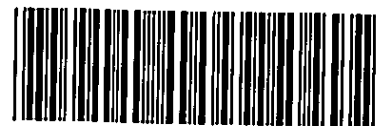


REGISTERED NUMBER: 04283572 (England and Wales)

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
FOR
AIRPORTS (UK) NO.2 LIMITED**

SATURDAY



A43 "A6WJ2XTN" 328
24/09/2011
COMPANIES HOUSE

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

AIRPORTS (UK) NO 2 LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECTORS	J Stent L Hall Kimm
SECRETARY:	Intertrust (Uk) Limited
REGISTERED OFFICE:	11 Old Jewry 7th Floor London EC2R 8DU
REGISTERED NUMBER	04283572 (England and Wales)
SENIOR STATUTORY AUDITOR:	Craig Stafford
AUDITORS	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

AIRPORTS (UK) NO 2 LIMITED (REGISTERED NUMBER: 04283572)

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

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the Company used to be that of investment in an airport. The Company is currently not maintaining that principal activity.

REVIEW OF BUSINESS

The loss for the year amounted to £14,594 (2009: £2,300) for the year ended 31 December 2010.

No dividend was paid in respect of the year ended 31 December 2010.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

Lori Hall-Kimm (Appointed 11 February 2011)

John Stent (Appointed 22 April 2010)

Benjamin Hewetson (Resigned 22 July 2010)

Nicholas Holt (Resigned 26 November 2010)

Lori Hall-Kimm was appointed as a director after 31 December 2010 but prior to the date of this report.

KEY PERFORMANCE INDICATORS

Given the straight forward nature of the business and the information provided elsewhere in this report, the directors are of the opinion that the production of KPIs in the Directors' report is not necessary for the understanding of the development, performance or position of the business.

FINANCIAL RISK MANAGEMENT

The Company has limited exposure to Credit Risk, Liquidity Risk and Interest Rate Risk due to the nature of the Company's activities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



J Stent - Director

Date *19 Sep 2011*

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF AIRPORTS (UK) NO.2 LIMITED

We have audited the financial statements of Airports (UK) No 2 Limited for the year ended 31 December 2010 which comprise of the Profit and Loss Account 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 Directors' Responsibilities Statement set out on pages 2 and 3, 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 loss 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
AIRPORTS (UK) NO.2 LIMITED**

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



Craig Stafford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Date 20 September 2011

AIRPORTS (UK) NO 2 LIMITED (REGISTERED NUMBER. 04283572)

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

	Notes	2010 £	2009 £
TURNOVER		-	-
Administrative expenses		<u>(14,594)</u>	<u>(2,300)</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(14,594)	(2,300)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(14,594)</u>	<u>(2,300)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes on pages 8 to 12 form part of these financial statements

AIRPORTS (UK) NO.2 LIMITED (REGISTERED NUMBER: 04283572)

**BALANCE SHEET
31 DECEMBER 2010**

	Notes	2010 £	2009 £
CURRENT ASSETS			
Debtors	5	2,027	2,027
Cash at bank		<u>-</u>	<u>28</u>
		2,027	2,055
CREDITORS			
Amounts falling due within one year	6	<u>(16,866)</u>	<u>(2,300)</u>
NET CURRENT LIABILITIES		<u>(14,839)</u>	<u>(245)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(14,839)</u>	<u>(245)</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account	8	<u>(14,841)</u>	<u>(247)</u>
SHAREHOLDERS' FUNDS	11	<u>(14,839)</u>	<u>(245)</u>

The financial statements were approved by the Board of Directors on behalf by

19 September 2011

and were signed on its



J Stent - Director

The notes on pages 8 to 12 form part of these financial statements

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

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006, and with applicable accounting standards

The Company has received assurance from its parent company (Bristol Airports Bermuda Ltd) that the Company has access to adequate financial resources to continue in existence for the foreseeable future

Accounting convention

The financial statements have been prepared under the historical cost convention

Financial Reporting Standard Number 1

The Company has taken advantage of the provisions of FRS 1 - Cash Flow Statements (revised 1996), which exempt a company from preparation of a cash flow statement where it is at least a 90% owned subsidiary of a group

Deferred tax

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19 Deferred Tax

Profit and loss account

Certain captions such as turnover and cost of sales, as prescribed in the Companies Act 2006, do not have meaningful equivalents for the business of the Company and are not specified in the financial statements Accordingly, the precise format requirements of the Companies Act 2006 have been varied as, in the opinion of the directors, this is necessary in order to show a more appropriate view of the Company's performance

Borrowings

Borrowings are recognised when issued at the amount of the net proceeds received and carried at this amount until the liabilities are settled

Cash

Cash includes cash on hand held at a financial institution

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2010 nor for the year ended 31 December 2009

The Company had no employees during the year (2009 nil)

AIRPORTS (UK) NO.2 LIMITED (REGISTERED NUMBER. 04283572)

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

3 OPERATING LOSS

The operating loss is stated after charging

	2010	2009
	£	£
Auditors' remuneration	4,103	2,300
Fees payable to the Company's auditors for the audit of the Company		
Director's remuneration and other benefits etc	-	-

