespie-Smith (Non-executive director, GIP representative)
Andrew joined Global Infrastructure Partners in 2008 and led the M&A team for GIP in acquiring Gatwick Airport. Prior to joining GIP, Andrew was a Managing Director of the Investment Banking Department of Credit Suisse. He joined Credit Suisse in 1998 when BZW's corporate finance business was acquired by Credit Suisse.

Andrew has advised clients on a broad range of corporate finance transactions including mergers and acquisitions, debt and equity financings. These transactions spanned airports, airlines and related businesses, air traffic control, shipping, coal and power generation sectors across Australasia, Europe, Asia and the Americas. Prior to joining BZW, he qualified as a corporate lawyer at the London-based law firm Herbert Smith.

James van Hoften (Non-executive director)
James is a former senior vice president and partner of the Bechtel Corporation. He was managing director of the global airport design and construction business and was responsible for airport developments in the Middle East, Japan, and North and South America. In the early 1990s, he was the programme manager of the $23 billion Hong Kong Airport Core Programme including the new Hong Kong Airport. Previously, James spent eight years as a NASA astronaut including two flights on the space shuttle and four space walks. James is a director of FlexLNG in London and is on the Board of Trustees of the University of California, Berkeley.

Andrew Jurenko (Non-executive director)
Andrew advised Ivy Bidco Limited on the Gatwick acquisition and is a consultant to a number of property businesses. He was previously employed by BAA plc and a member of BAA plc's executive committee, as managing director of BAA International, where he led the acquisition of Budapest Airport. Andrew's international experience also includes serving as CEO of Australia Pacific Airports Corporation Limited (APAC), as interim CEO of Melbourne Airport following its successful acquisition and as managing director of BAA Pacific Ltd in Hong Kong.

In the UK Andrew was also the managing director of BAA's World Duty Free direct retailing arm, co-chairman of BAA's non-airport retail joint venture, McArthur Glen, and managing director and then chairman of the commercial property company, BAA Lynton.

Christopher Koski (Non-executive director, ADIA representative)
Chris is the Global Head of Infrastructure for the ADIA. Prior to joining ADIA in 2007 he was a senior member of the infrastructure and private investment teams at the Canada Pension Plan Investment Board. Christopher worked previously in investment banking at RBC Capital Markets and in investment management at the Toronto Dominion Bank. Christopher graduated with high honours from the MBA programme at the University of Chicago and is a Chartered Financial Analyst.

Michael McGhee (Non-executive director, GIP representative)
Michael is a transport partner of GIP and is based in London. He was a managing director of the Investment Banking Department of Credit Suisse and head of the Global Transportation and Logistics Group since 1998. Previously he was head of BZW's Global Transportation Group, since founding it in July 1990, and has advised governments on several privatisations in the transport sector globally.

DIRECTORS' REPORT (continued)

BOARD OF DIRECTORS (continued)

Sir Roy McNulty (Non-executive director, appointed 23/03/2011)
Sir Roy was appointed by the former Secretary of State in February 2010 as Chairman to lead a special Rail Value for Money Study. Sir Roy was previously Chairman of the UK Civil Aviation Authority (CAA), the specialist aviation regulator, a post he held for eight years. Prior to this he was Chairman of National Air Traffic Services Limited (NATS) from May 1999 to July 2001.

He was Chief Executive and latterly Chairman of Short Brothers plc, the Belfast-based aerospace company now part of Bombardier Inc. Previous posts include being President of the Society of British Aerospace Companies and Chairman of the former Department of Trade and Industry Aviation Committee. Sir Roy was appointed as Chairman of Advantage West Midlands in May 2009 and is also Deputy Chairman of the Board of the Olympic Delivery Authority, Chairman of the Ilex Urban Regeneration Company in Northern Ireland, and a non-executive director of Norbrook Laboratories Limited.

William Woodburn (Non-executive director, GIP representative)
William is the operating partner of GIP and is based in New York City and Stamford, Connecticut. Before joining GIP, he was the president and CEO of GE Infrastructure and previously president and CEO of GE Specialty Materials.

Prior to this, William was executive vice president and a member of the Office of the CEO at GE Capital, with oversight responsibilities for GE Capital Equipment Management businesses, including Americom, Fleet Service, Rail Services, TIP & Modular Space and Penske Truck Leasing. He served on the GE Capital Board in 2000 and 2001 and oversaw GE Capital India, GE Capital Global Sourcing, GE Capital Container Finance and GE SeaCo JV.

Board committees

There are two sub-committees of the Board of Directors: an Audit and Governance Committee, and a Nomination and Remuneration Committee. The Audit and Governance Committee (Chairman, Andrew Gillespie-Smith) is responsible for the independent oversight of corporate governance, the system of internal control, risk management and the financial reporting processes of the Company. The Nomination and Remuneration Committee (Chairman, Michael McGhee) is responsible for overseeing Board and Senior Management appointments, remuneration and succession planning. These committees meet at least twice per annum.

Management board

The Company also has an Executive Management Board which includes the Chief Executive Officer, the Chief Financial Officer and other members of senior management. The Executive Management Board meets monthly and is responsible for the day-to-day management of the Company. In particular, the Executive Management Board has collective responsibility for assisting the Board of Directors in the performance of their duties for the Company including:

- the development and implementation of strategy, operational plans and budgets;
- the achievement of business plans and targets;
- the assessment and control of risk;
- ensuring compliance with legal and regulatory requirements; and
- the development and implementation of the Company's ethics and business standards and health, safety, security and environment policies and procedures.

DIRECTORS' REPORT (continued)

OVERVIEW OF THE YEAR ENDED 31 MARCH 2011

The year ended 31 March 2011 is the first 12-month reporting period since the Company was acquired by the consortium led by GIP.

During the year, the Company continued the separation of its information technology ("IT") environment from BAA, the last remaining of the transitional services provided by BAA post-sale. The separation is expected to be completed during the year ending 31 March 2012.

The Company experienced some significant events which negatively impacted its passenger numbers and operating performance during the year. The most significant was the intermittent closure of airspace in the first three months of the year following the eruption of Eyjafjallajökull in Iceland. This and other effects are discussed in more detail in the passenger traffic trends section below.

In anticipation of a refinancing (discussed in the refinancing section below), the Company made a bonus share issue of 487,234,060 ordinary shares at £1.00 per share on 10 February 2011. This was satisfied by way of a capitalisation of £487,234,060 of the Company's revaluation reserve. The Company then undertook a capital reduction of £487,234,060 of share capital by means of a special resolution supported by a solvency statement, resulting in the transfer of an equivalent amount into the profit and loss reserve.

The Bidco Group completed a refinancing on 2 March 2011. As part of this refinancing, the Company's ownership was transferred to Ivy Holdco Limited, a wholly-owned subsidiary of Ivy Bidco Limited, and the Company acquired a wholly-owned subsidiary, Gatwick Funding Limited.

On 2 March 2011, as part of the refinancing, the Company acquired two investment properties (car parks) from Ivy Subco Limited for £20,770,000. Ivy Subco Limited is a wholly-owned subsidiary of Ivy Bidco Limited, the parent of the Company's parent.

Also on 2 March 2011, the Company declared and paid an interim dividend of £350.5 million.

The Company made an operating profit before exceptional items of £112.9 million for the year ended 31 March 2011 compared to £96.5 million in the 15 months to 31 March 2010. The Company incurred 'operating costs – exceptional' of £17.0 million in the year compared to £131.6 million in the 15 months to 31 March 2010. These results are discussed in more detail in the financial review below.

STRATEGY

Gatwick operates in a competitive market. Passengers have a choice as to which airport they fly from and airlines have alternative bases from which to operate. The Company's strategy for the airport is to transform the passenger experience and improve efficiency for the airlines and the airport itself, thereby improving its competitiveness in the London airport market. A key element of the Company's strategy is to build and maintain strong relationships with its airline customers, regulators and other stakeholders.

The Company has set out its ambition – "competing to grow and become London's airport of choice" – and has established six strategic priorities to which the Company's activities are aligned. These priorities are to:

- deliver the best passenger experience: by listening to our passengers and delivering the kind of service that will make them choose to fly from Gatwick;
- help our airlines grow: by understanding airlines' goals and developing commercial partnerships;
- increase value and efficiency: by maximising income, lowering our operating costs and driving capital efficiency;
- protect and enhance our reputation: by building strong and constructive relationships with our stakeholders based on openness and trust;
- build a strong environment, health and safety ("EH&S") culture: by maintaining a relentless focus on achieving zero incidents; and
- develop the best people, processes and technology: by investing in high-performing people, continuous improvement and the right systems.

DIRECTORS' REPORT (continued)

REGULATORY ENVIRONMENT

In March 2008 the Civil Aviation Authority ("CAA") published its price control review for Gatwick Airport for the five year period ending 31 March 2013 (the 5th regulatory quinquennium known as "Q5"). 31 March 2011 completes the third year of Q5. The price control constrains the growth in aeronautical revenue yield per passenger to no more than RPI+2% at Gatwick. There is an adjustment mechanism to allow for the recovery of 90% of the costs of any new security requirements (i.e. those not envisaged when the price control was set) that amount to more than £7.0 million per annum.

In the CAA's Q5 decision there are incentive arrangements to promote quality of service and the timely completion of capital projects. Gatwick has agreed a number of changes to the incentive arrangements for its capital expenditure programme both with the airlines and the CAA over the course of the year which will better align the price control incentives with the changes that have recently been made to the capital programme. In particular, new capital expenditure triggers were agreed for the South Terminal security project.

During the year, the CAA consulted on whether to extend Q5 by an extra year to 31 March 2014. The extension was confirmed on 31 March 2011. The CAA indicated that this extension was in part influenced by the potential delay in the passage through Parliament of the Airports Economic Regulation Bill ("AER"). The CAA invited the Company to agree the terms of the extension directly with the airlines operating at Gatwick. The Company reached agreement with the airlines that price increases for the year ending 31 March 2014 will be no higher than RPI-0.5% compared to the RPI+2% allowed in each of the years ending 31 March 2012 and 2013. It was agreed that the capital expenditure triggers relating to Pier 7 and South Terminal baggage will be removed for the year ending 31 March 2014 and the Company and the airlines will replace these with new triggers, to be agreed and submitted to the CAA by June 2012, covering 60 per cent. of the forecast capital expenditure in the year ending 31 March 2014.

The Company welcomed the decision to extend Q5. This will allow time for the CAA to undertake its analysis on the competitive position of Gatwick as well as considering any future regulatory framework at Gatwick.

In December 2009 the Department for Transport ("DfT") published its Decision on Reforming the Framework for the Economic Regulation of Airports. The review concluded: that the CAA should be given a new primary duty to promote the interests of passengers; a new licensing regime should be introduced similar to many other regulated sectors allowing a more effective and flexible approach to regulating airports; and that the Government would be introducing a financial resilience package that consists of a supplementary financing duty for the CAA, a minimum credit worthiness requirement for airports and ring-fencing provisions – similar to those in the energy, water and rail sectors – for airports with substantial market power.

The UK Government issued a statement in July 2010 confirming that the AER would be taken forward by the Government. The AER then appeared in the Queen's Speech. The Company's current understanding is that the Government is intending to introduce the AER early in the second session of this Parliament, currently expected to be in the first half of 2012. In the meantime, the DfT has made it clear that there will be no change to the current price control which covers the now six year period from 1 April 2008 to 31 March 2014.

The CAA continued its project to assess competition between airports during the year and published its final competition guidelines that are intended to guide its analysis of the competitive position of Gatwick (and other airports in the South East of England) during the year ending 31 March 2012. This work will be particularly important in the development of any future regulatory framework at Gatwick.

Finally, the CAA continued its work on identifying alternative forms of regulation for airports culminating in a "stock take and way forward" document published in March 2011. The CAA is now considering how best to undertake its initial groundwork for Q6, and formal engagement with the airlines operating at Gatwick is likely to start during the year ending 31 March 2012.

DIRECTORS' REPORT (continued)

REVIEW OF THE BUSINESS

Under section 417 of the Companies Act 2006 ("the Act"), the Company is required to produce a fair review of the business of the Company, including a description of the principal risks and uncertainties facing the Company and an analysis of the development and performance of the business during the period and position at the period end. Furthermore, additional information is provided under this Business Review in accordance with the Walker Guidelines, which sets out suggestions for best practice for Portfolio Companies owned by private equity investors (of which Gatwick Airport Limited is deemed to be one), which the Company has complied with.

In the following sections the references to 2010 and 2011 refer to the 12 months ended 31 March 2010 and 31 March 2011 respectively. No reference is made to the calendar year without being specifically stated.

Passenger traffic trends

	12 months ended 31 March 2011	12 months ended 31 March 2010
Passengers	**31,647,000**	32,397,000
Air transport movements (ATM)	**235,738**	244,473
Passengers per ATM	**134.2**	132.5
Load factors (%)	**78.7**	78.0

A total of 31.6 million passengers travelled through Gatwick in the year ended 31 March 2011 (31 March 2010: 32.4 million). The decrease of 0.8 million passengers or 2.3% year-on-year is attributable to a number of factors, the most significant being the intermittent closure of airspace in the three months to 30 June 2010 following the eruption of Eyjafjallajökull in Iceland. In April, airspace above Gatwick was closed for approximately six days and an estimated 600,000 passengers did not travel.

Gatwick's passenger traffic in April and May was also impacted by subsequent closures of airspace elsewhere in Europe with airlines being forced to cancel flights. In addition, while industrial action at British Airways in June did not result in cancellations at Gatwick, British Airways' load factors were lower throughout the summer potentially reflecting traveller sentiments. Other factors affecting summer traffic included operational issues across easyJet's network, continental European air traffic control strikes and the collapse of Kiss and other tour operators during the late summer. As a result of these factors, an estimated 300,000 passengers did not travel. A total of 18.1 million passengers travelled through Gatwick in the six months ended 30 September 2010, a year-on-year reduction of 1.0 million passengers (six months ended 30 September 2009: 19.1 million).

During the winter season Gatwick experienced disruption because of heavy snowfall across the UK in November and December. This was countered by a milder January compared to the prior year when the airport was severely disrupted by heavy snowfall. In the six months ended 31 March 2011, a total of 13.5 million passengers travelled through Gatwick, a year-on-year increase of 0.2 million passengers (six months ended 31 March 2010: 13.3 million).

Passengers in Gatwick's biggest market, European scheduled, grew 0.4% during the year (31 March 2010: 7.8%), despite all the disruption detailed above. It now represents 49.4% of total traffic at Gatwick (31 March 2010: 48.0%). European charter and UK traffic declined 7.4% and 3.8% respectively, with these impacts lessened by the growth of 1.5% in other long haul traffic.

Air transport movements ("ATMs") fell 3.6% to 235,738 (2010: 244,473) during the year with capacity rationalised by airlines in scheduling the summer season. Passengers per ATM increased by 1.3% with load factors over the year increasing to an average of 78.7% (2010: 78.0%). Gatwick experienced its highest ever load factors in August 2010 when on average 87.0% of seats were filled.

DIRECTORS' REPORT (continued)

Route Development

During the year, Gatwick welcomed a number of additional services both from existing and new airlines, as it continued to compete to grow and become London's airport of choice. Most growth came in the second half of the year as the winter 2010/11 scheduling season got underway. Notably, airberlin chose Gatwick as its new London base for services to Nuremburg and Hanover, transferring these routes from Stansted. Europe's sixth largest airline carrier began services from Gatwick in February 2011.

Norwegian Air Shuttle, having switched operations from Stansted to Gatwick in 2009, chose to expand further at Gatwick, this year adding Stockholm and Trondheim, whilst increasing frequency on several existing routes.

British Airways and easyJet also expanded their operations at Gatwick. British Airways returned the Malaga route to Gatwick from Heathrow and doubled capacity to the Spanish city, further stimulating competition to Gatwick's second most popular international destination. British Airways also introduced new long-haul leisure services to Cancun and Marrakech. easyJet added new services including Gothenburg, Luxor and Zagreb, as well as launching a service to Amman, London's first low fares service to the Middle East, and a new destination from Gatwick.

Ryanair chose to take advantage of off peak capacity at Gatwick and introduced new services to Milan Bergamo, Faro, Porto, Oslo Rygge and Bologna. In addition, Gatwick saw services commence for a further two new airlines, Aerosvit-Ukraine Airlines and Rossiya-Russian Airlines, who chose Gatwick to serve Kiev and Pulkovo St. Petersburg, respectively.

