

# **IVY BIDCO LIMITED**

**Directors' Report and Financial Statements  
for the year ended 31 March 2013**



Company Registration Number 06879093

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Andrew Gillespie-Smith  
Michael McGhee  
William Woodburn  
James Hime

(appointed 30 January 2013)

**SECRETARY**

TMF Corporate Administration Services Limited

**REGISTERED OFFICE**

5<sup>th</sup> Floor  
6 St Andrew Street  
London  
EC4A 3AE

**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 the audited financial statements for the year ended 31 March 2013

Ivy Bidco Limited ("the Company"), along with its wholly-owned subsidiaries Ivy Holdco Limited, Gatwick Airport Limited, Gatwick Airport Pension Trustees Limited and Gatwick Funding Limited are referred to collectively in this Directors' Report and these financial statements as "the Group"

Ivy Subco Limited, a former subsidiary of the Company, was dissolved via voluntary strike-off on 10 April 2012

## **PRINCIPAL ACTIVITIES**

The Company acts as a holding company

## **REVIEW FOR THE YEAR**

The Company made a loss on ordinary activities after taxation of £34,956,000 for the year ended 31 March 2013 (2012 31,098,000) This was largely due to "interest payable on borrowings from group undertakings" being greater than "interest receivable from other group undertakings"

The Group operates a long term incentive plan ("LTIP") for certain participants of the Gatwick Airport Limited Executive Management Board The Gatwick Airport Limited receives services from these participants as consideration for equity instruments of the Company For the year ended 31 March 2013, the Company recognised a credit to reserves of £618,942 (2012 £291,904), being the fair value of the equity instruments that have vested to these participants In addition, the Company recognised a corresponding investment in Gatwick Airport Limited in recognition of the accounting for this equity-settled share-based payment transaction The value of services received has been charged to the profit and loss account in Gatwick Airport Limited

During the year the Company issued 11,520 'Ordinary A' shares with a nominal value of £1 per share to participants in the Group's LTIP at a deemed market value of £2,800,000

## **Going concern**

The Company has net current assets of £136,314,000 as at 31 March 2013 (2012 £190,610,000)

Based on the net current asset position, and as further detailed in note 1, 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

## **FUTURE DEVELOPMENTS**

The Directors do not expect changes in the Company's activities as a holding company in the 12 months following the approval of these financial statements

## **KEY PERFORMANCE INDICATORS**

Given the nature of the Company, the Directors are of the opinion that analysis using key performance indicators ("KPIs") is not necessary for an understanding of the development, performance or position of the Company

## **DIRECTORS' REPORT (continued)**

### **BOARD OF DIRECTORS**

The Directors who served during the year and up to the date of approval of these financial statements are as follows

Andrew Gillespie-Smith

Michael McGhee

William Woodburn

James Hime

(appointed 30 January 2013)

Christopher Koski resigned as a director on 29 October 2012

### **DIVIDENDS**

No dividends were declared or paid during the year (2012 nil)

The Company did not receive a dividend during the year ended 31 March 2013 (2012 dividend received of £141 on 4 August 2011 from its former subsidiary, Ivy Subco Limited)

### **CHARITABLE DONATIONS**

The Company did not make any charitable or political donations during the year (2012 nil)

### **EMPLOYEES**

The Company has no employees. Staff engaged in the operation of the Company are employed by Gatwick Airport Limited, which is a wholly-owned subsidiary undertaking of Ivy Holdco Limited, the Company's subsidiary undertaking.

### **FINANCIAL RISK MANAGEMENT**

All financial risks are managed by the Group's treasury function.

The Company's principal financial instruments are the inter-company loan due to Ivy Midco Limited, the Company's parent, and two inter-company loans due from Gatwick Airport Limited.

The primary financial risks faced by the Company are

#### **(a) Interest rate risk**

The Company's interest rate risk arises from the interest rate payable on the inter-company loan due to its parent. The Group has managed this risk by agreeing a fixed rate for the inter-company loan.

#### **(b) Cash flow interest rate risk**

The Company's cash flow interest rate risk arises from the interest bearing loan due from its subsidiary undertaking. This risk is managed on a Group basis, at which level the net cash flow interest rate risk is nil.