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009

Factors affecting the tax charge

The tax assessed for the year is no different than the standard rate of corporation tax in the UK. The difference is explained below

	2010	2009
	£	£
Loss on ordinary activities before tax	<u>(14,594)</u>	<u>(2,300)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(4,086)	(644)
Effects of Tax losses not utilised in the year	<u>4,086</u>	<u>644</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Tax losses of £4,086 (2009 £644) have not been utilised in the year

5 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Amounts owed by BAUK3	2,026	2,026
Called up share capital not paid	<u>1</u>	<u>1</u>
	<u>2,027</u>	<u>2,027</u>

AIRPORTS (UK) NO 2 LIMITED (REGISTERED NUMBER: 04283572)

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

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Bank loans and overdrafts	128	-
Trade creditors	3,444	-
Amounts owed to BAUK3 & BABL	10,534	-
Accrued expenses	<u>2,760</u>	<u>2,300</u>
	<u>16,866</u>	<u>2,300</u>

7 CALLED UP SHARE CAPITAL

Allotted Number	issued and fully paid Class	Nominal value	2010	2009
			£	£
1	Ordinary Shares	1	1	1
100	Ordinary A Shares	01	<u>1</u>	<u>1</u>
			<u>2</u>	<u>2</u>

AIRPORTS (UK) NO 2 LIMITED (REGISTERED NUMBER: 04283572)

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

7 CALLED UP SHARE CAPITAL - continued

	2010 Number	2010 £	2009 Number	2009 £
Authorised				
Ordinary share of £1 each	979,840,000	979,840,000	979,840,000	979,840,000
Redeemable ordinary shares of £1 each	20,160,000	20,160,000	20,160,000	20,160,000
Ordinary A shares of £0.01 each	100	1	100	1
	<u>1,000,000,100</u>	<u>1,000,000,001</u>	<u>1,000,000,100</u>	<u>1,000,000,001</u>

On 10 December 2001, the Company issued 1 ordinary share for a consideration of £1 to BABL, a Bermuda company

On 20 December 2001, the company issued 20,160,000 redeemable ordinary shares to BABL for a consideration of £20,160,000

The rights of holders of ordinary shares include one vote for every share paid. Any dividends declared are paid according to the amounts paid up on the shares on which the dividend is paid. All rights are attached to the ordinary shares except the right to appoint or remove directors.

The rights attaching to the Redeemable Ordinary Shares shall be the same as those attaching to the Ordinary Shares under the Articles with the exception that the Company shall have the right to redeem all or any of the Redeemable Ordinary Shares for the time being outstanding and fully paid up.

The Company had, by a Special Resolution passed on 20 December 2007, approved a payment out of capital of £20,160,000 for the purpose of acquiring by redemption 20,160,000 redeemable ordinary shares of £1 each in its own share capital. The payment out of capital was made by the company on 28 January 2008, following the completion of the statutory time frame (five weeks) for creditors and members of the Company to object to the redemption of shares.

On 18 December 2009, the Company issued 100 ordinary A shares for a consideration of £1 of which 30 shares are allotted to BABL and 70 shares are allotted to Rothean Corporation. These shares carry no rights other than the right to appoint or remove directors. There was no transaction cost related to the issue of these shares.

8 RESERVES

	Profit and loss account £
At 1 January 2010	(247)
Deficit for the year	<u>(14,594)</u>
At 31 December 2010	<u>(14,841)</u>

AIRPORTS (UK) NO 2 LIMITED (REGISTERED NUMBER: 04283572)

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

9 RELATED PARTY DISCLOSURES

For the year ended 31 December 2010 the following payments were made on behalf of Airport (UK) No 2 Limited

The Company has an intercompany payable balance to BAUK3 of £6,891 (2009 nil) and BABL of £3,643 (2009 nil) due to payment of administrative costs

The Company has an intercompany receivable balance from BAUK3 of £2,026 (2009 £2,026) due to the surrendering of tax losses

10 POST BALANCE SHEET EVENTS

There are no circumstances or events subsequent to 31 December 2010 which require adjustment of or disclosure in the financial statements or in the notes thereto

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Loss for the financial year	(14,594)	(2,300)
Share capital	-	2
Net reduction of shareholders' funds	(14,594)	(2,298)
Opening shareholders' funds	(245)	2,053
Closing shareholders' funds	(14,839)	(245)

12 DIRECTORS' REMUNERATION

Directors' remuneration for the year is nil (2009 nil) During 2010, the Directors perform director duties for multiple entities in the BABL group of companies The Directors received no remuneration for the services they performed for the Company

13 PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is BABL, a company incorporated in Bermuda and registered at the following address, Penboss Building, 50 Parliament Street, Hamilton, HM 12 Bermuda

The ultimate controlling party is Ontario Teachers' Pension Plan ("OTPP") a pension plan in Canada and is registered at the following address, 5650 Yonge Street, Toronto, Ontario, M2M 4H5