Capital Investment Programme

The Company spent £211.4 million on Gatwick's Capital Investment Programme ("the Programme") during 2011, the third year of Q5 (2010: £181.4 million). In addition, the Company acquired two car parks from Ivy Subco Limited for £20.8 million as part of the refinancing (discussed above). This brings total capital expenditure for Q5 to £517.6 million (2010: £285.4 million). Approximately a further £400 million will be invested in the next two years of Q5. For the year ending 31 March 2014 (the last year of the now extended Q5), consultation is underway with the airlines operating at Gatwick on approximately £250 million of additional capital expenditure.

In the year the Company awarded master civil engineering and architect framework contracts and finalised specific contracting terms and conditions for the remaining projects of the Programme. The procurement strategy has been improved resulting in competitive tendering for projects, greater certainty of delivery below budget and innovation from the supply chain in the design and construction of projects.

The following key projects were completed during the year, resulting in improved passenger experience, increased capacity, improved airline performance and updated technology at Gatwick:

- the new Shuttle that runs between the North and South Terminals commenced service in July 2010, two months ahead of schedule;
- two projects improving the access routes for passengers were completed in the North Terminal in the middle of the year;
- in the South Terminal, the first phase of refurbishment works to gate rooms in Pier 2 were completed in March 2011; and
- the North West zone aircraft parking area was completed during the year, creating six new wide-bodied aircraft stands which will enable A380's to park at Gatwick. The project also improved our environmental assets with a landscaping bund and alterations to our drainage balancing ponds.

DIRECTORS' REPORT (continued)

Capital Investment Programme (continued)

Three significant Q5 projects that will improve the passenger experience in the South Terminal were commenced during the year:

- The South Terminal security project will consolidate all security lanes into a single area on one level in the South Terminal, as well as re-developing the restaurants and retail areas. The first three of 19 lanes opened in May 2011; and
- Development of the South Terminal forecourt and arrivals and check-in concourse also started this year. These two projects will provide passengers with quicker and easier access to the different areas of the terminal thanks to clearer lines of sight and a brighter, more contemporary space with new flooring and lighting. The projects, which will also transform transport access to the terminal, are due to be completed in time for the London Olympics in 2012.

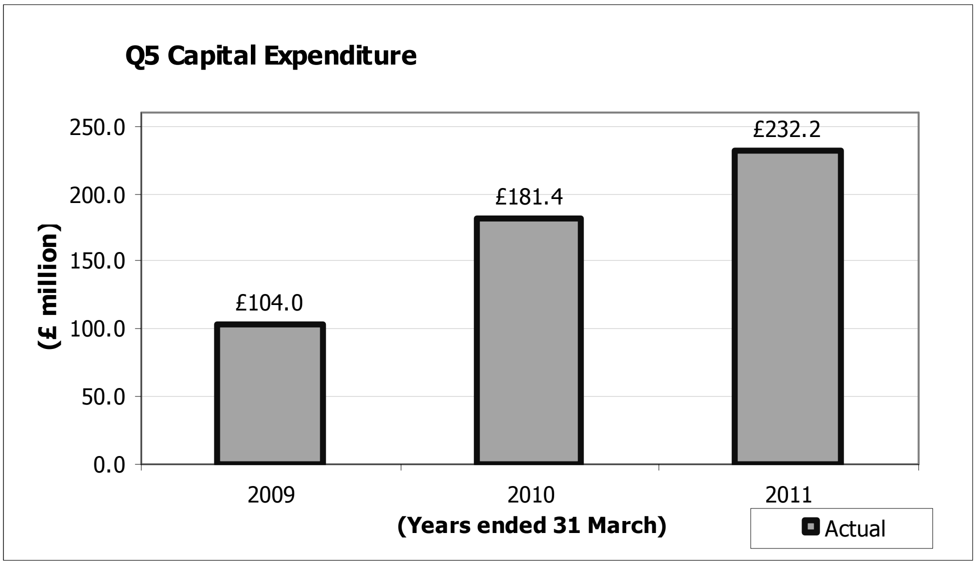
Projects were also ongoing at year end to extend the North Terminal and support future growth at Gatwick. Building was underway to increase the capacity for check-in and arrivals and baggage reclaim. Further security lanes will be completed for the summer of 2011 and a new baggage system is under construction.

A new multi-storey car park at the North Terminal with 1,177 spaces was largely completed during the year and opened to the public in April 2011.

During the year the decision was made to combine the envisaged South Terminal baggage and Pier 1 projects into a single project, delivering a combined baggage factory and pier. Enhancements to the South Terminal baggage system will help our airlines grow by supporting airline operations and delivering both service and punctuality benefits. The project will also deliver a flexible, fit for purpose pier for departures and arrivals in the South Terminal.

The Company is focusing on developing people, processes and technology and also driving efficiency. Fundamental to this is the need to separate and transform the Company's and Gatwick's operational IT systems from BAA legacy systems. Various IT projects were completed during the year, and a new enterprise resource planning ("ERP") system is due for implementation in October 2011.

The graph below shows actual capital expenditure per year for Q5 to date:



DIRECTORS' REPORT (continued)

Capital Investment Programme (continued)

A new Master Plan is currently being developed that will outline the Company's ambition for growth and development for Gatwick for the next two decades. The consultation process on the Master Plan, with the airlines operating at Gatwick and wider stakeholders, is forecast to commence in year ending 31 March 2012.

Bechtel Corporation ("Bechtel") has continued to support the Company in the management and delivery of the Programme. The project management organisation has been restructured to better reflect the Company's delivery strategy and the implementation of 'best practice' processes and procedures which have resulted in improved procurement, cost management, quality, safety and project planning performance, all of which contribute to improved project delivery.

Bechtel's role is now focused on the continued implementation of best practices, training of the Company's staff who work on the Programme, and ensuring the remaining projects are delivered on time and on budget.

Regulatory Asset Base

The Regulatory Asset Base ("RAB") of Gatwick is provided to the CAA and published as at 31 March each year in the Company's Regulatory Accounts. The RAB is rolled forward between each date according to a formula set out by the CAA. The RAB has increased by £240.9 million or 13.8% to £1,985.5 million as at 31 March 2011 (2010: £1,744.6 million) largely driven by the Q5 capital expenditure programme, with total spend of £232.2 million in 2011 (2010: £181.4 million).

Refinancing

On 20 October 2009, Ivy Bidco Limited and its parent company, Ivy Midco Limited, entered into a facilities agreement ("the Facilities Agreement") which initially provided Ivy Bidco Limited with funds to complete the acquisition of the Company. Subsequently, on 3 December 2009, the Company became a borrower and obligor under the Facilities Agreement on completion of its sale.

On 15 February 2011, Gatwick Airport Limited entered into an Initial Authorised Credit Facility Agreement ("the Initial ACF Agreement") with the Royal Bank of Scotland plc as Initial ACF agent and a Borrower Loan Agreement with both Gatwick Funding Limited (as Issuer) and Deutsche Trustee Company Limited (as Borrower Security Trustee). Further refinancing agreements were also executed on this date by the Group.

The Initial ACF Agreement has total facilities of £970.0 million, comprising a term facility of £620.0 million, a non-revolving capex facility of £300.0 million and a revolving facility of £50.0 million. The Initial ACF Agreement terminates on 3 December 2014. On 2 March 2011, £599.4 million of the term facility was drawn (after a mandatory reduction of £20.6 million in the term facility).

On 2 March 2011, the Company's subsidiary, Gatwick Funding Limited, issued £600.0 million publicly listed fixed rate secured bonds comprising £300 million Class A 6.125 per cent. Bonds with scheduled and legal maturities of 2026 and 2028 respectively, and £300 million Class A 6.5 per cent. Bonds with scheduled and legal maturities of 2041 and 2043 respectively (together "the Bonds"). The proceeds of the issue were lent to the Company under the Borrower Loan Agreement, the terms of which are essentially back-to-back with those of the Bonds. The £596.5 million net proceeds of the Bonds and drawings under the term facility of the Initial ACF Agreement were utilised to prepay and terminate the outstanding amounts under the Facilities Agreement. A £350.5 million interim dividend was also declared and paid by the Company.

In addition to the Initial ACF Agreement, a sterling revolving liquidity facility was granted by the Liquidity Facility Providers to both the Company and its subsidiary, Gatwick Funding Limited, subject to the terms of the Liquidity Facility Agreement. The total Liquidity Facility amount available of £100.0 million is for the purpose of funding any shortfall in payments of interest on debt by the Company, in respect of the Initial ACF Agreement and by Gatwick Funding Limited, in respect of the Bonds.

DIRECTORS' REPORT (continued)

Refinancing (continued)

As part of the refinancing agreements executed on 15 February 2011, the Company and its parent, Ivy Holdco Limited, have granted security over their assets and share capital to the Company's secured creditors via a Security Agreement, with Deutsche Trustee Company Limited acting as the Borrower Security Trustee.

The Initial ACF Agreement facilities are currently the Company's only source of external funding, and together with operating cash flows, will be used to meet its funding requirements under the capital investment programme.

As part of the refinancing, the Company, together with Ivy Holdco Limited as Security Parent, entered into a Common Terms Agreement dated 15 February 2011, which contains a number of undertakings and covenants which inter alia govern the ability of the Company to draw new loans under both the capex and revolving facilities. The financial covenants include a minimum interest cover ratio ("Senior ICR") and a maximum net indebtedness to the total regulatory asset base ("Senior RAR"). The Senior ICR and Senior RAR are triggered at rates of < 1.50 and > 0.70 respectively, and are defaulted at rates of < 1.10 and > 0.85 respectively.

The Company regularly prepares long-term cash flow forecasts to test the sufficiency of its financing facilities to meet its funding requirements. The Directors consider that the current level of credit facilities is sufficient to meet its present forecast funding requirements and provides the Company with appropriate headroom.

Further information on the refinancing is included in note 19 of the financial statements.

Operational performance

As part of the economic regulation of Gatwick, the Q5 price control for Gatwick incorporates a Service Quality Regime ("SQR"). The SQR sets stretching standards for a variety of measures impacting the passenger experience, from security queuing times to the availability of terminal and airfield assets, ensuring Gatwick is constantly focused on the performance in these key areas. The scheme also incorporates the results of a passenger survey, the Quality of Service Monitor ("QSM"), which provides a measure of passenger satisfaction with certain airport services and facilities (i.e. cleanliness, ease of wayfinding, flight information and seating).

The Company reports its performance against the SQR and QSM on a monthly basis on its website at the following link: http://www.gatwickairport.com/business/performance/sqr-perf-reports/

The following measures are two of those used by the Company to monitor whether it is delivering the best passenger experience.

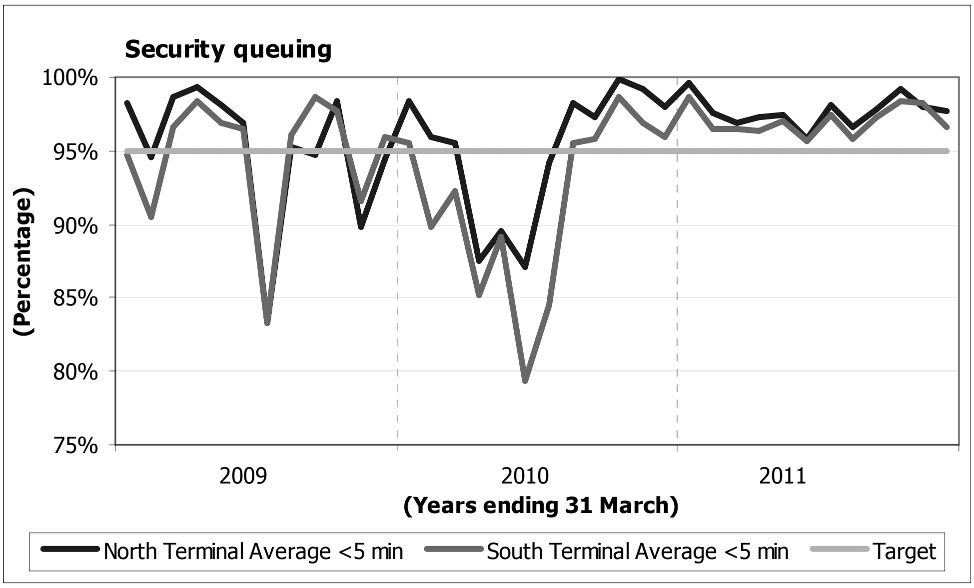
DIRECTORS' REPORT (continued)

Operational performance (continued)

Service quality

The Company achieved 94% of all its SQR targets during the year (2010: 92%).

In relation to security queuing, Gatwick has surpassed its service quality target of security queue times of less than 5 minutes in each month in 2011, meaning no service quality penalties were incurred in the summer period on this measure for the first time in three years. Gatwick's North and South Terminals achieved 97.7% and 97.0% respectively during 2011 compared to 95.0% and 91.5% in 2010. The following graph shows the percentage of time Gatwick's security queues have been less than five minutes during Q5 to date:



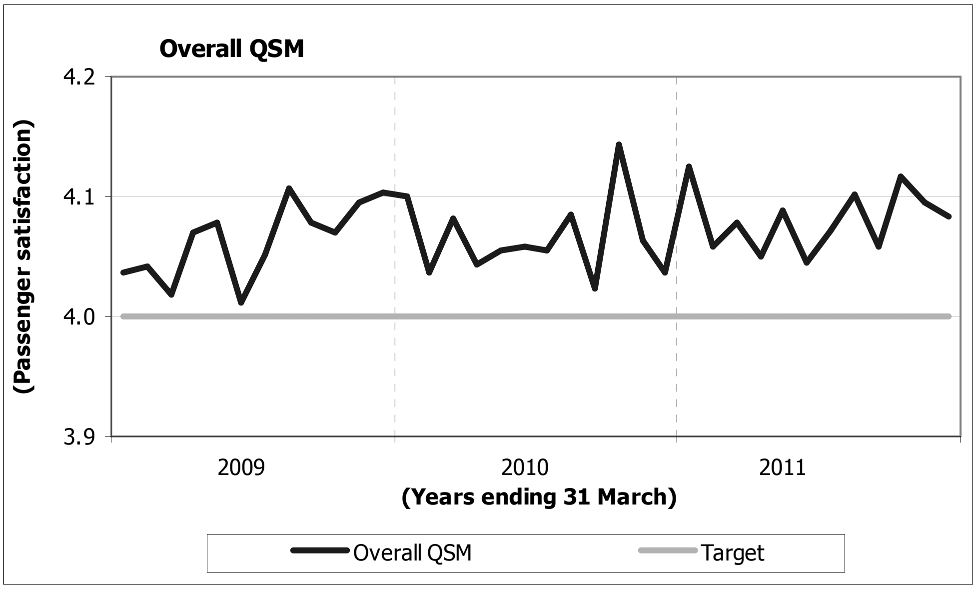
DIRECTORS' REPORT (continued)

Operational performance (continued)

Passenger satisfaction

Gatwick's QSM is an ongoing customer service survey conducted amongst a cross-section of departing and arriving passengers by the Company's market research team. Passengers are asked to rate their experience of certain services and facilities at Gatwick. A QSM service quality score is then calculated following a CAA formula and published each month.

Gatwick's overall QSM improved to 4.08 in 2011, up from 4.05 in 2010 (5 = excellent; 1 = poor). The following chart show's Gatwick's improving performance in Q5:



Future developments

A total of 2.8 million and 2.9 million passengers travelled through Gatwick in April and May 2011, increases of 0.7 million and 0.2 million respectively on the prior year – 12 months on from the disruption caused by the eruption of Eyjafjallajökull in Iceland. An estimated 600,000 passengers did not travel in April 2010 and passenger numbers in May 2010 were impacted by sporadic closures to airspace above Gatwick and elsewhere in the UK and Europe.

The year-on-year increase in April was also driven by the number of public holidays. Travellers getting abroad over the Easter holidays took advantage of a late Easter holiday weekend, the additional holiday to mark the royal wedding and the early May bank holiday.

The impact of the eruption of Grimsvötn in Iceland in May 2011 was much lower than Eyjafjallajökull in the prior year. Airspace above Gatwick was not closed and disruption was limited to airports in Northern parts of the UK.

DIRECTORS' REPORT (continued)

FINANCIAL REVIEW

To provide a meaningful review of the business, the financial review compares the 12 months ended 31 March 2011 with the 12 months ended 31 March 2010. The 12 month comparative period has been obtained using the audited financial statements for the 15 month period ended 31 March 2010 and the unaudited management accounts for the three month period ended 31 March 2009.

Turnover

In the year to 31 March 2011, the Company's turnover was impacted by the traffic downsides discussed in passenger traffic trends above, which affect aeronautical, retail and car parking income.

