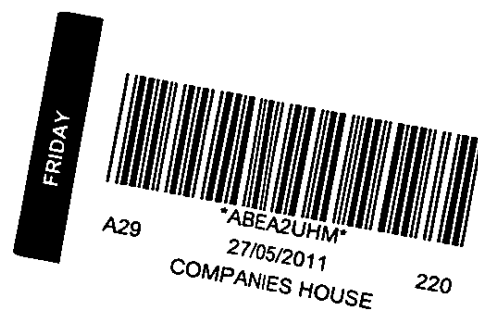


**TBI Limited**

**(Registered number 01064763)**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**



---

# **TBI LIMITED**

## **ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>Contents</b>	<b>Page</b>
Officers and registered office	1
Directors' report for the year ended 31 December 2010	2 – 4
Independent auditors' report to the members of TBI Limited	5
Profit and loss account for the year ended 31 December 2010	6
Statement of recognised gains and losses for the year ended 31 December 2010	7
Balance sheet as at 31 December 2010	8
Notes to the financial statements for the year ended 31 December 2010	9 – 21

---

# **TBI LIMITED**

## **OFFICERS AND REGISTERED OFFICE**

### **DIRECTORS**

CF Del Rio Carcano  
D Ullastres  
F Reynés  
M McDonagh  
A Alonso Farto  
D Diaz Almazan  
M Casas Caba  
M Alvarez Amador  
R Marabini Ruiz  
C Aldamiz-Echevarria  
R Stillwell

### **COMPANY SECRETARY**

MA Gatehouse

### **REGISTERED OFFICE**

TBI House  
72-104 Frank Lester Way  
London Luton Airport  
Luton  
Bedfordshire  
LU2 9NQ

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Kingsway  
Cardiff  
CF10 3PW

### **BANKERS**

Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

## **TBI LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their annual report and the audited financial statements of TBI Limited (the "Company") for the year ended 31 December 2010

TBI Plc re-registered under the Companies Act 2006 on 12 May 2009 and is now incorporated as TBI Limited, a private company

#### **PRINCIPAL ACTIVITIES**

TBI Limited is the holding company of an international group of trading companies whose principal activities are the ownership and management of airport facilities

The ultimate parent undertaking and controlling party is Abertis Infraestructuras SA, a company registered in Spain. The directors have chosen to take the exemption from preparing consolidated accounts for the year ended 31 December 2010

#### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The Company is wholly owned by Airport Concessions and Development Limited, an intermediate parent company. The Company's overall strategy is the long term investment in its trading subsidiaries. The future development of the Company will continue to be directly related to that of its ultimate parent company Abertis Infraestructuras, SA, a company registered in Spain.

#### **BUSINESS REVIEW**

The Company is a holding company. It holds underlying investments in a number of UK airports including London Luton, Cardiff International and Belfast International and in overseas airports such as Orlando Sanford Domestic and International. The Company derives its principal income from dividends and interest. The Company's turnover represents the operation of a catering contract based at the UK airports.

#### **GROUP REORGANISATION – EXCEPTIONAL ITEMS**

The TBI Group has undertaken a restructuring exercise in the year ending 31 December 2010 resulting in the transfer of various investments and intercompany balances into the Company by means of dividends in specie with the consequent impairment provision against investments in the transferring companies. This restructuring was undertaken in order to rationalise the Group structure and reduce the number of holding companies. A full list of the transactions and their effect on the Company's financial statements is given in Note 12. These transactions are both neutral from a taxation point of view and also have no accounting repercussion when the Company is consolidated with its parent Group.

#### **KEY PERFORMANCE INDICATORS ('KPIs')**

The performance indicator used by management to assess performance is Net Profit, and the net profit for the year is shown below.

#### **RESULTS AND DIVIDENDS**

The Company's net profit for the financial year is £46,997,000 (2009 profit of £1,889,000). As part of the above restructuring exercise the Directors paid an interim dividend of 3.2465p (2009 £nil) per share to Airport Concessions and Development Limited (ACDL), the Company's sole member, amounting to £19,232,828 which was satisfied by the set off of the same amount owing by ACDL to the Company outstanding as an intercompany loan (2009 £nil).