**DIRECTORS' REPORT (continued)**

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(c) Credit risk**

Credit risk arises from the loans receivable from the Company's subsidiary undertaking. This risk is managed on a Group basis, at which level the credit risk is nil.

**(d) Liquidity risk**

Liquidity risk is the risk that the Company has insufficient resources to meet its obligations as they fall due. This risk is managed on a Group basis, at which level, the liquidity risk is nil.

**DIRECTORS' INDEMNITY**

The Company's Articles of Association provide that, subject to the provisions of the Companies Act 2006, 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 liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

**INDEPENDENT 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



**Andrew Gillespie-Smith**  
Director  
24 June 2013

## 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

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



**Andrew Gillespie-Smith**  
Director  
24 June 2013

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IVY BIDCO LIMITED

We have audited the financial statements of Ivy Bidco Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, 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 Directors' Responsibilities, set out on page 5, 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 Directors' Report and financial statements 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 2013 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.

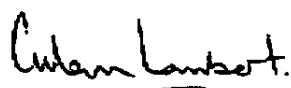
### Opinion on other matter prescribed by the Companies Act 2006

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.

### 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 (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick  
24 June 2013



**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2013**

	Note	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Operating costs	5	(7)	(5)
<b>Operating loss</b>		<b>(7)</b>	<b>(5)</b>
Net interest payable and similar charges	6	(34,949)	(31,093)
<b>Loss on ordinary activities before taxation</b>		<b>(34,956)</b>	<b>(31,098)</b>
Tax on loss on ordinary activities	7	-	-
<b>Loss for the financial year</b>	16	<b>(34,956)</b>	<b>(31,098)</b>

The notes on pages 10 to 17 form an integral part of these financial statements

All profits and losses recognised during the current and prior year are from continuing operations. There are no recognised gains or losses in the current year other than the loss for the year and there are no recognised gains or losses in the prior year other than the loss for the prior year. Accordingly, no separate Statement of Total Recognised Gains and Losses has been presented.

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

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**For the year ended 31 March 2013**

	Note	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Loss for the financial year	16	(34,956)	(31,098)
Dividends paid	8	-	-
Retained loss for the financial year		(34,956)	(31,098)
Credit to reserves for equity-settled share-based payments	16	618	292
Issue of 'Ordinary A' shares	15	12	-
Premium on issue of 'Ordinary A' shares	15	2,788	-
<b>Net decrease in shareholders' funds</b>		<b>(31,538)</b>	<b>(30,806)</b>
<b>Opening shareholders' funds</b>		<b>322,288</b>	<b>353,094</b>
<b>Closing shareholders' funds</b>		<b>290,750</b>	<b>322,288</b>

The notes on pages 10 to 17 form an integral part of these financial statements

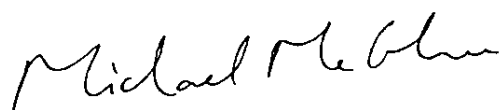
IVY BIDCO LIMITED

**BALANCE SHEET**  
As at 31 March 2013

	Note	31 March 2013 £'000	31 March 2012 £'000
<b>FIXED ASSETS</b>			
Investment in subsidiary undertakings	9	598,028	597,410
<b>CURRENT ASSETS</b>			
Debtors due within one year	11	15	13
due after more than one year	11	135,854	190,144
Cash at bank and in hand	12	637	648
<b>TOTAL CURRENT ASSETS</b>		<b>136,506</b>	<b>190,805</b>
<b>CREDITORS:</b>			
amounts falling due within one year	13	(192)	(195)
<b>NET CURRENT ASSETS</b>		<b>136,314</b>	<b>190,610</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>734,342</b>	<b>788,020</b>
<b>CREDITORS:</b>			
amounts falling due after more than one year	14	(443,592)	(465,732)
<b>NET ASSETS</b>		<b>290,750</b>	<b>322,288</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	5,012	5,000
Share premium account	15	2,788	-
Profit and loss reserve	16	282,950	317,288
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>290,750</b>	<b>322,288</b>

The notes on pages 10 to 17 form an integral part of these financial statements

The financial statements of Ivy Bidco Limited (Company registration number 06879093) were approved by the Board of Directors on 24 June 2013 and were signed on its behalf by



**Michael McGhee**  
Chairman



**Andrew Gillespie-Smith**  
Director

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2013

**1 BASIS OF PREPARATION**

These financial statements are the financial statements of the Ivy Bidco Limited ("the Company") for the year ended 31 March 2013. The comparative figures are for the year ended 31 March 2012. These financial statements have been prepared under the historical cost convention, 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 financial statements contain information about Ivy Bidco Limited as an individual company and do not contain consolidated financial information as the parent of the Group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of Ivy Midco Limited and of Ivy Luxco I S à r l, a company registered in Luxembourg.