	12 months ended 31 March 2011 £m	12 months ended 31 March 2010 £m
Aeronautical income	**244.3**	244.1
Retail income	**115.6**	115.0
Car parking income	**51.7**	50.4
Operational facilities and utilities income	**22.2**	23.0
Property rental income	**26.9**	26.7
Other income	**15.6**	16.2
Total turnover	**476.3**	475.4

Reconciliation of turnover to the financial statements:

	15 month period ended 31 March 2010
	£m
12 months ended 31 March 2010	475.4
Plus: 3 months ended 31 March 2009*	89.8
Total turnover per the audited financial statements	565.2

* Unaudited management accounts

Aeronautical income

Aeronautical income is driven predominantly by both passenger traffic and the level of airport charges which are determined by reference to the Q5 regulatory formula set by the CAA. The CAA set the opening aeronautical yield (aeronautical income per passenger), and then the maximum growth in the aeronautical yield for Gatwick for Q5 at RPI+2.0% per annum.

The allowable aeronautical yield increased by 1.9% in 2011 to £7.508 (2010: £7.368). The actual aeronautical yield for 2011 (which also includes £4.8 million (2010: £4.6 million) of non-regulated income) increased by 2.6% to £7.731 (2010: £7.534). This represents an over-recovery in regulated charges of approximately £1.8 million and is attributable to the change in the seasonality and mix of passengers in the year, and lower than expected remote stand and pier coaching rebates. The over-recovery will result in a downward adjustment to the allowable aeronautical yield in the year ending 31 March 2013.

Total aeronautical income is flat year-on-year with the 2.6% increase in the actual aeronautical yield largely offset by the 2.3% reduction in passengers.

DIRECTORS' REPORT (continued)

Retail income

Retail income increased by £0.6 million despite the 2.3% fall in passengers. The following is a reconciliation of net retail income per passenger:

	12 months ended 31 March 2011 £m	12 months ended 31 March 2010 £m
Retail income		
Duty and tax-free, and specialist shops	**58.9**	58.0
Catering	**17.1**	17.7
Other in-terminal retail	**36.5**	36.3
Other off-terminal retail	**3.1**	3.0
	115.6	115.0
Less: retail expenditure	**(1.1)**	(0.5)
Net retail income	**114.5**	114.5
Passengers (m)	**31.6**	32.4
Net retail income per passenger	**£3.62**	£3.53

Net retail income per passenger increased by £0.09, continuing airside income growth. Retail income initiatives implemented during the year have been offset by the adverse impact of the South Terminal security project which resulted in the removal of a significant amount of retail space in the second half of 2011.

Car parking income

Car parking income increased by £1.3 million despite the 2.3% reduction in passengers. The following is a reconciliation of net car parking income per passenger.

	12 months ended 31 March 2011 £m	12 months ended 31 March 2010 £m
Car parking income	**51.7**	50.4
Less: car parking expenditure	**(16.2)**	(13.7)
Net car parking income	**35.5**	36.7
Passengers (m)	**31.6**	32.4
Net car parking income per passenger	**£1.12**	£1.13

Net car parking income per passenger decreased marginally year-on-year. While increases in price in some car parking products were introduced, competitive pressures in the market place are strong and overall yields and acquisition costs reflect this.

Car parking expenditure has increased because 2011 is the first full year to include costs of running the car parks standalone from BAA. Previously, when under BAA ownership, certain car parking management costs were incurred in intra-group charges (refer below for further detail). During the year, the Company successfully launched a new car park booking engine, severing its reliance on BAA's legacy system, and appointed a single car park operator to managed the day-to-day running of the car park assets to reduce operating costs over the contract life.

DIRECTORS' REPORT (continued)

Other income categories

Other income categories (i.e. excluding aeronautical, retail or car parking) decreased by 1.8% to £64.7 million in 2011 (2010: £65.9 million). This decrease was largely due to the Company earning no intra-group income following the separation from BAA. Check-in and baggage income was also lower due to the reduction in passengers. These factors are partly offset by an increase in utilities income resulting from higher consumption across the airport, and by an increase in income from car park passes arising from a higher tariff.

Income per passenger

Income per passenger has increased from £14.67 to £15.07 in the 12 months ended 31 March 2011. The 2.7% increase is due to the increase in the allowable aeronautical yield and the increase in retail income. Car parking and other income streams have held relatively constant on a per passenger basis.

Operating costs – ordinary

'Operating costs – ordinary' have reduced by 4.2% to £363.4 million in 2011 (2010: £379.3 million).

	12 months ended 31 March 2011 £m	12 months ended 31 March 2010 £m
Staff costs	**128.5**	113.7
Retail expenditure	**1.1**	0.5
Car parking expenditure	**16.2**	13.7
Maintenance expenditure	**25.6**	26.5
Utility costs	**28.2**	31.7
Rent and rates	**22.5**	25.0
General expenses	**64.8**	72.3
Depreciation	**76.5**	72.5
BAA intra-group charges	**-**	23.1
Loss on disposal of tangible fixed assets	**-**	0.3
Total operating costs – ordinary	**363.4**	379.3

Reconciliation of 'operating costs – ordinary' to the financial statements:

	15 month period ended 31 March 2010
	£m
12 months ended 31 March 2010	379.3
Plus: 3 months ended 31 March 2009*	89.4
Total 'operating costs – ordinary' per the audited financial statements	468.7

* Unaudited management accounts

The increase in staff costs by £14.8 million during the first full year of new ownership has been driven by greater staff numbers and by higher pension costs. Wages and salaries costs have increased, due to greater staff numbers, as the Company continued to separate from BAA and develop the standalone capability to perform functions that had previously been undertaken centrally by BAA. The separation of the Company's IT environment from BAA remains a significant ongoing task but should be completed during the year ending 31 March 2012. An additional £7.8 million was incurred on contract and agency costs associated with separation activities. The majority of IT separation staff costs are offset by the subsequent capitalisation of these costs appearing in general expenses. The capitalisation of staff costs increased by £9.6 million during 2011 to £16.9 million (2010: £7.3 million).

DIRECTORS' REPORT (continued)

Operating costs – ordinary (continued)

The pension charge for employees on the Company's defined benefit pension plan (the Gatwick Airport Pension Plan) ("the Plan") increased by £7.2 million in the year, reflecting the latest actuarial assumptions and the first full year of costs for employees on the Plan. The Company's defined contribution pension charge has also increased, although not as significantly, with all new employees being eligible for this scheme.

Overall, average full-time equivalent ("FTE") employee numbers have increased from 2,428 in 2010 to 2,481 in 2011. Average operational FTE employees fell from 2,141 to 2,101 during the year, whereas non-operational FTE employees increased from 287 to 380. The reduction in operational employees is offset by the higher cost of non-operational staff undertaking the separation and IT project functions.

The depreciation charge increased as a result of significant fixed asset additions in the year as the Q5 capital investment programme continued.

Maintenance costs have decreased by approximately £5.0 million in 2011 due to efficiency savings and deferring spend to later in Q5 in line with the latest capital plan. This reduction has been offset by a £3.1 million increase in IT spend as the Company now incurs the costs of a stand-alone IT function. The cost of equivalent support provided by BAA would have been incurred through intra-group charges.

Utilities costs have decreased largely due to the recognition of a £1.9 million onerous contract provision in 2010 relating to the supply of electricity from Gaz de France, which has been partially utilised during 2011.

Rent and rates are lower due to the positive settlement of a rates review of prior years' charges of £1.2 million, which offsets the increase in the Company's rateable value as it continues its capital investment programme.

Following the change in ownership, the Company now no longer incurs intra-group charges from BAA. The costs previously charged by BAA are now incurred directly by the Company, particularly in staff costs (discussed above), and under a Transitional Service Agreement ("TSA"). The last remaining service being performed by BAA following the change in ownership is in relation to the Company's IT environment. This is expected to continue until October 2011.

TSA charges of £14.4 million were incurred in 2011 (2010: £7.0 million) and are included within general expenses.

The decrease in general expenses of £7.5 million reflects the decrease in some expenses, offset by certain others. The significant driving factor in the decrease is the credit for staff capitalisation which has increased by £9.6 million due to a greater involvement by the Company's staff on aspects of the capital investment programme, largely in IT.

Due to the Company having a largely fixed cost base, over the short term, no significant cost savings were made in relation to the periods where UK airspace was closed due to volcanic ash. However, the closure allowed the Company to undertake activities such as training and airfield maintenance, which would not have been possible in a normal operational environment, thereby making most efficient use of this time and reducing operational impacts later in the year.

DIRECTORS' REPORT (continued)

Operating costs – exceptional

Exceptional operating costs have been analysed below based on the periods of the financial statements because, by their nature, exceptional costs are not appropriate to apportion over different periods.

	12 months ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Pension costs	**2.4**	117.5
Reorganisation costs	**2.1**	2.0
Depreciation	**3.1**	5.2
Other costs	**0.2**	6.9
Impairment of tangible fixed assets	**9.2**	-
Total operating costs – exceptional	**17.0**	131.6

During the year ended 31 March 2011 the BAA pension trustees made a bulk transfer of assets and liabilities from the BAA pension scheme to the Company's defined benefit pension plan. Based on actuarial assumptions prescribed in the sale and purchase agreement (governing the sale of the Company), there was a £2.4 million shortfall in the assets transferred on 1 June 2010, and this cost was recognised by the Company. In accordance with the sale and purchase agreement, monies held in escrow for the benefit of BAA were used to fund the shortfall.

The prior 15 month period ended 31 March 2010 includes a cost of £1.3 million for the initial recognition of a new Gatwick Airport Limited defined benefit pension scheme deficit, and the recognition of a £104.7 million pension commutation payment that was required to extinguish all the Company's liabilities under its previous participation in the BAA defined benefit pension scheme, in accordance with the sale and purchase agreement. It also includes an £11.5 million charge for the write-off of a pension asset relating to the Company's previous defined benefit scheme.

Costs associated with the Company's restructuring programme following the change in ownership totalled £2.1 million. Costs in the 15 months ended 31 March 2010 were £3.3 million, offset by a credit of £1.3 million for previously recognised provisions that were no longer required.

Exceptional depreciation of £3.1 million represents an additional charge incurred as a result of shortening the useful life of the assets associated with the South Terminal security project. The charge of £5.2 million in the 15 months ended 31 March 2010 related to shortening the useful life of the Inter Terminal Transit Service ("ITTS") in readiness for its disposal.

The Company incurred other costs totalling £0.2 million (15 months ended 31 March 2010: £6.9 million) to effect the separation from BAA. The majority of these relate to employees required to perform one-off activities in roles that will not continue in the Company. The associated costs are therefore treated as exceptional in nature.

During 2011 the Company impaired tangible fixed assets by £9.2 million because it was deemed that certain projects had changed scope significantly, and the costs associated with them should not be carried forward to completion. The charge to the profit and loss account during the year included items relating to South Terminal baggage and Pier 1 works after they were combined into a single project. No such costs were incurred during the 15 months ended 31 March 2010.

DIRECTORS' REPORT (continued)

Operating profit before exceptional items

Operating profit before exceptional items increased by £16.6 million to £112.9 million in 2011 (2010: £96.3 million). Turnover was flat year-on-year with the reduction in passengers offsetting the higher aeronautical yield and the increase in retail income per passenger. The cost increases associated with the separation from BAA have been lower than the intra-group charges previously incurred from BAA. Refer to the sections above for further details on these and other movements within turnover and 'operating costs – ordinary'.

Reconciliation of operating profit before exceptional items to the financial statements:

	15 month period ended 31 March 2010
	£m
12 months ended 31 March 2010	96.3
Plus: 3 months ended 31 March 2009*	0.2
Operating profit before exceptional items per the audited financial statements	96.5

* Unaudited management accounts

EBITDA pre-exceptional items

Reconciliation of EBITDA to operating profit:

	12 months ended 31 March 2011 £m	12 months ended 31 March 2010 £m
Operating profit before exceptional items†	**112.9**	96.3
Add back: depreciation†	**76.5**	72.5
EBITDA pre-exceptional items†	**189.4**	168.8

† Amounts for the 12 months ended 31 March 2011 are from the audited financial statements. Amounts for the 12 months ended 31 March 2010 are from the unaudited management accounts, as reconciled to the audited financial statements for the 15 months ended 31 March 2010 elsewhere in the business review.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") before exceptional items ("EBITDA pre-exceptional items") increased £20.6 million or 12.2% to £189.4 million in 2011 (2010: £168.8 million). As detailed in the 'operating profit before exceptional items' section above, because turnover has remained flat, the increase is driven by the cost increases associated with the separation from BAA being lower than the intra-group charges previously incurred from BAA. Refer to the turnover, 'operating costs – ordinary' and 'operating profit before exceptional items' sections above for further details.

Going concern

The Company's net current liability position has improved year-on-year. As at 31 March 2011 the Company had net current liabilities of £27.5 million (2010: £110.4 million), the two principal changes being the settlement of the £104.7 million pension commutation payment liability offset by the release of the £25.0 million in a debt service reserve account post the refinancing (refer to note 19).

All the Company's financial covenants (see below) have been met and are forecast to be met for the foreseeable future.

Based on the availability of undrawn committed borrowing facilities, and as further detailed in note 1 of the financial statements, the Directors have a reasonable expectation that the Company will continue as a going concern and accordingly the financial statements have been prepared on that basis.

Senior RAR and Senior ICR

The Senior RAR and Senior ICR ratios (see the Refinancing section above for details) are the Company's financial covenants that govern the Company's ability to draw new loans under the Initial ACF Agreement. As at 31 March 2011, the Company's Senior RAR ratio was 0.61 (2010: 0.45). The Senior ICR for the year ended 31 March 2011 was 3.45 (2010: 2.98).

KEY PERFORMANCE INDICATORS

The following are the key performance indicators ("KPI's") that the Company's Executive Management Board and Board of Directors use to monitor the performance of the Company. They are detailed throughout the Directors' report:

- passengers per air transport movement;
- regulatory asset base ("RAB");
- net indebtedness to total RAB ("Senior RAR");
- interest cover ratio ("Senior ICR");
- overall service quality regime ("SQR") and security queuing;
- overall Quality of Service Monitor ("QSM");
- net retail income per passenger;
- net car parking income per passenger;
- income per passenger;
- EBITDA pre-exceptional items;
- loss time injury ("LTI") rates; and
- absenteeism per employee.

RISK MANAGEMENT

Risk management is a central element of the Company's strategic decisions and operations. The Company is committed to implementing appropriate strategies and processes that identify, analyse and manage the risks associated with the organisation in order to minimise the frequency and impact of undesired and unexpected events on the Company's objectives, while enabling it to optimise its business opportunities.

The overarching aim of the risk management strategy is to embed the awareness of risk at all levels of the organisation, in such a way that ensures all significant business decisions are risk-informed. Particular emphasis is given to safety and security, environmental, commercial, financial, reputational and legal risks.

A key element of the risk management process is the risk profiling methodology. This determines the threats to the achievement of business objectives and day-to-day operations in terms of likelihood and consequence at both inherent and residual level, after taking account of mitigating and controlling actions. Details are maintained in a hierarchy of risk registers used as the basis for regular reviews of risk management by the Audit and Governance Committee.

The risk management process is also aimed at defining and implementing clear accountabilities, processes and reporting formats that deliver efficient and effective management assurance to the Board of Directors to ensure statutory compliance and protect and enhance our reputation, while supporting business units to successfully manage their operations and properly embed risk management. The operation of the process and the individual registers are subject to review by the Company's Business Assurance function, to provide independent assurance to the Audit and Governance Committee and Board of Directors that the controls put in place to mitigate risks are working effectively.

DIRECTORS' REPORT (continued)

RISK MANAGEMENT (continued)

The Audit and Governance Committee was established to provide, amongst other things, independent oversight of the risk management of the Company.

The principal corporate risks as identified by the Board of Directors are as follows:

Safety and security risks

The Company mitigates safety and security risks by adopting and enforcing rigorous policies and procedures supported by professional training and by investment in leading-edge security technology. The Company works closely with government agencies, the police and the Armed Forces to match security measures to a level commensurate with the current raised threat environment.

The Company has implemented a health and safety management system to mitigate this risk. The system incorporates the setting of standards and targets, monitoring performance, and putting plans in place for improving performance.

Assurance over safety and security risks is provided through management reporting processes and a specialist compliance audit function.