## **TBI LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)**

#### **DIRECTORS**

The directors who served during the year and up to the date of the signing of the financial statements are given below (unless otherwise stated)

##### **Executive directors**

CF Del Rio Carcaño  
D Ullastres  
A Alonso Farto  
D Diaz Almazan  
M Casas Caba  
M Álvarez Amador  
R Marabini Ruiz  
C Aldamiz-Echevarria

F Reynes (Appointed 11 February 2010)

L Rullan Colom (Resigned 11 February 2010)

M A Gatehouse (Appointed as Alternate Director on 10 November 2010 Resigned 15 February 2011)

AJ Woodward (Appointed as Alternate Director on 10 November 2010 Resigned 15 February 2011)

##### **Non-executive directors**

M McDonagh  
R Stillwell

#### **FINANCIAL RISK MANAGEMENT**

The Company's operations expose it to a variety of financial risks that include the effects of liquidity risk, interest rate risk and cash flow risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Given the size of the Company and being part of a larger group with group wide policies and risk management procedures, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

##### *Liquidity risk*

The Company utilises appropriately termed debt finance that is designed to ensure the group as a whole has sufficient funds for operations.

##### *Interest rate and cash flow risk*

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise cash balances and loans to a subsidiary company, which earn interest at floating rates. The group has a policy of maintaining debt at fixed and floating rates to manage certainty of future interest cash flows. The directors will revisit the appropriateness of this arrangement should the Company's operations change in size or nature.

## **TBI LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)**

#### **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 a 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.

#### **STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Relevant information is defined as "information needed by the Company's auditors in connection with preparing their report".

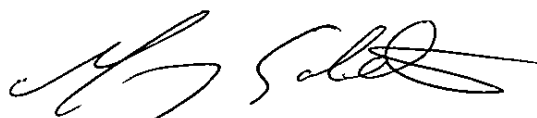
Each director has taken reasonable steps that he/she ought to have taken in his/her duty as a director in order to make him or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Steps that a director ought to have taken would include making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence.

#### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditors to the Company will be proposed at the annual general meeting.

By order of the board



MA Gatehouse  
Company Secretary  
12<sup>th</sup> May 2011

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TBI LIMITED**

We have audited the financial statements of TBI Limited for the year ended 31 December 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet 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 statement of the directors' responsibilities set out on page 4, 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.

### **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 December 2010 and of its profit 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.



Jason Clarke (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff

23 May 2011

**TBI LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £'000	2009 £'000
<b>TURNOVER</b>		<b>260</b>	<b>316</b>
<b>GROSS PROFIT</b>		<b>260</b>	<b>316</b>
Administrative expenses			
Normal	5	(3,686)	(4,709)
Exceptional items - Amounts written off investments	4	(468,821)	(7,441)
Total administrative expenses		(472,507)	(12,150)
<b>OPERATING LOSS</b>		<b>(472,247)</b>	<b>(11,834)</b>
Income from shares in group undertakings	8	514,972	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>		<b>42,725</b>	<b>(11,834)</b>
Interest receivable and similar income	2	12,511	25,338
Interest payable and similar charges	3	(7,999)	(7,840)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>47,237</b>	<b>5,664</b>
Tax on profit on ordinary activities	7	(240)	(3,775)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>19</b>	<b>46,997</b>	<b>1,889</b>

All activities shown above are wholly derived from continuing operations

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents



**TBI LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR  
ENDED 31 DECEMBER 2010**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	<b>46,997</b>	1,889
Unrealised deficit on revaluation of investment properties	-	(100)
<b>Total gains recognised relating to the year</b>	<b>46,997</b>	1,789