The Company and its subsidiary undertakings Ivy Holdco Limited, Gatwick Airport Limited, Gatwick Funding Limited and Gatwick Airport Pension Trustees Limited are referred to collectively in these financial statements as "the Group". Ivy Subco Limited, a former subsidiary of the Company, was dissolved via voluntary strike-off on 10 April 2012.

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.

The Company has net current assets of £136,314,000 as at 31 March 2013 (2012: £190,610,000). Having made enquiries of management, and taking into account the net current asset position of the Company, 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 2013.

The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Debtors**

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

**(b) 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2013**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) Current and deferred taxation (continued)**

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 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.

Deferred taxation is determined using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date and are expected to apply in the periods in which the timing differences are expected to reverse.

**(c) Creditors**

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

**(d) 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.

**(e) Share-based payments**

Certain employees of the Group participate in a long term incentive plan ("LTIP"). Under this equity-settled plan, the Group receives services from these employees as consideration for equity instruments in the Company. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense by the subsidiary undertaking. The Company recognises a credit to reserves equal to the fair value of the equity instruments that have vested to these participants. In addition, the Company recognises a corresponding increase in its investment in subsidiary in recognition of the intra-group accounting for this equity-settled share-based payment.

The fair value of the employee services received is determined by reference to the fair value of the equity instruments granted, measured by use of a valuation model. Fair value excludes the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the Company revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

**(f) Cash**

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2013**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Cash flow statements and related party disclosures**

The Company is wholly-owned by Ivy Midco Limited, a company incorporated in England and Wales. The Company is ultimately owned by a consortium through a number of United Kingdom ("UK") and overseas holding companies and limited liability partnerships. The results of the Company have been included in the audited consolidated financial statements of Ivy Luxco I S a r l and Ivy Midco Limited for the year ended 31 March 2013 (respectively the largest and smallest groups to consolidate these financial statements for the year). 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)*'

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

**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 presents the greatest level of uncertainty

**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 DIVIDEND INCOME**

The Company did not receive dividend income during the year (2012: £141 received on 4 August 2011 from its former subsidiary, Ivy Subco Limited)

**5 OPERATING COSTS**

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
General expenses	7	5

Operating costs include audit fees of £2,925 (2012: £2,835)

**Employee information**

The Company has no employees. Staff engaged in the operation of the Company are employed by Gatwick Airport Limited, which is a wholly-owned subsidiary undertaking of the Company.

No directors were remunerated during the year for services to the Company (2012: nil)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2013**

**6 NET INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
<b>Interest payable</b>		
Interest on borrowings from other group undertakings <sup>1</sup>	52,861	52,552
	<b>52,861</b>	<b>52,552</b>
<b>Interest receivable</b>		
Interest receivable from other group undertakings <sup>2</sup>	(17,910)	(21,457)
Interest on bank deposits	(2)	(2)
	<b>(17,912)</b>	<b>(21,459)</b>
<b>Net interest payable and similar charges</b>	<b>34,949</b>	<b>31,093</b>

1 These amounts relate to interest payable on the loan from Ivy Midco Limited the Company's parent

2 These amounts relate to interest receivable on loans issued to Gatwick Airport Limited the Company's subsidiary undertaking, for both the current and prior year

**7 TAX ON LOSS ON ORDINARY ACTIVITIES**

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Current tax	-	-
<b>Tax charge on loss on ordinary activities</b>	<b>-</b>	<b>-</b>

**Reconciliation of tax charge**

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 24% (2012 26%) The actual tax charge for the current year differs from the standard rate for the reasons set out in the following reconciliation

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Loss on ordinary activities before tax	(34,956)	(31,098)
Tax on loss on ordinary activities at 24% (2012 26%)	(8,389)	(8,086)
Effect of		
Expenses not deductible for tax purposes	-	1
Unutilised and unrecognised losses carried forward	8,389	8,085
<b>Current tax for the year</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2013**