Regulatory environment, legal and reputational risks

CAA regulation

The Company's operations are subject to regulatory review by the CAA and Competition Commission ("CC") every five years. The risk of an adverse outcome from the five-yearly review is mitigated as far as possible by a dedicated project team which ensures full compliance with formal regulatory requirements, establishes a sound relationship with the regulator and advises the Company's management and Board of Directors on regulatory matters. Regulation is represented on the Company's Executive Management Board by a Strategy and Regulation Director.

An important part of the regulatory framework is the Company's involvement in continuous dialogue with the airlines that operate at Gatwick. In order to mitigate the risk of adverse airline relations, airlines have been invited to participate at all stages of the capital investment programme including steering and working groups, with the Company pro-actively disclosing information to these groups.

During the year, the CAA carried out a mid-quinquennial review of capital expenditure and information disclosure. The conclusions of this were published in February 2011. The CAA identified areas of improvement in the way that Gatwick plans, implements, measures and evaluates capital expenditure projects. Gatwick has put in place mitigations to address the minor shortcomings found by the CAA. With respect to consultation, the CAA found that Gatwick largely conformed with the consultation requirements set as part of Q5 but that there needed to be a greater linkage between the capital plans and Gatwick's Master Plan. Gatwick will address this finding via the publication of a Master Plan later in early 2012.

The UK Government has proposed that the regulatory framework be revised in the Review of Economic Regulation ("RER"), which will require primary legislation to enact. It is intended that this framework is in place for the Q6 review (Q6 now starts in April 2014, following a one year extension to Q5). The Company responded to the Government's consultation on the RER and continues to engage with the DfT. The Coalition Government issued a statement in July 2010 confirming that the AER bill would be taken forward by the Coalition Government. The AER then appeared in the Queen's Speech. If the Airports Economic Regulation Bill is not passed in the time indicated by the Government, there is a risk that Q6 will be set under the Airports Act 1986. This would not allow the evolution in the regulatory framework that is being pursued by the Company.

DIRECTORS' REPORT (continued)

CAA regulation (continued)

During the year, the CAA extended Q5 by an extra year, thereby taking it to 31 March 2014. This followed agreement between the Company and the airlines operating at Gatwick to limit the increase in aeronautical charges to RPI-0.5% for the year ending 31 March 2014. As part of the extension, the Company is required to agree the capital expenditure and associated triggers that will apply in the year ending 31 March 2014 by June 2012. Failure to do so will give the CAA the power to impose capital triggers – without the approval of the Company – which could lead to an adverse financial outcome for the Company.

There are ongoing Q5 compliance matters that are undertaken, as well as ad hoc CAA reviews. The process and the state of Q5 compliance is managed by formal reporting to the Company's Executive Management Board.

An important development for the future competitive landscape is the likely sale by BAA of Stansted airport. The Company supports this development as it is believed it will enhance competition in the London market, to the benefit of passengers. However, the increase in competition that may result from any sale of Stansted could be a risk to the future financial prospects of the Company and Gatwick.

Competition rules

The penalties for failing to comply with the 1998 Competition Act and relevant EU law are recognised as risks to be managed within the Company, given its position in certain markets. Clear policy direction, which includes compulsory awareness training and close support from the internal legal department, is in place to mitigate this risk.

Permission to grow

The existing local authorities' agreement envisages passenger traffic growing to 40 million per annum at Gatwick. Failure to secure specific planning permissions would lead to the Company having insufficient capacity to meet the expected demands of the industry resulting in increased congestion and declining passenger service. The Company mitigates this risk through extensive consultation with community groups and authorities at a local level and active participation in Government consultations and other advisory groups. The Aviation White Paper 'The Future of Air Transport' ('the White Paper') was published in December 2003 and clarified the Government's policies regarding airport expansion for the whole of the country. It emphasised the need for airport operators to invest in delivering new capacity as well as maximising the use of existing capacity.

The current UK Government has indicated that it will not support any new runway development in the South East of England, ruling out any proposals for new runways at Heathrow, Stansted and Gatwick. Instead, the Government has two areas of work in which the Company has been fully engaged. Firstly, the South East Airports Taskforce has been considering ways of making airports better, not bigger. With the focus on improving service quality, the Company has been very supportive of this initiative and considers that the Taskforce has made good progress.

Secondly, the Government has issued a scoping document which is intended to frame the development of aviation policy. This is intended to lead to a revision of aviation policy in the UK. Although the scoping document does not address the issue of the provision of new airport capacity, it still represents an important step in seeking to identify ways of sustainable aviation growth. The Company will play an active role in this consultation to help shape the policy environment in support of its strategy to mitigate risks.

DIRECTORS' REPORT (continued)

Environment

Environmental risks need to be mitigated as they have the potential to impact both the Company's reputation and licence to operate and to grow, as well as the environment. The Company mitigates these risks at a number of levels including the implementation of an environmental management system, which incorporates a legal register to understand what legislation applies to the business, objectives and targets around significant environmental impacts; monitoring performance against targets; internal audit; training programmes; and the influencing of third parties on site to improve their performance. The Company works proactively with stakeholders to ensure that it effectively manages to the challenges posed by the environmental agenda.

Commercial and financial risks

Capital projects

The Company recognises that failure to control key capital project costs and delivery could damage its financial standing and reputation. The Company mitigates this risk through adherence to a rigorous and continually enhanced project process, and by systems of project reviews before approval, during construction and after project completion. All projects include an allowance for risk and opportunity.

The Company has engaged the Bechtel Corporation, an external engineering, construction and project management firm, to support the Company in the delivery and risk management of its capital investment programme.

Changes in demand

The risk of unanticipated long-term changes in passenger demand for air travel could lead to misaligned operational capacity within the Company. Since it is not possible to identify the timing or period of such an effect, the Company carries out evaluations through a series of scenario planning exercises.

Under the current price control arrangements, which are based on a forecast of passenger numbers, the Company carries the financial risk from a reduction in passenger volume during the now six year period of the price control. As detailed in its Q5 decision document, the CAA would not expect divergences between outturn and projected costs to justify an interim review of the price control unless a catastrophic event rendered all or much of Gatwick unusable for a significant period of time.

Industrial relations

Industrial action by key groups of employees that affects critical services or curtails operations could have potentially adverse financial and/or reputational impact on the Company. Joint training is in place with the three recognised trade unions encouraging a constructive joint problem-solving approach. The Company has a range of formal consultative bodies that discuss pay, conditions of employment and business issues with the recognised trade unions. There are formal agreements designed to resolve disputes. A two-year pay deal is in place until 31 March 2013.

Additionally there is the potential for adverse financial impact in the event that industrial action was taken within suppliers of key services (e.g. air traffic controllers) or by employees of key clients (e.g. airlines).

DIRECTORS' REPORT (continued)

Separation from BAA
While the sale of the Company has now completed, the separation from BAA is ongoing. The Company is still reliant on BAA for the provision of a number of services, in particular, IT services. The risk associated with this reliance on BAA is mitigated by the TSA signed between the Company and BAA Airports Limited which details the services to be provided. The Company's separation from BAA will continue to be a key priority as will the replacement and upgrade of IT systems.

Financial risk management

Financial risks for the Company are managed collectively as part of the Holdco Group.

The Company's principal financial instruments comprise external borrowings and derivatives. All of these instruments are managed by the Company's treasury function.

The Board of Directors approves prudent treasury policies and delegates certain responsibilities to senior management who directly control day-to-day treasury operations. The treasury function is not permitted to speculate in financial instruments. Its purpose is to identify, mitigate and hedge treasury related financial risks inherent in the Group's business operations and funding. To achieve this, the Group enters into interest rate swaps, index-linked swaps and foreign exchange spot and forward transactions to protect against interest rate, inflation and currency risks.

The primary treasury related financial risks faced by the Company are:

(a) Cash Flow Interest Rate Risk

The Company's cash flow interest rate risk arises primarily from its third party borrowings issued at variable interest rates. In accordance with the Company's policy of maintaining a high level of fixed rate borrowings and the hedging requirements of the Common Terms Agreement, the Company has entered into floating to fixed interest rate swaps and fixed to index linked inflation swaps to protect against cash flow interest rate risk. As at 31 March 2011, after taking hedging with derivatives into account, fixed and inflation linked debt represented 76.7% (2010: 74.4%) of the Company's net indebtedness of £1,204.4 million.

(b) Funding and Liquidity Risk

The Company has positive cash flows before capital expenditure. The Company's planned capital expenditure programme for the remainder of Q5 shows a funding requirement which can be met from operational cash flows and committed credit facilities available to the Company under the Initial ACF Agreement. As at 31 March 2011, cash at bank was £2.2 million and undrawn facilities were £300.0 million for capital expenditure and £45.0 million for working capital. All financial covenants have been tested and complied with as at 31 March 2011. Further details of these facilities and covenant compliance are provided in note 19 of the financial statements.

(c) Credit Risk

Credit risk arises from cash and cash equivalents, derivative financial assets and accounts receivables. The Company has no significant concentrations of credit risk. The Company's exposure to credit related losses, in the event of non-performance by counterparties to financial instruments, is mitigated by limiting exposure to any one party or instrument and ensuring only counterparties within defined credit risk parameters are used.

DIRECTORS' REPORT (continued)

CORPORATE SOCIAL RESPONSIBILITY

Sustainability management

The Company develops strategies, policies and targets that best support the sustainable development of the airport.

The Company's sustainability approach is built into its governance framework and is led by the Executive Management Board. The Company's aim is to ensure that the right systems are in place to set strategy and policies, determine and deliver appropriate plans, and to manage the business safely and responsibly.

The Company works closely with its local authorities, having signed a section 106 ("s106") legal agreement with the West Sussex County Council and Crawley Borough Council in December 2008. The s106 legal agreement provides the framework for the Company's approach on social, environmental and economic matters. It defines how Gatwick's operation, growth and environmental impacts will be managed and ensures the Company's wider sustainability strategy is aligned with key local authority partners. The legal agreement underpins the important relationship between the Company and its local authorities who have responsibilities for planning, environmental management and highways. Performance against the legal agreement is communicated through the Sustainability Performance Review and to the Company's consultative committee ("GATCOM").

The Company continues to build and maintain strong relationships with stakeholders including the Government, airlines, business partners, passengers and employees. Working closely with these stakeholders ensures that the Company can influence and shape future policy and decisions that may affect Gatwick and the aviation industry, and also to identify joint working opportunities to promote best practice.

Our Decade of Change

In 2010 the Company published its Decade of Change sustainability strategy. This outlined the following sustainability priorities:

- to enable Gatwick to be the airport of choice for our passengers and customers;
- to ensure the safety and security of our passengers, partners and employees;
- to generate national and regional economic wealth, connectivity, increased airport catchment and employment;
- to reduce adverse impacts to the environment;
- to build and maintain constructive relationships with stakeholders; and
- to recognise the value of our employees, partners and communities.

To support our Decade of Change, the Company implemented a new environmental strategy for the airport which is based on a robust baseline with clear targets and objectives designed to drive the airports environmental performance to 2020. It is supported internally by a team of airport environment partners who are the principal point of contact for ensuring their respective business unit strategy is being delivered in line with the wider targets.

The Company also continues to produce an annual carbon footprint and now includes carbon forecasting as part of this process in line with airport development plans.

This year the Company achieved the Carbon Trust Standard and ACI carbon accreditation for achievements in carbon management. This makes Gatwick the only airport in the UK to hold the Carbon Trust Standard, ACI accreditation and ISO 14001 environmental management system.

The Company also has a well developed and effective approach to noise management. The airport now has a dedicated Flight Evaluation Unit allowing Gatwick to be proactive with noise issues and constructive in developing policy and communication. Gatwick's 55-point European Noise Directive action plan has now been formally adopted by the Secretary of State. The action plan illustrates the Company's commitment to noise mitigation and management.

DIRECTORS' REPORT (continued)

Sustainability performance

The Company monitors its performance in a number of key sustainability areas and produces a comprehensive sustainability report on an annual basis. Full details of the Company's sustainability approach and associated performance reporting can be found at this link on the Company's website: www.gatwickairport.com/business/sustainability

Health and safety

The Company introduced a new incident management system during the year that is supported by a new Environment, Health and Safety ("EH&S") training programme.

Gatwick launched its Destination Zer0 Environment, Health and Safety programme during the year, with the ultimate aim of continual improvement in EH&S for our own employees and Contractors working on the capital investment programme. The Company also introduced a new incident management system, which is supported by the new EH&S training programme.

The Company is currently working towards obtaining OHSAS 18001 certification, and has completed stage 1. This will compliment the ISO 140001 certification which the Company already holds.

With the Company's relentless focus on achieving zero incidents, lost time injury ("LTI") rates (LTI / 200,000 hours) are used as an indication of health and safety performance. The Company's health and safety performance improved with LTI rates falling from 1.29 (34 LTI's in the year) in 2010 to 1.22 (33 LTI's in the year) in 2011.

DEVELOPING OUR PEOPLE

Based on an employee survey in August 2010 and structured interviews with over 160 employees to gather staff views on Gatwick's strengths and barriers to success, the Company established a three-year people strategy and action plan, and a new set of values have been developed. The Company's people strategy is to create a high performance team with a common ambition.

During the coming year, a new approach to objectives setting and performance development will see all personal objectives aligned to the Company's values and strategic priorities.

As part of its people strategy, the Company is committed to achieving Investors in People accreditation by December 2012.

Employee Relations

The Company recognises three Trade Unions – Unite, Prospect and PCS. The relationship with these unions is positive and constructive.

A two-year pay deal has been negotiated for non-managerial staff to cover the period from 1 April 2011 to 31 March 2013. The first year includes a pay increase of 5%, and the second an increase of RPI, with a minimum of 3% and maximum of 5%. These employees received on average an increase of 2% in 2011, and no increase in 2010. Senior managers received their first pay award in two years with a performance related basic pay increase (averaging 5%) from 1 April 2011.

The Company's reward strategy is based on the principle of rewarding individual and team performance. The bonus for non-managerial staff is now based on departmental performance (50%) and on the Company's earnings before interest, tax, depreciation and amortisation ("EBITDA") performance (50%). The bonus structure for senior managers is also split between individual and company performance.

DIRECTORS' REPORT (continued)

Attendance Management

The year saw improved attendance levels with the rolling average days absenteeism per employee moving from 11.7 to 9.4 days. A revised attendance management policy has been agreed with the trade unions with the aim of achieving a target of nine days by 1 September 2011.

Learning and Development

The Company is committed to the development of its people. Leadership development courses are offered to employees, as well as compliance and regulatory courses. A team of dedicated operational trainers are employed by the Company. Employees get the opportunity to complete a performance development plan which allows the Company to assess their training needs.

During the year more than 1,000 of the Company's security and frontline employees have been trained in customer service and received a City & Guilds Level 1 Qualification. The Company received an award from Tourism South East for commitment to customer service and training.

Headcount

As at 31 March 2011 the Company had 2,404 FTE employees (2010: 2,504), which represents a decrease of 100 FTE's in the operations of the Airport due to increased efficiency. In the future the focus will remain on improving back office efficiencies and productivity across the Company.

Turnover of permanent employees during 2011 was 8.8%, with 205 people leaving the Company. Of these, just over 50% resigned and 54 were made redundant through the Company's restructuring programme.

Resourcing

The Company actively recruits internally, promoting the development and progression of the Company's employees. Post separation from BAA, a number of contractors have been recruited in Development, IT and business transformation to bring specialist skills and support to key projects.

The Company has a range of equal opportunities policies in order to create and support a diverse workforce. It is the policy of the Company that no form of discrimination due to disability, race, sex or age would exist in the workplace.

Applications for employment by disabled persons are welcomed and fully considered against the needs of the role. In the event of employees becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate reasonable adjustments and training are provided.

ESSENTIAL CONTRACTS OR OTHER RELATIONSHIPS

The Company has the following essential contracts:

NATS

NATS provides air traffic control services for Gatwick under the terms of an agreement.

Transitional Service Agreement (with BAA)

Following the sale of the Company, BAA continues to provide a number of services to the Company. A TSA was entered into with BAA to govern the provision of those services. The most significant element of the TSA covers the provision of IT infrastructure and services and is expected to continue until October 2011.

DIRECTORS' REPORT (continued)

PAYMENT PRACTICE

The Company complies with the UK Government's Better Payment Practice Code which states that responsible companies should:

- Agree payment terms at the outset of a transaction and adhere to them;
- Provide suppliers with clear guidance on payment procedures;
- Pay bills in accordance with any contract agreed or as required by law; and
- Advise suppliers without delay when invoices are contested and settle disputes quickly.