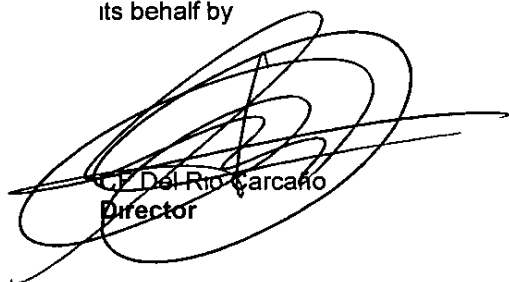
**TBI LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2010**

	Note	2010 £'000	2009 £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	2,497	2,893
Investment properties	11	1,400	1,400
Investments	12	312,354	198,618
		<b>316,251</b>	<b>202,911</b>
<b>CURRENT ASSETS</b>			
Debtors	13	280,139	489,388
Cash at bank and in hand	14	21,751	33,564
		<b>301,890</b>	<b>522,952</b>
<b>CREDITORS – amounts falling due within one year</b>	15	<b>(163,763)</b>	<b>(279,941)</b>
<b>NET CURRENT ASSETS</b>		<b>138,127</b>	<b>243,011</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>454,378</b>	<b>445,922</b>
<b>CREDITORS – amounts falling due after more than one year</b>	15	<b>(80,476)</b>	<b>(99,431)</b>
<b>PROVISIONS FOR LIABILITIES</b>	17	<b>(1,430)</b>	<b>(1,783)</b>
<b>NET ASSETS</b>		<b>372,472</b>	<b>344,708</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	59,243	59,243
Share premium account	19	189,320	189,320
Capital reserve	19	25,827	25,827
Revaluation reserve	19	350	350
Profit and loss account	19	97,732	69,968
<b>TOTAL SHAREHOLDERS FUNDS</b>	20	<b>372,472</b>	<b>344,708</b>

**Registered number: 01064763**

The financial statements on pages 6 to 21 were approved by the board on 12<sup>th</sup> May 2011 and signed on its behalf by



C.F. Del Rio Carcano  
Director

## **TBI LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

#### **1. Accounting policies**

The Company's principal accounting policies, which are set out below, have been applied consistently

##### **Basis of accounting**

The financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of properties held for investment, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Compliance with SSAP 19, "Accounting for investment properties" requires departure from the requirements of the Companies Act 2006 relating to depreciation and explanation of the departure is given in the accounting policy for investment properties below

The Company directors have taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements on the basis that its ultimate parent company, Abertis Infraestructuras SA, registered in the European Union prepares consolidated accounts which are publicly available

##### **Turnover**

Turnover represents contractual income relating to the performance of the catering contractor based at the UK airport subsidiaries

##### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The tangible fixed assets of the Company, excluding land, are depreciated on a straight line basis calculated to write down their cost to estimated residual values over their estimated useful economic lives as follows

Freehold properties	50 years
Motor vehicles	3 years
Fixtures and fittings	3 years

##### **Investment properties**

In accordance with SSAP19 "Accounting for investment properties" these are re-valued annually by independent property consultants and the aggregate surplus or deficit is transferred to a revaluation reserve. No provision is made for depreciation of investment properties. This departure from the requirements of the Companies Act 2006, which requires all the properties to be depreciated, is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable Accounting Standards. The depreciation (which would, had the provisions of the Act been followed, have reduced profit for the year) is only one of the factors reflected in the annual valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified

Profits and losses on disposal of investment properties are included in the profit and loss account as part of the ordinary activities of the Company and are calculated as the difference between the net sales proceeds and book value at the date of disposal

##### **Leased assets**

Rentals on leases accounted for as "operating leases" are charged to the profit and loss account on a straight line basis over the life of the lease

## TBI LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

#### 1 Accounting policies (continued)

##### Investments in subsidiaries

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

##### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

##### Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

##### Pension costs

The Company operates a defined contribution pension scheme the assets of which are held separately from those of the Company in an independently administered fund.

The pension costs in respect of the defined contribution pension schemes comprise contributions payable in respect of the year and are charged to the profit and loss account.

##### Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

#### 2 Interest receivable and similar income

	2010 £'000	2009 £'000
Short term deposits	50	77
Interest receivable on loans to group undertakings	12,461	14,151
Foreign exchange translation differences	-	10,914
Other interest receivable	-	196
<b>Total interest receivable and similar income</b>	<b>12,511</b>	<b>25,338</b>

# TBI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

### 3 Interest payable and similar charges

	2010 £'000	2009 £'000
Interest payable on bank and similar loans	(985)	(1,281)
Interest payable on loans from group undertakings	(3,397)	(6,555)
Bank charges	(8)	(4)
Foreign exchange translation differences	(3,609)	-
<b>Total interest payable and similar charges</b>	<b>(7,999)</b>	<b>(7,840)</b>

### 4 Exceptional items

	2010 £'000	2009 £'000
<b>Exceptional items - amounts written off investments</b>		
Impairment charges	468,821	7,441

During the year ending 31 December 2010, as part of a group restructuring exercise, a provision for impairment has been made against the company's investment in the following subsidiaries

- TBI Finance Limited, amounting to £85,137,190 (2009 £Nil)
- TBI International Airports Limited, amounting to £316,150,112 (2009 £Nil)
- AGIH LLC, amounting to £67,534,000 (2009 £7,441,000)

See note 12 for further details on the group restructuring exercise

### 5. Operating loss

Operating profit is stated after charging/(crediting)

	2010 £'000	2009 £'000
Depreciation of tangible fixed assets – owned assets	984	572
Profit on disposal of fixed assets	1	12
Release of deferred income	(135)	(145)
Operating lease rentals in respect of land and buildings	481	438
Operating lease rentals in respect of plant and machinery	23	77
Income from management recharges to group undertakings	(1,590)	(1,912)
<b>Services provided by the company's auditor</b>		
Fees payable for the audit	20	16
Fees payable for other services – tax compliance	33	32

## TBI LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

#### 6. Employee information

The average monthly number of persons (including directors) employed by the company during the year was

	2010 Number	2009 Number
<b>By activity.</b>		
Airports	12	10
Head office	9	11
Directors with service contracts	2	2
	<b>23</b>	<b>23</b>

The staff costs during the year were as follows

	2010 £'000	2009 £'000
Wages and salaries	1,818	2,093
Social security costs	216	264
Pension costs	157	182
	<b>2,191</b>	<b>2,539</b>

The total charge relating to the Company's defined contribution scheme in the year was £157,000 (2009 £182,000) At the year end there were contributions of £nil (2009 nil) outstanding

<b>Directors' emoluments</b>	2010 £'000	2009 £'000
Aggregate emoluments	70	70

During the year, no directors (2009 nil) participated in a defined contribution pension scheme

The above details of directors' emoluments do not include the emoluments of the Chief Executive Officer which are paid by a fellow group company and recharged to the Company as part of a management charge. This management charge, which is in turn recharged on to various operating companies in the Group, amounted to £2.6m in 2010 (2009 £2.5m) also includes a recharge of other group management personnel and administration costs borne by the fellow group company on behalf of the Company and it is not possible to identify separately the amount of the Chief Executive Officer's emoluments.

# TBI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

### 7. Tax on profit on ordinary activities

#### (a) Analysis of charge in the year

	2010 £'000	2009 £'000
<b>Current tax</b>		
UK corporation tax on profits for the year	332	3,695
Amounts in respect of prior periods	27	-
<b>Total current tax (Note 7 (b))</b>	<b>359</b>	<b>3,695</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(119)	80
<b>Total deferred tax</b>	<b>(119)</b>	<b>80</b>
<b>Tax on profit on ordinary activities</b>	<b>240</b>	<b>3,775</b>

#### (b) Factors affecting the current tax charge for the year

The current tax assessed for the year is lower (2009 higher) than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	2010 £'000	2009 £'000
<b>Profit on ordinary activities before tax</b>	<b>47,237</b>	<b>5,664</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	13,226	1,586
Effects of temporary differences between taxable and accounting profit		
Accelerated capital allowances	115	(87)
Amounts in respect of prior periods	27	-
Permanent differences	(12,869)	2,196
Group relief receivable for no payment	(140)	-
<b>Current tax charge for year (Note 7(a))</b>	<b>359</b>	<b>3,695</b>

### 8 Income from shares in group undertakings

TBI Limited has received a dividend in specie of £72,316,000 (2009 £Nil) from AGIH LLC. The dividend in specie reflects the distribution of certain intercompany receivable balances to TBI Limited by AGIH LLC (see note 12).

TBI Limited has received a dividend in specie of £130,319,042 (2009 £Nil) from TBI Finance Limited. The dividend in specie reflects the distribution of the equity investment in TBI Financial Investments Limited and the distribution of certain intercompany receivable balances to TBI Limited by TBI Finance Limited (see note 12).

TBI Limited has received a dividend in specie of £312,337,451 (2009 £Nil) from TBI International Airports Limited. The dividend in specie reflects the distribution of the equity investment in TBI Airport Holdings Limited and the equity investment in TBI US Holdings Limited to TBI Limited by TBI International Airports Limited (see note 12).

# TBI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

### 9. Dividends paid

	2010 £'000	2009 £'000
<b>Equity – ordinary</b>		
Interim dividend paid 3 2465p (2009 £Nil) per £0 10 share	19,233	-
	19,233	-

### 10. Tangible assets

	Freehold property £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 January 2010	1,083	138	4,010	5,231
Additions	-	-	593	593
Disposals	-	(47)	-	(47)
<b>At 31 December 2010</b>	<b>1,083</b>	<b>91</b>	<b>4,603</b>	<b>5,777</b>
<b>Accumulated depreciation</b>				
At 1 January 2010	77	36	2,225	2,338
Charge for the year	22	33	929	984
Disposals	-	(42)	-	(42)
<b>At 31 December 2010</b>	<b>99</b>	<b>27</b>	<b>3,154</b>	<b>3,280</b>
<b>Net book value</b>				
<b>At 31 December 2010</b>	<b>984</b>	<b>64</b>	<b>1,449</b>	<b>2,497</b>
At 31 December 2009	1,006	102	1,785	2,893

### 11. Investment properties

#### Valuation and Net Book Values

	Land and buildings £'000
At 1 January 2010	1,400
Movement on valuation	-
<b>At 31 December 2010</b>	<b>1,400</b>

All investment properties were valued on the basis of open market value, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, at 31 December 2010 by CB Richard Ellis Limited, Chartered Surveyors, at a total value of £1 4m (2009 £1 4m) The historical cost of these properties was £1 05m (2009 £1 05m)

The investment properties shown above for the Company are of a freehold nature



# TBI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

### 12 Investments

	Shares in subsidiary undertakings	
	2010 £'000	2009 £'000
Cost	198,618	216,844
Additions in the year	588,070	-
Amounts written off investments	(5,513)	-
Provision for impairment	(468,821)	(18,226)
Net Book Value	312,354	198,618

The principal subsidiary undertakings, none of which are directly held by the Company, are listed below

Company	Principal activity	Country of incorporation and principal country of operation
Belfast International Airport Limited	Airport ownership and operation	United Kingdom
Cardiff International Airport Limited	Airport ownership and operation	United Kingdom
London Luton Airport Operations Limited	Airport ownership and operation	United Kingdom
Orlando Sanford International, Inc	Airport ownership and operation	United States of America
Orlando Sanford Domestic, Inc	Airport ownership and operation	United States of America
Stockholm Skavsta Flygplats AB	Airport ownership and operation	Sweden
Servicios de Aeropuertos Bolivianos SA	Airport ownership and operation	Bolivia
TBI Airport Management, Inc	Airport management	United States of America

All are wholly owned with the exception of

- Stockholm Skavsta Flygplats AB where the Company indirectly owns 90.1% of the issued share capital

As permitted by Section 410 of the Companies Act 2006 a complete listing of all the subsidiary undertakings has not been provided on the grounds that the information would be of an unduly excessive length. A complete list of subsidiary undertakings will, however, be filed with the Annual Return.