The Company had 19 days purchases outstanding at 31 March 2011 (2010: 25 days) based on the average daily amount invoiced by suppliers during the year.

CHARITABLE AND POLITICAL DONATIONS

During the year the Company made charitable donations of £0.2 million (15 months ended 31 March 2010: £0.3 million). The main beneficiary was the Gatwick Airport Community Trust, which provides support for local community projects close to Gatwick Airport. No political donations were made during the year.

DIVIDENDS

On 2 March 2011 the Directors declared and paid an interim dividend of 104.22p per share amounting to £350.5 million. The Directors did not recommend the payment of a final dividend.

Total dividends of £85.5 million were paid in the 15 months ended 31 March 2010.

DIRECTORS' INDEMNITY

The Company's Articles of Association provide that, subject to the provisions of the Companies Act, but without prejudice to any indemnity to which the person concerned might otherwise be entitled, every Director of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him in defending any proceedings in which judgement is given in his favour, or in which he is acquitted or in connection with any application in which relief is granted to him by the court for any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties or powers or office.

AUDITORS

Pursuant to the provisions of section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will automatically be re-appointed as Auditors of the Company.

By order of the Board

Stewart Wingate
Chief Executive Officer
24 June 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgements and accounting 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Director in office at the date the Directors' Report is approved, the following applies:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

Robert Herga
Company Secretary
24 June 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GATWICK AIRPORT LIMITED

We have audited the financial statements of Gatwick Airport Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement, set out on page 30, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Graham Lambert

Graham Lambert (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
24 June 2011

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2011

	Note	**Year ended 31 March 2011 £m**	15 month period ended 31 March 2010 £m
Turnover	4	**476.3**	565.2
Operating costs – ordinary	5	**(363.4)**	(468.7)
Operating costs – exceptional: pension	6	**(2.4)**	(117.5)
Operating costs – exceptional: other	6	**(14.6)**	(14.1)
Total operating costs		**(380.4)**	(600.3)
Operating profit before exceptional items		**112.9**	96.5
Operating costs – exceptional: pension	6	**(2.4)**	(117.5)
Operating costs – exceptional: other	6	**(14.6)**	(14.1)
Operating profit/(loss)		**95.9**	(35.1)
Loss on disposal of tangible fixed assets – non-operating	7	**(3.5)**	-
Net interest payable and similar charges – ordinary	9	**(48.4)**	(41.2)
Net interest payable and similar charges – exceptional	6	**(106.5)**	(106.6)[1]
Loss on ordinary activities before taxation		**(62.5)**	(182.9)
Tax credit on loss on ordinary activities	10	**12.2**	43.3
Loss on ordinary activities after taxation	22	**(50.3)**	(139.6)

1 The 15 month period ended 31 March 2010 has been restated to recognise the £41.1 million provision recognised on financial derivatives as 'net interest payable and similar charges – exceptional' to be consistent with current year's disclosure. In the prior period this item was recognised in 'net interest payable and similar charges – ordinary'. Refer to notes 6 and 9 for further detail.

The notes on pages 36 to 69 form an integral part of these financial statements.

All profits and losses recognised during the current year and prior period are from continuing operations.

There are no material differences between the losses on ordinary activities before taxation and the retained losses for the year and period and their historical cost equivalents.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 March 2011

	Note	**Year ended 31 March 2011 £m**	15 month period ended 31 March 2010 £m
Loss for the financial period	22	**(50.3)**	(139.6)
Actuarial gains on pension scheme	22	**17.2**	5.6
Deferred tax deductions allocated to actuarial gains	22	**(4.4)**	(1.4)
Unrealised revaluation deficit	22	**(0.3)**	(19.6)
Total recognised losses relating to the period		**(37.8)**	(155.0)

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 31 March 2011

	Note	**Year ended 31 March 2011 £m**	15 month period ended 31 March 2010 £m
Loss for the financial period	22	**(50.3)**	(139.6)
Dividends paid	11	**(350.5)**	(85.5)
Retained loss for the financial period		**(400.8)**	(225.1)
Actuarial gains on pension scheme net of tax		**12.8**	4.2
Other net recognised losses relating to the period	22	**(0.3)**	(19.6)
Net reduction in shareholders' funds		**(388.3)**	(240.5)
Opening shareholders' funds		**784.0**	1,024.5
Closing shareholders' funds		**395.7**	784.0

The notes on pages 36 to 69 form an integral part of these financial statements.

BALANCE SHEET
As at 31 March 2011

	Note	31 March 2011 £m	31 March 2010 £m
FIXED ASSETS			
Tangible assets	13	**1,887.6**	1,735.5
CURRENT ASSETS			
Stocks	14	**3.4**	3.3
Debtors: due within one year	15	**53.7**	47.9
: due after more than one year	15	**26.7**	14.2
Cash held in Debt Service Reserve deposit	16	**-**	25.0
Cash at bank and in hand	16	**2.2**	9.8
TOTAL CURRENT ASSETS		**86.0**	100.2
CREDITORS: amounts falling due within one year	17	**(113.5)**	(210.6)
NET CURRENT LIABILITIES		**(27.5)**	(110.4)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,860.1**	1,625.1
CREDITORS: amounts falling due after more than one year	18	**(1,366.5)**	(799.3)
Provisions for liabilities and charges	20	**(116.8)**	(45.9)
NET ASSETS EXCLUDING PENSION ASSET		**376.8**	779.9
Pension asset	26	**18.9**	4.1
NET ASSETS INCLUDING PENSION ASSET		**395.7**	784.0
CAPITAL AND RESERVES			
Called up share capital	21	**336.3**	336.3
Revaluation reserve	22	**(0.3)**	487.2
Profit and loss reserve	22	**59.7**	(39.5)
TOTAL SHAREHOLDERS' FUNDS		**395.7**	784.0

The notes on pages 36 to 69 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 24 June 2011 and were signed on its behalf by:

Stewart Wingate
Chief Executive Officer

Nicholas Dunn
Chief Financial Officer

CASH FLOW STATEMENT
For the year ended 31 March 2011

	Note	Year ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Net cash inflow from operating activities		**177.5**	199.0
Returns on investments and servicing of finance	23	**(28.9)**	(127.7)
Taxation	23	**-**	(25.1)
Capital expenditure and financial investment	23	**(219.0)**	(202.2)
Equity dividends paid	11	**(350.5)**	(85.5)
Cash outflow before management of liquid resources and financing		**(420.9)**	(241.5)
Funding of cash held in Debt Service Reserve deposit	23	**25.0**	(25.0)
Management of liquid resources	23	**-**	15.0
Financing	23	**388.3**	261.1
(Decrease)/increase in cash in the period	24	**(7.6)**	9.6

Reconciliation of operating profit/(loss) to net cash inflow from operating activities:

	Year ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Operating profit/(loss)	**95.9**	(35.1)
Adjustments for:		
Depreciation	**79.6**	94.6
Loss on disposal of fixed assets	**-**	0.3
Impairment of tangible fixed assets	**9.2**	-
Non-cash movement in derivative financial instruments	**-**	(5.2)
(Increase)/decrease in stock and debtors	**(5.3)**	12.6
Increase in creditors	**2.6**	91.8
(Decrease)/increase in provisions	**(1.8)**	39.9
(Increase)/decrease in net pension asset	**(2.7)**	0.1
Net cash inflow from operating activities	**177.5**	199.0

The notes on pages 36 to 69 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2011

1. BASIS OF PREPARATION

These financial statements are the financial statements of Gatwick Airport Limited ("the Company") for the year ended 31 March 2011. The comparative period is the 15 month period ended 31 March 2010. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with the Companies Act 2006 and United Kingdom Accounting Standards ("UK GAAP") except as set out within the accounting policies note.

The Directors have prepared the financial statements on a going concern basis which requires the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Consequently the Directors have reviewed the cash flow projections of the Company taking into account:
- the forecast passenger numbers, revenue and operating cash flows from the underlying operations;
- the forecast level of capital expenditure;
- the Company's funding structure and the facilities that are available to the Company (see note 19); and
- the Company's financial covenants.

The Company's net current liability position has improved year-on-year. As at 31 March 2011 the Company had net current liabilities of £27.5 million (2010: £110.4 million), the two principal changes being the settlement of the £104.7 million pension commutation payment liability offset by the release of the £25.0 million in a debt service reserve account post the refinancing (refer to note 19).

All of the Company's financial covenants (see note 19) have been met and are forecast to be met for the foreseeable future.

As a result of the review, having made appropriate enquiries of management and allowing for headroom to accommodate a reasonable downside scenario (including a fall in passenger numbers), the Directors have a reasonable expectation that sufficient funds are available to meet the Company's funding requirement over a period of at least 12 months from the date of the accounts. Accordingly the Directors have a reasonable expectation that the Company will continue as a going concern, and the financial statements have been prepared on that basis.

The financial statements were approved by the Directors on 24 June 2011.

The principal accounting policies are set out below.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Changes in ownership

On 3 December 2009, BAA (AH) Limited ("BAA") completed the sale of the Company to Ivy Bidco Limited, a UK incorporated company. Ivy Bidco Limited is ultimately owned by a consortium through a number of UK and overseas holding companies and limited liability partnerships.

On 2 March 2011, Ivy Bidco Limited transferred its shares in the Company to Ivy Holdco Limited, its wholly-owned subsidiary.

The Company and its wholly-owned subsidiary Gatwick Funding Limited are referred to collectively in these financial statements as "the Group".

Ivy Holdco Limited, the Company and Gatwick Funding Limited are referred to collectively in these financial statements as "the Holdco Group".

Ivy Bidco Limited, its wholly-owned subsidiaries Ivy Holdco Limited, Ivy Subco Limited, the Company and Gatwick Funding Limited are referred to collectively in these financial statements as "the Bidco Group".

(b) Change to year end

During the prior period the Company changed its financial year end from 31 December to 31 March. The move aligned the Company's financial and regulatory year ends. As a result, the comparative figures presented are for the 15 months ended 31 March 2010.

(c) Turnover

Turnover is recognised in accordance with Financial Reporting Standard ("FRS") 5 '*Reporting the substance of transactions*', net of VAT, and comprises:

- Airport and other traffic charges:
  - Passenger charges levied on passengers on departure,
  - Aircraft landing charges levied according to noise certification and weight on landing,
  - Aircraft parking charges based on a combination of weight and time parked, and
  - Other charges levied (e.g. fixed electrical ground power) when these services are rendered.

- Property and operational facilities:
  - Property letting sales, recognised on a straight-line basis over the term of the rental period,
  - Usage charges made for the operational systems (e.g. check-in desks, baggage handling), recognised as each service is provided,
  - Proceeds from the sale of trading properties, recognised on the unconditional completion of the sale, and
  - Other invoiced sales, recognised on the performance of the service.

- Retail:
  - Concession fees based upon turnover certificates supplied by concessionaires.

- Car parking:
  - Car park income is recognised based upon the date of parking.

(d) Investment in subsidiaries

Investments are held as fixed assets and are stated at cost and reviewed for impairment if there are indications that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Exceptional items

Exceptional items are material items of income and expense that, because of the unusual nature and expected infrequency of the events giving rise to them, merit separate presentation to allow an understanding of the Company's financial performance. Such events may include gains or losses on disposal of assets, impairment of assets, major reorganisation of business, closure or mothballing of terminals and those costs incurred in bringing new airport terminal complexes and airfields to operational readiness that are not able to be capitalised as part of the project, as well as costs associated with the separation of the Company from BAA, for example pension related costs, and costs of terminating certain financial instruments.

Details of items disclosed as exceptional are provided in note 6.

(f) Fixed assets

(i) Operational assets
Terminal complexes, airfield assets, plant and equipment and Company occupied properties are stated at cost less accumulated depreciation. Assets in the course of construction are stated at cost less provision for impairment. Assets in the course of construction are transferred to completed assets when substantially all the activities necessary to get the asset ready for use are complete. Where appropriate, cost includes borrowing costs capitalised, own labour costs of construction related project management, and directly attributable overheads. Costs associated with projects that are in the early stages of planning are capitalised where the Directors are satisfied that it is probable the necessary consents will be received and the projects will be developed to achieve a successful delivery of an asset such that future commercial returns will flow to the Company.

The Company reviews these projects on a regular basis, and at least every six months, to determine whether events or circumstances have arisen that may indicate that the carrying amount of the asset may not be recoverable, at which point the asset would be assessed for impairment.

(ii) Investment properties
Investment property, which is property held to earn rentals and/or for capital appreciation, is valued at the balance sheet date at open market value. All investment properties are revalued annually by the Directors and at least once every five years by external valuers. Any surplus or deficit on revaluation is transferred to revaluation reserve with the exception of deficits below original cost which are expected to be permanent are charged to the profit and loss account.

Profits or losses arising from the sale of investment properties are calculated by reference to book value and treated as exceptional items. Profits are recognised on completion of the sale transaction.

In accordance with Statement of Standard Accounting Practice ("SSAP") 19 '*Accounting for Investment Properties*', no depreciation is provided in respect of freehold or long leasehold investment properties. This is a departure from the Companies Act 2006 which requires all properties to be depreciated. Such properties are not held for consumption but for investment and the Directors consider that to depreciate them would not give a true and fair view. Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified. The Directors consider that this policy results in the accounts giving a true and fair view.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Fixed assets (continued)

(iii) Depreciation

Depreciation is provided on operational assets, other than land, and assets in the course of construction, to write off the cost of the assets, less estimated residual value, on a straight-line basis over their expected useful life as follows:

• Terminal building, pier and satellite structures	20 - 60 years
• Terminal fixtures and fittings	5 - 20 years
• Airport plant and equipment:	
• baggage systems	15 years
• screening equipment	7 years
• lifts, escalators, travelators	20 years
• other plant and equipment including runway lighting and building plant	5 - 20 years
• Airport tunnels, bridges and subways	50 - 100 years
• Runway surfaces	10 - 15 years
• Runway bases	100 years
• Taxiways and aprons	50 years
• Motor vehicles	4 - 8 years
• Office equipment	5 - 10 years
• Computer equipment	4 - 5 years
• Computer software	3 - 7 years
• Short leasehold properties	over period of lease

The Company assesses, at each balance sheet date, whether there is an indication that an asset's residual value and/or useful life may not be appropriate. If such indication exists, the useful lives and residual values are reviewed, and adjusted if appropriate.

(g) Impairment of assets

The Company assesses, at each balance sheet date, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the asset does not generate cash flows that are independent of other assets, the recoverable amount of the income-generating unit to which the asset belongs is estimated. Recoverable amount is the higher of an asset's net realisable value and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the profit and loss account in those expense categories consistent with the function of the impaired asset.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount less any residual value, on a straight-line basis over its remaining useful life.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Interest

Interest payable resulting from financing tangible fixed assets whilst in the course of construction is capitalised once planning permission has been obtained and a firm decision to proceed taken. Capitalisation of interest ceases once the asset is complete and ready for use. Interest may be capitalised for projects in the early stages of planning where the Directors are satisfied that the necessary planning, building and resource consents will be received. Interest is charged to the profit and loss account as depreciation expense over the life of the relevant asset.

All other interest payable and fees payable for the non-utilisation of credit facilities are charged to the profit and loss account as incurred.

(i) Leases

Operating leases

(i) Company as lessor
Leases where the Company retains substantially all the risks and benefits of ownership are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognised over the lease term on the same basis as the income.

(ii) Company as lessee
Rental costs under operating leases are charged to the profit and loss account in equal instalments over the period of the lease.

Finance leases

(i) Company as lessor
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

(ii) Company as lessee
Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

(j) Stocks

Raw materials and consumables consist of engineering spares and other consumable stores and are valued at the lower of cost and net realisable value.

(k) Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Pensions

The Company established its own defined benefit pension plan on 3 December 2009. Up to this date the Company participated in the BAA defined benefit pension scheme.

The Company's UK pension fund is a self administered defined benefit plan. In accordance with FRS 17 '*Retirement benefits*', the current service cost, together with the cost of any benefits relating to past service, is charged to the profit and loss account. A charge equal to the increase in the present value of the plan liabilities (because the benefits are closer to settlement) and a credit equivalent to the Company's long-term expected return on assets (based on the market value of the scheme assets at the start of the year) are included in the profit and loss account.

The cost of providing benefits under the defined benefit plan is determined using the 'projected unit method'. The difference between the market value of the assets of the plan and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet net of deferred tax.

The statement of recognised gains and losses includes actuarial gains and losses in the year in which they occur and the difference between the expected return on assets and that actually achieved. Actuarial gains and losses arise from changes in actuarial assumptions and where experience is not in line with assumptions made at the beginning of the year.