Airport ownership and operation, shown above, relates to airports which are either owned or operated under long term agreements.

## TBI LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

#### 12. Investments (continued)

##### Group restructuring

The TBI Group has undertaken a restructuring exercise in the year ending 31 December 2010, and, as a result, a number of significant transactions have been undertaken as follows

- On 11 February 2010 Airport Group International Holdings LLC declared a dividend of £72,316,000 to TBI Limited. The consideration for this transaction was satisfied by the settlement of an inter-company debt of an equal amount owed to Airport Group International Holdings LLC by TBI Limited. The dividend is recognised in the profit and loss account as 'income from shares in group undertakings'.
- On 31 March 2010, TBI Limited acquired one ordinary share of £1.00 in TBI International Airports Limited, a wholly owned subsidiary, at a price of £10,079,000 made up of £1.00 of share capital and £10,078,999 of share premium. The consideration for this transaction was satisfied by the transfer to TBI International Airports Limited of a debt of US\$15,180,000 due to TBI Limited by Orlando Sanford International, Inc.
- The carrying value of TBI Limited's investment in Airport Group International Holdings LLC is impaired following the dividend by Airport Group International Holdings LLC. TBI Limited has written down the value of its investment in Airport Group International Holdings LLC to its recoverable amount recognising an impairment charge of £67,534,000 as an 'exceptional item – amounts written off investments' within operating loss in the profit and loss account.
- On 13 December 2010 TBI Finance Limited, a wholly owned subsidiary of the Company undertook a capital reduction and, as a result TBI Limited has written-off £5,531,000 of its cost of investment in TBI Finance Limited following the elimination of the unpaid share capital liability of the same amount due to TBI Finance Limited.
- On 13 December 2010 TBI Finance Limited declared a dividend in specie of £130,319,042 and distributed its inter-company receivables and its equity investment in TBI Financial Investments Limited to TBI Limited. The dividend in specie is recognised in the profit and loss account as 'income from shares in group undertakings'.
- The carrying value of TBI Limited's investment in TBI Finance Limited is impaired following the dividend in specie by TBI Finance Limited. TBI Limited has written down the value of its investment in TBI Finance Limited to its recoverable amount recognising an impairment charge of £85,137,190 as an 'exceptional item – amounts written off investments' within operating loss in the profit and loss account.
- On 14 December 2010 TBI Limited acquired one ordinary share of £1.00 in TBI International Airports Limited, a wholly owned subsidiary, at a price of £265,636,608 made up of £1.00 of share capital and £265,636,607 of share premium. The consideration for this transaction was satisfied by the transfer to TBI International Airports Limited of a debt of £96,276 due to TBI Limited by LLAG Investors Limited, a debt of £107,575 due to TBI Limited by TBI US Operations Inc, a debt of £265,577,107 due to TBI Limited by TBI Airport Holdings Limited and the settlement of the existing debt owed by TBI Limited to TBI International Airports of £144,350.
- On 20 December 2010 TBI International Airports Limited declared a dividend in specie of £312,337,451 and distributed its equity investment in TBI Airport Holdings Limited of £275,907,947 and its equity investment in TBI US Holdings Limited of £36,429,504 to TBI Limited. The dividend in specie is recognised in the profit and loss account as 'income from shares in group undertakings'.
- The carrying value of TBI Limited's investment in TBI International Airports Limited is impaired following the dividend in specie by TBI International Airports Limited. TBI Limited has written down the value of its investment in TBI International Airports Limited to its recoverable amount recognising an impairment charge of £316,150,112 as an 'exceptional item – amounts written off investments' within operating loss in the profit and loss account.

In 2009, a provision for impairment of £7,441,000 was made against the Company's direct investment in Airport Group International Holdings LLC. A further provision for impairment of £67,534,000, as noted above, has been made in 2010 to fully write down the value of the investment in Airport Group International Holdings LLC to nil, representing the difference between the expected recoverable value of the investment and the net book value amount.

## TBI LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

#### 12. Investments (continued)

The directors believe that the carrying value of the remaining investments is supported by their underlying assets, and the expected future cash flows that will be received

#### 13. Debtors

##### Amounts due within one year

	2010 £'000	2009 £'000
Trade debtors	131	159
Amounts owed by group undertakings	279,011	488,272
Other debtors	815	774
Prepayments and accrued income	152	183
Deferred tax asset	30	-
	<b>280,139</b>	<b>489,388</b>

Non-trading balances owed by Group undertakings accrue interest at the "borrower's weighted average borrowing cost" defined as the weighted average of the interest rates charged on TBI Limited's actual borrowings with Barclays Bank plc and Abertis Infraestructuras BV, which are denominated in the same currency as the Advance, and calculated at the end of each Quarter

Of the above amounts owed by group undertakings £81m owed by TBI Airport Holdings Ltd (2009 £78m) is due after more than one year

#### 14 Cash at bank and in hand

	2010 £'000	2009 £'000
Cash	2,206	3,916
Other bank deposits	19,545	29,648
	<b>21,751</b>	<b>33,564</b>

#### 15 Creditors

##### Amounts falling due within one year:

	2010 £'000	2009 £'000
Bank loans	44,445	40,021
Trade creditors	130	77
Amounts owed to group undertakings	109,148	228,901
Amounts owed to parent undertakings	3,079	565
Corporation tax	5,621	8,749
Other tax and social security	168	168
Other creditors	795	804
Accruals and deferred income	377	656
	<b>163,763</b>	<b>279,941</b>

# TBI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

### 15 Creditors (continued)

Amounts falling due after more than one year	2010 £'000	2009 £'000
Amount due to group undertakings	79,983	98,740
Accruals and deferred income	493	691
	<b>80,476</b>	<b>99,431</b>

Bank, inter-company loans and other loans falling due after more than one year are repayable as follows

	2010 £'000	2009 £'000
Between one and two years	50,000	70,000
Between two and five years	29,983	28,740
	<b>79,983</b>	<b>98,740</b>

The company has a revolving bank loan facility totalling £50m (2009 £50m) on which interest is charged at LIBOR plus 125 basis points

Of the amounts due to group undertakings, £50m matures on 18 December 2012 £29.9m (2009 £28.7m) is a US dollar loan due on the 22 December 2014. Interest is charged at LIBOR plus between 168 and 184 basis points

Bank and inter-company loans are unsecured

### 16 Debt maturity

The maturity profile of the Company's debt as at 31 December is as follows

	2010 £'000	2009 £'000
In one year or less, or on demand	47,524	40,021
In more than one year but not more than two years	50,000	70,000
In more than two years but not more than five years	29,983	28,740
	<b>127,507</b>	<b>138,761</b>

At 31 December 2010 £44m (2009 £40.0m) has been drawn from a £50m revolving multicurrency credit facility. Interest is charged at cost of sterling deposits plus a 1.25% bank margin and the mandatory cost. Each advance shall be repaid on the maturity date of the interest period selected but the facility is revolving.

### Financial instruments

#### Derivatives

The notional principal amounts of foreign exchange derivatives at 31 December 2010 were £1.6m (2009 £2.2m)

Instrument	Currency	Principal (£'m)	Maturity date
Foreign currency swap	GBP / EUR	1.6 / 2.6 (2009 2.2 / 3.6)	11 January 2013

The GBP / EUR foreign currency swap shown above was entered into as a hedge against movements in GBP / EUR exchange rates in respect of long term borrowings for a subsidiary company.