The Company also operates a defined contribution scheme. The pension costs of this scheme are charged to the profit and loss account in the year in which they are incurred.

(m) Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

Current tax liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

In accordance with FRS 19 '*Deferred Tax*', deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of investment properties where there is no commitment to sell the asset.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

(n) Creditors

Creditors are non interest bearing and are stated at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

(p) Share capital

Ordinary shares are classified as equity and are recorded at the par value of proceeds received, net of direct issue costs. Where shares are issued above par value, the proceeds in excess of par value are recorded in the share premium account.

(q) Share-based payments

The Company is in the process of implementing a long term incentive plan ("LTIP"). At the balance sheet date, the terms of this arrangement were not yet sufficiently advanced to represent a "shared understanding". It is likely that under this LTIP, the Company will award equity-settled share-based payments to certain employees. The Company will receive services from these employees as consideration for equity instruments (options) of Ivy Bidco Limited, the group company that will ultimately issue the equity instruments. The fair value of the employee services received in exchange for the grant of the options will be recognised as an expense, with the corresponding entry being a capital contribution to the Company from Ivy Bidco Limited.

Share-based payment accounting for this LTIP will commence once the arrangements have advanced sufficiently to represent a shared understanding between the parties.

(r) Dividend distribution

A dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the shareholders' right to receive payment of the dividend is established by approval of the dividend at the Annual General Meeting. Interim dividends are recognised when paid.

(s) Shared Services Agreement

On 18 August 2008 the Company entered into a Shared Services Agreement ("SSA") under which BAA Airports Limited provided the Company with operational staff and corporate services. The Company operated under the SSA until its sale on 3 December 2009.

Prior to the sale of the Company, all employees of the Company were employed directly by BAA Airports Limited. On 3 December 2009 all employees became directly employed by Gatwick Airport Limited pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").

With effect from 3 December 2009, the Company entered into a Transitional Service Agreement ("TSA") with BAA for the provision of a number of services. These services are charged for in accordance with the TSA and the costs are recognised as incurred.

The following accounting policies, which are now no longer applicable, were in operation while the Company operated under the SSA. These accounting policies are only relevant to the comparative period:

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Shared Services Agreement (continued)

(i) *Operational staff*
BAA Airports Limited charged the Company for the provision of services in relation to staff costs, including wages and salaries, superannuation costs, medical costs and redundancy payments, as well as any other of its associated expenses properly incurred by the employees of BAA Airports Limited in providing the services. These costs included the cost of purchase of any shares in relation to share options granted and any hedging costs related to the employee share options. All of the amounts included in the above mentioned costs were settled in cash except for superannuation costs or costs related to hedging of share options, which are only settled when the cash outflow was requested by BAA Airports Limited.

(ii) *Corporate and centralised services*
BAA Airports Limited also provided centralised airport support including IT applications, general business services, procurement and financial accounting. These services were charged in accordance with the SSA with a mark-up of 7.5% except for IT applications where full costs were recharged to the Company.

(iii) *Pension costs*
Under the Shared Services Agreement the current period service cost for the BAA Airports Limited pension schemes was recharged to the Company. Cash contributions were made directly to the pension trustee of the BAA Airports Limited defined benefit scheme on behalf of BAA Airports Limited. The Company also had a legal obligation to fund any pension deficit related to BAA Airports Limited pension plans under the SSA.

(t) Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits less than one year (other than cash) and investments in money market managed funds.

(u) Debt issue costs and arrangement fees

Issue costs are those that are incurred directly in connection with the issue of a capital instrument, that would not have been incurred had the instrument not been issued. These are accounted for as a deduction from the amount of consideration received and amortised under the effective interest rate method.

Facility and arrangement fees resulting from the negotiation of finance that do not qualify as issue costs are written off to the profit and loss account as incurred. Debt issue costs on refinanced instruments are written off.

(v) Derivative financial instruments

The derivative financial instruments utilised by the Company are interest rate and index-linked swaps, and foreign exchange spot and forward contracts.

The purpose of the interest rate swaps is to hedge the cash interest rate risk that arises on borrowings with variable interest rates. Interest receivable on the swaps matches the benchmark interest rate payable on the borrowings, and interest payable is at a fixed rate. The purpose of the index-linked swaps is to hedge the inflation risk arising on inflation related income, particularly RPI linked aircraft and other traffic charges. Interest receivable on the swaps matches the benchmark interest rate payable on the borrowings, and interest payable on the swaps is based on a fixed real interest rate (excluding inflation) plus a periodic inflation adjustment amount based on the cumulative movement in the RPI inflation index. On each five year anniversary date of the index-linked swaps, a further payment is made based on the cumulative movement in the RPI index applied to the notional principal value of the swaps. The purpose of the foreign exchange contracts is to hedge foreign currency denominated payables.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Derivative financial instruments (continued)

Derivative financial instruments are accounted for in accordance with FRS 4 'Capital Instruments'. The periodic amounts of interest payable and receivable on interest rate and index-linked swaps, and the periodic change in the accrued amount of inflation accretion on the notional principal value of the index-linked swaps, are taken to the profit and loss account; accrued interest payable and receivable is included in current creditors or debtors, and the inflation accretion accrual is included in non-current debt on the balance sheet. Any gain or loss arising on foreign exchange contracts undertaken to hedge commercial transactions is recorded in the profit and loss account in the same period as the settlement of the underlying commercial transaction.

(w) Debt and financial liabilities

Borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently stated at amortised cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

(x) Related party disclosures

The Company's ultimate parent entity in the UK is Ivy Midco Limited, a company registered in England and Wales. The results of the Company are included in the audited consolidated financial statements of Ivy Midco Limited for the year ended 31 March 2011. The results of the Company will be included in the audited consolidated financial statements of Ivy Luxco I S.à.r.l. for the year ended 31 March 2011 (the largest group to consolidate these financial statements for the year).

The Company is exempt under the terms of FRS 8 '*Related Party Disclosures*' from disclosing related party transactions with entities that are wholly-owned subsidiaries of the Ivy Midco Limited group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In applying the Company's accounting policies, management have made estimates and judgements. Actual results may, however, differ from the estimates calculated and management believe that the following are the more significant judgements impacting these financial statements.

Investment properties

Investment properties were valued at fair value at 31 March 2011 by Drivers Jonas Deloitte, Chartered Surveyors. The valuations were prepared in accordance with UK GAAP and the appraisal and valuation manual issued by the Royal Institution of Chartered Surveyors. Valuations were carried out having regard to comparable market evidence. In assessing fair value, current and potential future income (after deduction of non-recoverable outgoings) has been capitalised using yields derived from market evidence.

Pensions

Certain assumptions have been adopted for factors that determine the valuation of the Company's liability for pension obligations at year end and future returns on pension scheme assets and charges to the profit and loss account. The factors have been determined in consultation with the Company's actuary taking into account market and economic conditions. Changes in assumptions can vary from year to year as a result of changing conditions and other determinants which may cause increases or decreases in the valuation of the Company's liability for pension obligations. The objective of setting pension scheme assumptions for future years is to reflect the expected actual outcomes. The impact of the change in assumption on the valuation of the net financial position for pension schemes is reflected in the statement of recognised gains and losses. Further details are available in note 26.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Taxation

Provision for tax contingencies require management to make judgements and estimates in relation to tax issues and exposures. Amounts provided are based on management's interpretation of the specific tax law and the likelihood of settlement. Tax benefits are not recognised unless the tax positions are probable of being sustained. In arriving at this position, management reviews each material tax benefit to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation. All such provisions are included in current tax liabilities.

4. SEGMENTAL ANALYSIS

The Directors consider the business has only one segment. All of the Company's turnover arises in the United Kingdom and is from continuing operations. Additional details of the turnover generated by each of the Company's key activities are given below.

Turnover	**Year ended 31 March 2011 £m**	15 month period ended 31 March 2010 £m
Airport and other traffic charges	**244.3**	288.0
Retail	**115.6**	137.6
Car parking	**51.7**	59.5
Property income	**26.9**	33.0
Operational facilities and utilities income	**22.2**	27.2
Other	**15.6**	19.9
	476.3	565.2

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

5. OPERATING COSTS – ORDINARY

	Year ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Wages and salaries	**102.9**	116.1
Social security costs	**7.3**	8.8
Pension costs	**15.0**	9.7
Other staff related costs	**3.3**	4.4
Staff costs[1]	**128.5**	139.0
Retail expenditure	**1.1**	0.8
Car parking expenditure	**16.2**	17.2
Depreciation	**76.5**	89.4
Maintenance expenditure	**25.6**	33.2
Rent and rates	**22.5**	30.9
Utility costs	**21.6**	30.0
Police costs	**13.3**	16.6
General expenses[2]	**34.8**	49.5
Aerodrome navigation service costs	**16.7**	21.6
Distribution fee	**6.6**	8.2
Other intra-group charges[3]	**-**	32.0
	363.4	468.4
Loss on disposal of tangible fixed assets[4]	**-**	0.3
	363.4	468.7

1 The comparative figure for staff costs includes recharges from BAA Airports Limited for employee services to the Company prior to 3 December 2009 when all employees became directly employed by the Company pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). Refer to the SSA accounting policy in note 2. Post the TUPE transfer, all staff costs have been incurred directly by the Company.

2 General expenses includes £14.4 million (2010: £7.0 million) of charges for services provided by BAA post sale to the Company under a TSA.

3 Other intra-group charges includes all costs in relation to the corporate and centralised services paid to BAA under the SSA. Refer to the SSA accounting policy in note 2. No intra-group charges have been incurred post the sale of the Company on 3 December 2009.

4 Losses on disposal of tangible fixed assets totalled £3.5 million during the year ended 31 March 2011. These have been recognised in "non-operating costs". Refer to note 7.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

5. OPERATING COSTS – ORDINARY (continued)

Operating costs include:	Year ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Training expenditure	**0.7**	1.3
Rentals under operating leases		
- Plant and machinery	**6.7**	8.2
- Other operating leases	**0.8**	0.8
Services provided by the Company's auditor		
- Audit fees	**0.2**	0.1
- Other non-audit services[1]	**0.1**	-

1 Other non-audit services relate to reviews of the Company's Regulatory Accounts, financial covenants and work in relation to the refinancing (see note 19).

Employee information

The average number of full time equivalent ("FTE") employees during the year to 31 March 2011 analysed by function was:

	Year ended 31 March 2011	15 month period ended 31 March 2010
Operational	**2,101**	2,129
Other	**380**	269
	2,481	2,398

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

6. EXCEPTIONAL COSTS

	Year ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Operating items		
Pension cost **(a)**	**2.4**	117.5
Reorganisation costs **(b)**	**2.1**	2.0
Depreciation **(c)**	**3.1**	5.2
Staff related separation costs **(d)**	**0.2**	4.8
Other separation costs **(e)**	**-**	2.1
Impairment of tangible fixed assets **(f)**	**9.2**	-
Operating costs – exceptional	**17.0**	131.6
Interest payable and similar charges		
Provision recognised on financial derivatives **(g)**	**72.7**	41.1[1]
Loss on interest rate swap novation **(h)**	**-**	65.5
Financing fees written off **(i)**	**33.8**	-
Net interest payable and similar charges – exceptional	**106.5**	106.6

1 The 15 month period ended 31 March 2010 has been restated to recognise the £41.1 million provision recognised on financial derivatives as 'net interest payable and similar charges – exceptional' to be consistent with current year's disclosure. In the prior period this item was recognised in 'net interest payable and similar charges – ordinary'. Refer to note 9 for further detail.

(a) During the year ended 31 March 2011 the BAA pension trustees made a bulk transfer of assets and liabilities from the BAA pension scheme to the Company's defined benefit pension plan. Based on actuarial assumptions prescribed in the sale and purchase agreement (governing the sale of the Company), there was a £2.4 million shortfall in the assets transferred on 1 June 2010, and this cost was recognised by the Company. In accordance with the sale and purchase agreement, monies held in escrow for the benefit of BAA were used to fund the shortfall.

The prior 15 month period ended 31 March 2010 includes a cost of £1.3 million for the initial recognition of a new Gatwick Airport Limited defined benefit pension scheme deficit, and the recognition of a £104.7 million pension commutation payment that was required to extinguish all the Company's liabilities under its previous participation in the BAA defined benefit pension scheme, in accordance with the sale and purchase agreement. It also includes an £11.5 million charge for the write-off of a pension asset relating to the Company's previous defined benefit scheme.

(b) Costs associated with the Company's restructuring programme following the change in ownership totalled £2.1 million. Costs in the 15 months ended 31 March 2010 were £3.3 million, offset by a credit of £1.3 million for previously recognised provisions that were no longer required.

(c) Exceptional depreciation of £3.1 million represents an additional charge incurred as a result of shortening the useful life of the assets associated with the South Terminal security project. The charge of £5.2 million in the 15 months ended 31 March 2010 related to shortening the useful life of the Inter Terminal Transit Service ("ITTS") in readiness for its disposal.

(d) Staff costs totalling £0.2 million were incurred in the current year where the cost was considered one-off in nature and will not be ongoing. The Company incurred staff costs totalling £0.2 million (15 months ended 31 March 2010: £4.8 million) to effect the separation from BAA. The majority of these relate to employees required to perform one-off activities in roles that will not continue in the Company.

(e) In addition to staff costs, the Company incurred £2.1 million of other costs associated with the separation of the Company from BAA in the 15 month period ended 31 March 2010. No such costs were incurred in the year ended 31 March 2011.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

6. EXCEPTIONAL COSTS (continued)

(f) During 2011 the Company impaired tangible fixed assets by £9.2 million because it was deemed that certain projects had changed scope significantly, and the costs associated with them should not be carried forward to completion. The charge to the profit and loss account during the year included items relating to South Terminal baggage and Pier 1 works after they were combined into a single project. No such costs were incurred in the 15 months ended 31 March 2010.

(g) The £72.7 million provision recognised on financial derivatives (2010: £41.1 million) represents the present value of expected net cash outflows on interest rate and index linked derivative contracts. Although the contracts are economic hedges, they do not fully satisfy the requirements of UK GAAP in order for hedge accounting to be applied. Due to the materiality and nature of this balance it has been recognised as an exceptional item.

(h) BAA group related interest rate swaps were required to be novated to Heathrow Airport Limited (a subsidiary of the Company's former parent) on the date of sale. The loss associated with the novation was £70.6 million, and was recognised in the 15 months ended 31 March 2010. Also included in the prior period balance was a credit of £5.1 million for the write back of the market valuation of derivatives novated on sale of the Company. No such transactions have occurred in the year ended 31 March 2011.

(i) In the 15 months ended 31 March 2010, arrangement and participation fees of £33.8 million were incurred by Ivy Bidco Limited on behalf of the Company. These fees related to the debt raised, for the Company's benefit, under the Ivy Bidco Limited Group Facilities Agreement ("the Facilities Agreement") (refer note 19) following the sale of the Company. Ivy Bidco Limited was restricted from recharging these fees under the terms of the Facilities Agreement, and the fees were not recharged to the Company during the 15 months ended 31 March 2010. Upon termination of the Facilities Agreement on 2 March 2011, Ivy Bidco Limited recharged these fees to the Company, whereupon these have been written-off upon extinguishment of the facilities.

7. NON-OPERATING COSTS

	Year ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Non-operating item		
Loss on disposal of tangible fixed assets **(a)**	**3.5**	-
	3.5	-

(a) Losses on disposal of tangible fixed assets totalled £3.5 million during the year (15 months ended 31 March 2010: includes £0.3 million recognised in "Operating costs – ordinary"). The loss relates to assets no longer in use at the airport.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

8. DIRECTORS' EMOLUMENTS

	Year ended 31 March 2011 £'000	15 month period ended 31 March 2010 £'000
Directors' emoluments		
Aggregate emoluments	**1,577**	1,127
Aggregate amount of contributions paid in respect of money purchase schemes	**47**	40
Highest paid director's remuneration		
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	**807**	470
Total amount of contributions paid in respect of money purchase schemes	**23**	32

Five directors (2010: six) were not remunerated during the year.

No directors exercised share options during the year (2010: nil).

No directors are members of the Gatwick Airport Limited defined benefit pension plan.

No compensation was received by former directors for loss of office during the year (2010: £0.3 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

9. NET INTEREST PAYABLE AND SIMILAR CHARGES – ORDINARY

	Year ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Interest payable		
Interest on bank borrowings[2]	**33.4**	45.5
Interest on borrowings from other group undertakings[3]	**8.3**	-
Net interest payable on derivative financial instruments[4]	**6.9**	17.4
Net interest payable on derivative financial instruments with other group undertakings[4]	**10.5**	-
Amortisation of debt costs[5]	**0.2**	16.3
Non-utilisation fees on bank facilities	**5.6**	4.9
Interest on borrowings from other BAA group undertakings[6]	**-**	0.1
	64.9	84.2
Interest receivable		
Interest receivable from other BAA group undertakings[6]	**-**	(34.8)
Amortisation of deferred financial instruments valuation[7]	**-**	(0.2)
Net foreign exchange gain	**(0.2)**	(1.8)
Net return on pension scheme	**(3.1)**	(0.7)
Interest receivable on money markets and bank deposits	**(0.1)**	(0.8)
	(3.4)	(38.3)
Less: capitalised borrowings costs[8]	**(13.1)**	(4.7)
Net interest payable	**48.4**	41.2[1]

1 The 15 month period ended 31 March 2010 has been restated to recognise the £41.1 million provision recognised on financial derivatives as 'net interest payable and similar charges – exceptional' to be consistent with current year's disclosure. In the prior period this item was recognised in 'net interest payable and similar charges – ordinary'. Refer to note 6 for further detail.

2 These amounts mainly relate to interest payable on loans drawn under the £970 million Initial Authorised Credit Facilities Agreement that the Company became a borrower of on 2 March 2011, the £1,125 million Facilities Agreement that the Company became a borrower and obligor of on 3 December 2009 (repaid on 2 March 2011) and, previously, on loans totalling £1,050 million drawn in August 2008 under the BAA Designated Group £4.4 billion Refinancing Facility (repaid on 3 December 2009).

3 This amount relates to borrowings under the Borrower Loan Agreement with Gatwick Funding Limited entered into on 15 February 2011, and a Loan Agreement with Ivy Bidco Limited entered into on 3 December 2009 that was amended and restated under a Deed dated 15 February 2011.

4 These amounts relate to interest rate and index-linked derivatives of £32.3 million undertaken by the Company in September 2010 and £594 million undertaken in January and February 2010 and, previously, on interest rate derivatives totalling £650 million novated to the Company in August 2008 whilst the Company was part of the BAA Group. The £650 million derivatives were novated to Heathrow Airport Limited (a subsidiary of the Company's former parent) on the sale of the Company on 3 December 2009. In February 2011 £594 million of interest rate and index-linked derivatives were restructured and novated to Gatwick Funding Limited with a reciprocal back-to-back arrangement. The total nominal value of the restructured index-linked derivatives is £396 million.

5 The amount in the year ended 31 March 2011 relates to the debt costs incurred in relation to the Company's refinancing on 2 March 2011 (refer to note 19). In the 15 month period ended 31 March 2010 these amounts relate to the amortisation of debt costs totalling £23.6 million incurred under the BAA Group Designated Group £4.4 billion Refinancing Facility in August 2008.

6 The amounts in the 15 months ended 31 March 2010 relate to interest accrued on balances due to/(from) companies in the BAA Group.

7 The amount in the 15 months ended 31 March 2010 relates to the amortisation of the market valuation of the £650 million interest rate derivatives novated to the Company in August 2008.

8 Borrowing costs have been capitalised using a rate of 6.6% (2010: 3.7%), which is the weighted average of rates applicable to the Company's overall borrowings outstanding during the year. The capitalised interest amount is calculated by applying the capitalisation rate to the average monthly balance of assets in the course of construction, after deducting the value of construction work undertaken but not paid for, and included in the value of such assets (see note 13).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Note	**Year ended 31 March 2011 £m**	15 month period ended 31 March 2010 £m
Current tax			
Group relief payable		**-**	9.1
Adjustments in respect of prior periods		**(0.4)**	0.2
Total current tax		**(0.4)**	9.3
Deferred tax			
Origination and reversal of timing differences		**(9.0)**	(52.6)
Adjustment in respect of prior periods		**(4.9)**	-
Effect of change in tax rate		**2.1**	-
Total deferred tax	15	**(11.8)**	(52.6)
Tax credit on profit on ordinary activities		**(12.2)**	(43.3)

Reconciliation of tax charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 28% (2010: 28%). The actual tax charge for the current year and prior period differs from the standard rate for the reasons set out in the following reconciliation:

	Year ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Loss on ordinary activities before tax	**(62.5)**	(182.9)
Tax on loss on ordinary activities at 28%	**(17.5)**	(51.2)
Effect of:		
Pension commutation payment	**(6.5)**	29.3
Trading losses carried forward	**22.7**	20.5
Capital allowances for the year in excess of depreciation	**(6.3)**	3.7
Expenses not deductible for tax purposes	**8.6**	6.1
Other short-term timing differences	**(0.2)**	0.9
Adjustments to tax charge in respect of prior periods	**(0.4)**	0.2
Non taxable income	**(0.8)**	(0.2)
Current tax (credit)/charge for the year	**(0.4)**	9.3

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

10. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

During the year, as a result of the change in the UK corporation tax rate from 28% to 26% that was substantially enacted on 29 March 2011 and that will be effective from 1 April 2011, the relevant deferred tax balances have been re-measured.

Further reductions to the UK tax rate have been announced. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 23% by 1 April 2014. The changes had not been substantially enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

Other than this change, and the unprovided deferred tax discussed in note 15, there are no items which would materially affect the future tax charge.

11. DIVIDENDS

On 2 March 2011 the Directors declared and paid an interim dividend of 104.22p per share amounting to £350.5 million (2010: £85.5 million). The Directors did not recommend the payment of a final dividend.

12. ACQUISITION OF SUBSIDIARY UNDERTAKING

The Company acquired 100% of the issued share capital of Gatwick Funding Limited on 10 February 2011 for consideration of £250. Gatwick Funding Limited has share capital of £2.00 comprising two ordinary shares at £1.00 per share.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

13. TANGIBLE ASSETS

	Investment properties £m	Land held for development £m	Terminal complexes £m	Airfields £m	Group occupied properties £m	Plant, equipment & other assets £m	Assets in the course of construction £m	Total £m
Cost or valuation								
1 April 2010	636.4	4.0	1,340.1	204.4	22.9	126.9	210.5	2,545.2
Additions at cost	20.8	-	0.2	-	-	0.1	211.1	232.2
Transfers to completed assets	2.0	-	148.7	36.2	0.3	20.3	(207.5)	-
Interest capitalised	-	-	-	-	-	-	13.1	13.1
Impairment	-	-	-	-	-	-	(9.2)	(9.2)
Disposals	-	-	(8.1)	(0.1)	-	(1.2)	-	(9.4)
Re-classifications	5.9	-	(1.5)	-	(7.3)	(1.9)	-	(4.8)
Revaluation	(1.8)	0.1	-	-	-	-	1.4	(0.3)
31 March 2011	**663.3**	**4.1**	**1,479.4**	**240.5**	**15.9**	**144.2**	**219.4**	**2,766.8**
Depreciation								
1 April 2010	-	-	630.4	83.9	7.1	88.3	-	809.7
Charge for the year	-	-	56.5	7.9	1.0	14.2	-	79.6
Re-classifications	-	-	(0.7)	-	(2.8)	(1.3)	-	(4.8)
Disposals	-	-	(4.0)	(0.1)	-	(1.2))	-	(5.3)
31 March 2011	**-**	**-**	**682.2**	**91.7**	**5.3**	**100.0**	**-**	**879.2**
Net book value								
31 March 2011	**663.3**	**4.1**	**797.2**	**148.8**	**10.6**	**44.2**	**219.4**	**1,887.6**
31 March 2010	636.4	4.0	709.7	120.5	15.8	38.6	210.5	1,735.5

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

13. TANGIBLE ASSETS (continued)

Valuation

Investment properties and land held for development were valued at open market value at 31 March 2011 by Drivers Jonas Deloitte, Chartered Surveyors at £667.4 million (2010: £640.4 million). These valuations were prepared in accordance with the Appraisal and Valuation Manual issued by The Royal Institution of Chartered Surveyors taking account, *inter alia,* of planning constraints and reflecting the demand for airport related uses. As a result of the valuation, a deficit of £0.3 million (2010: £19.6 million deficit) has been transferred to revaluation reserve.

Remaining group occupied properties, terminal complexes, airfield infrastructure, plant and equipment, and other assets, have been shown at historical cost.

Capitalised interest

Included in the cost of assets after depreciation are interest costs of £63.1 million (2010: £53.2 million). £13.1 million (2010: £4.7 million) has been capitalised in the year at a capitalisation rate of 6.6% (2010: 3.7%) based on a weighted average cost of borrowings.

A tax deduction of £13.1 million for capitalised interest was taken in the year (2010: £4.7 million). Subsequent depreciation of the capitalised interest is disallowed for tax purposes. Consequently, the capitalised interest gives rise to a deferred tax liability, which is released each year in line with the depreciation charged on the relevant assets.

Historical cost

The historical cost of investment properties and land held for development at 31 March 2011 was £183.1 million (2010: £153.3 million).

Leased assets

The Company had assets rented to third parties under operating leases as follows:

	31 March 2011 £m	31 March 2010 £m
Cost or valuation	**422.4**	402.3
Accumulated depreciation	**(81.5)**	(76.6)
Net book value	**340.9**	325.7

A significant proportion of freehold property is occupied by third parties under concession and management agreements.

Security

As part of the refinancing agreements outlined in note 19, the Company and its parent, Ivy Holdco Limited, have granted security over their assets and share capital to the Company's secured creditors via a Security Agreement, with Deutsche Trustee Company Limited acting as the Borrower Security Trustee.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

14. STOCKS

	31 March 2011 £m	31 March 2010 £m
Raw materials and consumables	**3.4**	3.3

The replacement cost of raw materials and consumables at 31 March 2011 and 31 March 2010 was not materially different than the amount at which they are included in the accounts.

15. DEBTORS

	31 March 2011 £m	31 March 2010 £m
Due within one year:		
Trade debtors	**39.6**	35.9
Other debtors	**11.5**	8.8
Prepayments	**2.1**	3.2
Accrued interest receivable from other group undertakings	**0.5**	-
	53.7	47.9
Due after more than one year:		
Deferred tax **(a)**	**26.7**	14.2
Total debtors	**80.4**	62.1

(a) Deferred tax asset

Analysis of the deferred tax balances are as follows:

	31 March 2011 £m	31 March 2010 £m
Capital allowances in excess of depreciation	**(32.8)**	(34.2)
Trading losses carried forward	**38.4**	20.5
Pension commutation payment	**21.1**	29.3
Other timing differences	**-**	(1.4)
	26.7	14.2

No provision has been made for deferred tax on gains recognised on revaluing investment properties to their market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Taxable gains will crystallise only if the property were sold without it being possible to claim rollover relief. The total amount of tax unprovided is £115.7 million (2010: £98.9 million). At present, it is not envisaged that this tax will become payable in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

15. DEBTORS (continued)

Deferred tax liability relating to pension surplus:

	31 March 2011 £m	31 March 2010 £m
1 April 2010	**(1.6)**	-
Deferred tax charge in profit and loss account	**(0.7)**	(0.2)
Deferred tax charged to the statement of total recognised gains and losses:		
- on actuarial gains	**(4.4)**	(1.4)
31 March 2011	**(6.7)**	(1.6)

Provisions for deferred taxation have been made in accordance with FRS 19.

16. CASH AND CASH EQUIVALENTS

	31 March 2011 £m	31 March 2010 £m
Cash at bank and in hand	**2.2**	9.8
Debt Service Reserve deposit	**-**	25.0
	2.2	34.8

Cash at bank and in hand represents amounts held on operating bank accounts which generally earn interest at floating rates based on the prevailing bank base rate and are subject to interest rate risk.

The Debt Service Reserve deposit held at 31 March 2010 represents funds previously required to be held on account at Sumitomo Mitsui Corporation Europe Limited in accordance with the Facilities Agreement.

The fair value of cash and cash equivalents approximate their book value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2011 £m	31 March 2010 £m
Trade creditors	**40.2**	43.5
Capital creditors	**52.0**	47.4
Deferred income	**8.2**	6.8
Other tax and social security	**2.2**	3.0
Accrued financing charges	**0.2**	1.1
Accrued interest payable	**1.2**	0.1
Accrued interest payable to other group undertakings	**3.3**	-
Amounts owed to group undertakings – interest free	**4.2**	-
Amounts owed to group undertakings – interest bearing	**-**	0.4
Corporation tax payable	**-**	0.4
Finance lease liabilities	**0.2**	-
Other creditors[1]	**1.8**	107.9
	113.5	210.6

1 Other creditors at 31 March 2010 included a £104.7 million commutation payment, payable to the BAA defined benefit pension scheme trustees to extinguish all the Company's liabilities under the scheme. This was subsequently paid on 1 June 2010, and was funded by a non-current liability from Ivy Bidco Limited.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 2011 £m	31 March 2010 £m
Borrowings (refer to note 19)	**1,186.5**	798.0
Amounts owed to group undertakings – interest bearing[1]	**168.5**	-
Accrued financing charges payable to other group undertakings[2]	**10.6**	-
Deferred income	**0.7**	1.3
Finance lease liabilities	**0.2**	-
	1,366.5	799.3

1 'Amounts owed to group undertakings – interest bearing' represents amounts owing to Ivy Bidco Limited.

2 Accrued financing charges payable to other group undertakings relate to the cumulative inflation accretion on index linked swaps with Gatwick Funding Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

19. BORROWINGS

	31 March 2011 £m	31 March 2010 £m
Non-Current borrowings		
Borrower Loan Agreement		
Fixed rate borrowings from other group undertakings	**591.2**	-
Initial Authorised Credit Facility Agreement		
Term Facility	**590.3**	-
Capex Facility	**-**	-
Revolving Credit Facility	**5.0**	-
Ivy Bidco Group Facilities Agreement		
Term Facility	**-**	700.0
Capex Facility	**-**	70.0
Revolving Credit Facility	**-**	28.0
Total non-current borrowings	**1,186.5**	798.0
Maturity Profile:		
Repayable between 2 and 5 Years	**595.3**	798.0
Repayable in more than 5 Years	**591.2**	-
	1,186.5	798.0

All the above borrowings are secured and carried at amortised cost.

As at 31 March 2011
Ivy Holdco Group Facilities

The Company became a borrower and issuer cash manager under the Ivy Holdco Limited Group Common Terms Agreement dated 15 February 2011 ("CTA"). The CTA together with a Master Definitions Agreement covers inter alia both the Initial Authorised Credit Facility Agreement (the "Initial ACF Agreement") and the Borrower Loan Agreement, which were all entered into on 15 February 2011.

The Initial ACF Agreement, comprises three facilities: a term facility of £620.0 million that was drawn in full on 2 March 2011 by the Company to part-finance the repayment of the existing Facilities Agreement; a capex term facility of £300.0 million; and a revolving credit facility of £50.0 million. All three facilities terminate in December 2014. In accordance with the CTA, a mandatory reduction to the term facility of £20.6 million occurred on 2 March 2011, and the available term facility reduced to £599.4 million.

Also on 2 March 2011, the Company's subsidiary Gatwick Funding Limited issued £600.0 million publicly listed fixed rate bonds comprising £300 million Class A 6.125 per cent. Bonds with scheduled and legal maturities of 2026 and 2028 respectively, and £300 million Class A 6.5 per cent. Bonds with scheduled and legal maturities of 2041 and 2043 respectively (together "the Bonds"). The proceeds of the issue were lent to the Company under the Borrower Loan Agreement, the terms of which are essentially back-to-back with these of the Bonds. The £596.5 million net proceeds of the Bonds and drawings under the term facility of the Initial ACF Agreement were utilised to prepay and terminate the outstanding amounts under the Facilities Agreement. As at 31 March 2011, the £591.2 million comprises the net amount received from Gatwick Funding Limited on 2 March 2011, and is stated less other directly attributable fees and accrued amortisation.

At 31 March 2011, the average interest rate payable on borrowings was 6.8% p.a. (2010: 4.4% p.a.).

At 31 March 2011, the Company had £345.0 million (2010: £327.0 million) undrawn committed borrowing facilities available in respect of which all conditions precedent had been met at that date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

19. BORROWINGS (continued)

As at 31 March 2010
Ivy Bidco Group Facilities Agreement

On 3 December 2009, the Company became a borrower and obligor under the Facilities Agreement dated 20 October 2009 following its acquisition by Ivy Bidco Limited. The Facilities Agreement comprised three facilities: a term facility of £700.0 million that was drawn in full on 3 December 2009 by the Company's parent to part-finance the acquisition of the Company; a capex term facility of £375.0 million; and a revolving credit facility of £50.0 million. The Facilities Agreement was terminated on 2 March 2011 following the refinancing of the Company.