The fair value of the swap is £0.6m (2009 £1.0m)

# TBI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

### 17 Provisions for liabilities

	Other provisions 2010 £'000	Other provisions 2009 £'000	Deferred tax 2010 £'000	Deferred tax 2009 £'000
At 1 January	1,694	1,833	89	9
(Credit)/charge to the profit and loss account	(264)	(139)	(119)	80
<b>At 31 December</b>	<b>1,430</b>	<b>1,694</b>	<b>(30)</b>	<b>89</b>

Other provisions relate to onerous lease provisions on property held by the Company, which are expected to be utilised over the next 4 years

Deferred tax (asset)/liability recognised is made up as follows:

	2010 £'000	2009 £'000
Accelerated capital allowances	(30)	90
Other timing differences	-	(1)
	<b>(30)</b>	<b>89</b>

### 18 Called up share capital

	2010 £'000	2009 £'000
<b>Authorised</b>		
740,000,000 ordinary shares of 10p each	74,000	74,000
<b>Allotted and fully paid:</b>		
592,428,421 ordinary shares of 10p each	59,243	59,243

### 19 Reserves

	Share premium account £'000	Capital reserve £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2010	189,320	25,827	350	69,968
Profit for the financial year	-	-	-	46,997
Dividends	-	-	-	(19,233)
<b>At 31 December 2010</b>	<b>189,320</b>	<b>25,827</b>	<b>350</b>	<b>97,732</b>

### 20 Reconciliation of movement in shareholders' funds

	2010 £'000	2009 £'000
Profit for the financial year	46,997	1,889
Dividends	(19,233)	-
<b>Profit for the financial year and net increase in shareholders' funds</b>	<b>27,764</b>	<b>1,889</b>
Revaluation in year	-	(100)
Opening shareholders' funds	344,708	342,919
<b>Closing shareholders' funds</b>	<b>372,472</b>	<b>344,708</b>

## TBI LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

#### 21. Contingent liabilities

The Company had the following contingent liabilities as at 31 December 2010

- The Company has issued a letter of credit in relation to the sale of 10% of the issued share capital of a company in Costa Rica, amounting to US\$0.2m (2009 US\$0.2m) and in relation to a management contract with the Raleigh Durham Airport Authority, USA amounting to US\$1.1m (2009 US\$0.96m)
- The Company has entered into a guarantee in favour of the trustees of London Luton Airport Pension Scheme to guarantee the obligations of London Luton Airport Operations Limited relating to payments to be made in respect of meeting the funding liability of London Luton Airport Pension Scheme. Full details of the scheme are included within the financial statements of London Luton Airport Operations Limited which are available from Companies House

#### 22 Commitments

##### Operating lease commitments

At the balance sheet date, the Company had the following annual commitments, under non-cancellable operating leases

	2010 £'000	2009 £'000
<b>Land and buildings</b>		
Expiring during two and five years	546	384
<b>Other assets</b>		
Expiring within one year	8	14
Expiring between two and five years	20	8
	28	22

#### 23 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Airport Concessions and Development Limited, a company incorporated in England and Wales. This is the smallest Group into which the company is consolidated.

The ultimate parent company and controlling party is Abertis Infraestructuras SA. This is the largest group into which the Company is consolidated. This company is registered in Spain and copies of these financial statements can be obtained from Av. del Parc Logístic, 12-20 - 08040 Barcelona, or from their website, [www.abertis.com](http://www.abertis.com)

## **TBI LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)**

#### **24 Cash flow statement**

The Company is a 90% owned subsidiary of Abertis Infraestructuras SA and is included in the consolidated financial statements of Abertis Infraestructuras SA, a company incorporated in Spain. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash flow statements" (revised 1996).

#### **25 Related party disclosures**

The Company has the following balances and transactions with related parties, which it has disclosed in accordance with FRS 8 "Related Party Disclosures"

		During the year 2010 £'000	During the year 2010 £'000	31 December 2010 £'000
		Profit & Loss	Dividends	Balance Sheet
Stockholm Skavsta Flyplats AB	90% subsidiary	319	-	66,775