Financial covenants
Under the CTA, the Company is required to comply with certain financial and information covenants. All financial covenants have been tested and complied with as at 31 March 2011 (2010: all covenants tested and complied with).

The following table summarises the Company's financial covenants compliance as at 31 March 2011 under the CTA, and lists the trigger and default levels:

Covenant	31 March 2011	Trigger	Default
Minimum interest cover ratio ("Senior ICR")	**3.45**	< 1.50	< 1.10
Maximum net indebtedness to the total regulatory asset base ("Senior RAR")	**0.61**	0.70	0.85

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

20. PROVISIONS FOR LIABILITIES AND CHARGES

	Note	Reorganisation costs (a) £m	Electricity costs (b) £m	Financial derivatives (c) £m	Total £m
1 April 2010		3.3	1.5	41.1	45.9
Charged to profit and loss account	5/6	2.1	-	72.7	74.8
Utilised in the period		(2.8)	(1.1)	-	(3.9)
31 March 2011		**2.6**	**0.4**	**113.8**	**116.8**

(a) Reorganisation costs
The Company continues to carry out a restructuring programme following the change in ownership. A further £2.1 million was added to the provision in the year ended 31 March 2011.

(b) Electricity costs
The Company signed a contract for the supply of electricity with Gaz de France beginning on 1 April 2009 and ending on 31 March 2013. The contract is for the purchase of a fixed quantity of electricity and the price is fixed for the first three years. The actual consumption of electricity has fallen short of the contracted quantity and the market rate at which this surplus electricity can be sold back is currently below the contracted fixed price. The provision of £0.4 million as at 31 March 2011 represents the onerous portion of the contract for the remainder of the fixed price term of this contract.

(c) Financial derivatives
The Company has entered into financial derivative contracts to hedge its exposure to cash flow interest rate risk on variable rate borrowings and inflation risk arising on inflation related income. Although the contracts are commercial hedges, they do not fully satisfy the requirements of UK GAAP hedge accounting. A provision of £113.8 million, equal to the present value of expected net cash outflows on these contracts at 31 March 2011 (as shown below), has been recognised:

	Nominal Amount £m	Average Term (Yrs)	Average Rate Payable %	Average Rate Receivable %	Provision £m
Interest rate swaps	32.3	3.5	1.66	0.82	-
Variable to index-linked swaps with group undertaking	291.3	22.0	0.83	1.13	78.3
Fixed rate to index-linked swaps with group undertaking	104.8	21.0	2.59	6.25	35.5
Totals	428.4	20.4	1.32	2.36	113.8

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

21. CALLED UP SHARE CAPITAL

	31 March 2011 £m	31 March 2010 £m
Called up, allotted and fully paid		
336,300,002 ordinary shares of £1.00 each	**336.3**	336.3

The Company made a bonus share issue of 487,234,060 ordinary shares at £1.00 per share on 10 February 2011. This was satisfied by way of a capitalisation £487,234,060 of the Company's revaluation reserve. The Company then undertook a capital reduction of £487,234,060 of share capital by means of a special resolution supported by a solvency statement, resulting in the creation of £487,234,060 of distributable reserves.

22. RESERVES

	Note	**Profit and loss reserve £m**	**Revaluation reserve £m**	**Total £m**
1 April 2010		(39.5)	487.2	447.7
Loss for the year		(50.3)	-	(50.3)
Dividends	11	(350.5)	-	(350.5)
Capitalisation of revaluation reserve	19	-	(487.2)	(487.2)
Capital reduction	19	487.2	-	487.2
Actuarial gain on pension scheme	26	17.2	-	17.2
UK deferred tax attributable to actuarial gains	26	(4.4)	-	(4.4)
Revaluation deficit	13	-	(0.3)	(0.3)
31 March 2011		**59.7**	**(0.3)**	**59.4**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

23. ANALYSIS OF CASH FLOWS

	Year ended 31 March 2011 £m	15 month period ended 31 March 2010 £m
Returns on investments and servicing of finance		
Interest received	**3.3**	55.2
Interest paid	**(32.2)**	(182.9)
Net cash outflow	**(28.9)**	(127.7)
Taxation		
UK corporation tax paid	**-**	(0.2)
Group relief	**-**	(24.9)
Net cash outflow	**-**	(25.1)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(219.0)**	(202.2)
Net cash outflow	**(219.0)**	(202.2)
Funding of cash held in Debt Service Reserve deposit		
Decrease/(increase) in cash held in Debt Service Reserve deposit	**25.0**	(25.0)
Net cash inflow/(outflow)	**25.0**	(25.0)
Management of liquid resources		
Decrease in short term deposits	**-**	15.0
Net cash inflow	**-**	15.0
Financing		
External debt (repaid)/drawn under the Ivy Bidco Limited Group facilities agreement	**(798.0)**	798.0
Repayment of loans due from BAA Group undertakings	**-**	484.8
Repayment of interest due from other BAA Group undertakings	**-**	11.6
External debt repaid under BAA Group financing agreements	**-**	(1,050.0)
Movement in unamortised refinancing costs on BAA facilities	**-**	16.3
Debt drawn under the Initial ACF Agreement	**595.1**	-
Increase in related party borrowings	**591.2**	0.4
Net cash inflow	**388.3**	261.1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

24. ANALYSIS AND RECONCILIATION OF NET DEBT

	1 April 2010 £m	Cash flow £m	Non-cash £m	31 March 2011 £m
Cash in hand, at bank	**9.8**	**(7.6)**	**-**	**2.2**
Cash held in Debt Service Reserve deposit	**25.0**	**(25.0)**	**-**	**-**
Debt due after 1 year	**(798.0)**	**(388.3)**	**(0.2)**	**(1,186.5)**
Net debt	**(763.2)**	**(420.9)**	**(0.2)**	**(1,184.3)**

	31 March 2011 £m	31 March 2010 £m
(Decrease)/increase in cash in period	**(7.6)**	9.6
(Increase)/decrease in borrowings	**(388.5)**	235.7
(Decrease)/increase in cash held in Debt Service Reserve deposit	**(25.0)**	25.0
Movement in liquid resources	**-**	(15.0)
Movement in net debt in period	**(421.1)**	255.3
Net debt at 1 April 2010	**(763.2)**	(1,018.5)
Net debt at 31 March 2011	**(1,184.3)**	(763.2)

25. COMMITMENTS

Capital

Contracted commitments for capital expenditure amount to £210.4 million (2010: £52.2 million).

Commitments under operating leases

At 31 March 2011, the Company was committed to making the following payments during the next year in respect of operating leases.

	Land & buildings 31 March 2011 £m	**Other leases 31 March 2011 £m**	Land & buildings 31 December 2010 £m	Other leases 31 December 2010 £m
Leases which expire:				
- within two to five years	-	0.1	-	0.1
- after five years	0.5	7.1	0.3	7.0
	0.5	**7.2**	0.3	7.1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

25. COMMITMENTS (continued)

Other commitments

In June 2006, the UK Government announced its conclusions for 2006-2012 night flights regime at the BAA Group's London airports. The regime committed the Company to introducing a new domestic noise insulation scheme to address the impact of night flights on local communities. Based on the Company's evaluation, payments under this scheme are estimated to total £2.0 million, spread over the five year period commencing 2008.

In addition, there are live blight schemes to support the market for housing in areas identified for a potential future runway at Gatwick. Obligation under these schemes will only crystallise once the Company announces its intention to pursue a planning application for a new runway. The Directors believe this is unlikely in the foreseeable future.

26. PENSION COMMITMENTS

Defined Contribution Plan

The Company operates a defined contribution scheme for all qualifying employees.

The total cost charged to income of £1.2 million (2010: £0.6 million) represents contributions payable to this scheme by the Company at rates specified in the rules of the plans. As at 31 March 2011, no contributions (2010: nil) due in respect of the current reporting period remain unpaid to the scheme.

Defined benefit pension plan

For some employees, the Company operates a funded pension plan providing benefits based on final pensionable pay. Assets of the plan are held in a separate trustee administered fund.

In July 2010, the government announced its intention that future statutory minimum pension indexation would be measured by the Consumer Prices Index ("CPI"), rather than the Retail Prices Index ("RPI"). This has been reflected in the Company's assumptions and a gain of £0.3 million has been recognised as a result, included in actuarial gains on assumptions in the figures below.

The preliminary results of the formal actuarial valuation as at 30 September 2010 were updated to 31 March 2011 by an independent qualified actuary in accordance with FRS 17.

The expected rate of return on assets for the financial year ended 31 March 2011 was 7.0% p.a. (31 March 2010: 7.0% p.a.) This rate is derived by taking the weighted average of the long term expected rate of return on each of the asset classes that the plan was invested in at 31 March 2010, net of expenses.

The estimated amount of total employer contributions expected to be paid to the plan during the year ending 31 March 2012 is £13.3 million (actual for year ended 31 March 2011: £14.6 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

26. PENSION COMMITMENTS (continued)

The following table sets out the key FRS 17 assumptions used for the plan:

	31 March 2011 %	31 March 2010 %
Rate of increase in salaries – to 31 March 2013	**4.0**	3.7
– thereafter	**4.0**	4.7
Rate of increase in pensions in payment (RPI)	**3.5**	3.7
Rate of increase in pensions in payment (5% LPI)	**3.4**	3.6
Discount rate	**5.6**	5.6
Retail Prices Index inflation	**3.5**	3.7
Consumer Prices Index inflation	**2.8**	n/a

The mortality assumptions used were as follows:

	31 March 2011 Years	31 March 2010 Years
Life expectancy of male aged 60 in 2011	**26.4**	25.7
Life expectancy of male aged 60 in 2031	**27.9**	27.7

The sensitivities regarding the principal assumption used to measure the plan liabilities are set out below:

Assumption	**Change in assumption**	**Impact on plan liabilities £m**
Rate of increase in salaries	+ 0.5% pa	+ 9.0
Discount rate	+/- 0.1% pa	+/- 4.2
Life expectancy	+ 1 year	+ 3.5

The amount included in the balance sheet arising from the Company's obligations in respect of its defined benefit plan is as follows:

	31 March 2011 £m	31 March 2010 £m
Present value of plan liabilities	**(185.5)**	(178.1)
Fair value of plan assets	**211.1**	183.8
Surplus	**25.6**	5.7
Related deferred tax liability	**(6.7)**	(1.6)
Net pension asset	**18.9**	4.1

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

26. PENSION COMMITMENTS (continued)

Reconciliation of present value of plan liabilities

	31 March 2011 £m	31 March 2010 £m
Opening present value of plan liabilities	**(178.1)**	(165.9)
Current service cost	**(13.9)**	(4.5)
Past service cost	**(1.1)**	-
Interest cost	**(10.4)**	(3.0)
Contributions from plan members	**(2.5)**	(0.8)
Benefits paid	**1.3**	0.4
Actuarial gain/(loss)	**19.2**	(4.3)
Closing present value of plan liabilities	**(185.5)**	(178.1)

Reconciliation of fair value of plan assets

	31 March 2011 £m	31 March 2010 £m
Opening fair value of plan assets	**183.8**	164.6
Expected return on plan assets	**13.5**	3.7
Actuarial (gain)/loss	**(2.0)**	9.9
Benefits paid	**(1.3)**	(0.4)
Contributions paid by employer	**14.6**	5.2
Contributions paid by members	**2.5**	0.8
Closing fair value of plan assets	**211.1**	183.8

The current allocation of the plan's assets is as follows:

	31 March 2011	31 March 2010
Equity instruments	**40%**	79%
Debt instruments	**20%**	20%
Diversified growth funds	**40%**	-
Other assets	**-**	1%
	100%	100%

Plan assets do not include any of the Company's own financial instruments, or any property occupied by Company.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments and diversified growth funds reflect long-term real rates of return experienced in the respective markets.

The actual return on plan assets over the year was £11.5 million (3 December 2009 to 31 March 2010: £13.6 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2011

26. PENSION COMMITMENTS (continued)

The amounts recognised in operating profit are as follows:

	Year ended 31 March 2011 £m	4 month period ended 31 March 2010 £m
Past service cost	**(1.1)**	-
Employer's part of current service cost	**(13.9)**	(4.5)
Total operating charge	**(15.0)**	(4.5)

The following amounts are included in 'net interest payable and similar charges – ordinary':

	Year ended 31 March 2011 £m	4 month period ended 31 March 2010 £m
Expected return on plan assets	**13.5**	3.7
Interest cost	**(10.4)**	(3.0)
Total credit to 'net interest payable and similar charges – ordinary'	**3.1**	0.7

Actuarial gains and losses

The amount recognised outside the profit and loss account in the statement of total recognised gains and losses for the year ended 31 March 2011 is a gain of £17.2 million (period between 3 December 2009 and 31 March 2010: £5.6 million gain). The cumulative amount recognised outside the profit and loss account to 31 March 2011 is a £22.8 million gain (to 31 March 2010: £5.6 million gain).

Amounts for current year

	31 March 2011 £m	31 March 2010 £m
Present value of plan liabilities	**(185.5)**	(178.1)
Fair value of plan assets	**211.1**	183.8
Surplus	**25.6**	5.7

	Year ended 31 March 2011	4 month period ended 31 March 2010
Experience adjustments on plan liabilities		
Amount of gain (£m)	**3.3**	-
% of plan liabilities	**1.8%**	-
Experience adjustments on plan assets		
Amount of (loss)/gain (£m)	**(2.0)**	9.9
% of plan assets	**(0.9%)**	5.4%

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

27. CLAIMS AND CONTINGENT LIABILITIES

As part of the refinancing agreements outlined in note 19, the Company and its parent, Ivy Holdco Limited, have granted security over their assets and share capital to the Company's secured creditors via a Security Agreement, with Deutsche Trustee Company Limited acting as the Borrower Security Trustee.

Other than the above, the Company has no contingent liabilities, comprising letters of credit, performance/surety bonds, performance guarantees and no other items arising in the normal course of business at 31 March 2011 (31 March 2010: nil).

The Company commenced proceedings on 6 February 2009 against Ryanair for recovery of check-in and baggage charges withheld since 2004, which as at 31 March 2011 totalled £2.6 million (2010: £1.8 million). Ryanair has defended the claim on the basis that the charges are excessive and discriminatory and also in breach of competition laws and had also complained to the CAA that Gatwick was in breach of the Transparency Condition (imposed by the CAA in relation to specified activities) and also in breach of the Groundhandling Regulations.

The CAA published its decision in relation to this complaint on 31 May 2011. While the decision does not find that the Company's per passenger charge for check-in and baggage is discriminatory, it does find that the Company did not use objective criteria in setting its internet check-in charge as Ryanair's percentage of passengers travelling without hold baggage increased. The CAA also found that the Company was not sufficiently transparent in revealing how the charges were calculated.

The Company has been directed by the CAA to carry out a consultation by April 2012 to revise its pricing structure for check-in and baggage and in doing so to ensure that a proper cost reflective charge is made for passengers checking-in online who do not use the baggage system. At the same time, the Company is also required to provide users with a precise and comprehensible description of the method of calculating the charge.

The litigation in relation to the check-in and baggage charges remains on hold. The CAA decision does not mean that Ryanair is not liable for any of the check-in and baggage charges that have been withheld since 2004, and the Company will continue to seek resolution of that issue.

28. SUBSEQUENT EVENTS

There have been no material events or circumstances that have occurred after the balance sheet date, but prior to the signing of the financial statements, that require disclosure or adjustment to balances and transactions that existed at the balance sheet date.

29. ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY

The Group's ultimate parent is Ivy Guernsey Holdings, L.P., a limited partnership registered in Guernsey.

The Group's ultimate parent in the UK is Ivy Midco Limited, which is the largest parent undertaking in the UK to consolidate these financial statements. The consortium that ultimately own the Company and Ivy Midco are Global Infrastructure Partners (41.95%), the Abu Dhabi Investment Authority (15.90%), the California Public Employees' Retirement System (12.78%), National Pension Service (12.14%), and Future Fund Board of Guardians (17.23%). The Company's results are also included in the audited consolidated financial statements of Ivy Luxco I S.à.r.l. for the year ended 31 March 2011, the largest group to consolidate these financial statements.

Copies of the financial statements of Ivy Midco Limited and Ivy Luxco I S.à.r.l. may be obtained by writing to the Company Secretary at 5th Floor Destinations Place, Gatwick Airport, Gatwick, West Sussex, RH6 0NP.