**7. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)**

The amount of unrecognised deferred tax assets relating to non-trading losses as at 31 March 2013 was £22,035,884 (2012 £14,606,248)

As at 31 March 2013 the Company has not recognised a deferred tax asset because the Company does not believe there is sufficient certainty over the timing of the recoverability of this asset (2012 nil)

The change in the UK corporation tax rate from 24% to 23% was substantially enacted on 3 July 2012 and is effective from 1 April 2013. 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 to 20% by 1 April 2015.

Other than this change there are no items which would materially affect the future tax charge.

**8. DIVIDENDS**

No dividends were declared or paid during the year ended 31 March 2013 (2012 nil)

**9 INVESTMENT IN SUBSIDIARIES**

	31 March 2013 £'000	31 March 2012 £'000
1 April	597,410	597,118
Additions <sup>1</sup>	618	292
<b>31 March</b>	<b>598,028</b>	<b>597,410</b>

<sup>1</sup> Gatwick Airport Limited (a subsidiary undertaking of the Company) has an LTIP for certain participants of its Executive Management Board. The LTIP relates to the option to acquire equity instruments of the Company. The accounting for this equity-settled share-based payment scheme requires the recognition of an investment in Gatwick Airport Limited as these equity instruments vest to the scheme participants.

**Principal Group investments**

The Company has investments in the following subsidiary undertakings

Subsidiary Undertakings	Principal activity	Holding	%
Ivy Holdco Limited	Holding company	Ordinary Shares	100%
Gatwick Airport Limited <sup>†</sup>	Airport owner and operator	Ordinary Shares	100%
Gatwick Airport Pension Trustees Limited <sup>†</sup>	Dormant company	Ordinary Shares	100%
Gatwick Funding Limited <sup>†</sup>	Financing company	Ordinary Shares	100%

<sup>†</sup> Held by a subsidiary undertaking

Ivy Subco Limited, a former subsidiary, was dissolved via voluntary strike-off on 10 April 2012.

All subsidiaries are incorporated and operate in the United Kingdom, except Gatwick Funding Limited which is incorporated in Jersey. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Ivy Midco Limited and of Ivy Luxco I S à r l, a company registered in Luxembourg.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2013**

**10 ACQUISITION, INCORPORATION AND TRANSFER OF SUBSIDIARY UNDERTAKINGS**

On 10 February 2011 the Company incorporated Ivy Holdco Limited, a company registered in England and Wales, with share capital of £100 (comprising 100 ordinary shares at £1 00 per share)

Gatwick Airport Limited, the Company's subsidiary undertaking, acquired 100% of the issued share capital of Gatwick Funding Limited on 10 February 2011 for consideration of £250

On 2 March 2011, as part of the Group's refinancing, the Company transferred ownership of Gatwick Airport Limited to its wholly-owned subsidiary, Ivy Holdco Limited, for consideration of £597,117,801, the carrying value of the Company's investment in Gatwick Airport Limited as at that date. This consideration was satisfied by Ivy Holdco Limited issuing 597,117,901 ordinary shares at £1 00 per share

**11. DEBTORS**

	31 March 2013 £'000	31 March 2012 £'000
<b>Due within one year.</b>		
Amounts owed by group undertakings – interest free	15	13
	15	13
<b>Due after more than one year:</b>		
Amounts owed by group undertakings – interest bearing <sup>1</sup>	133,054	190,144
Amounts owed by group undertakings – interest free <sup>2</sup>	2,800	-
<b>Total debtors</b>	<b>135,869</b>	<b>190,157</b>

1 "Amounts owed by group undertakings – interest bearing" (and due after more than one year) relate to non-current loans made to Gatwick Airport Limited a subsidiary undertaking of the Company

2 "Amounts owed by group undertakings – interest free" (and due after more than one year) relate to the loan agreement entered into with Gatwick Airport Limited, the purpose of which is to enable the participants of the share-based payment scheme to fund the allotment of equity instruments of Ivy Bidco Limited under the LTIP agreement. The participants received an interest-free loan from Gatwick Airport Limited to fund the share allotment. The participants directed Gatwick Airport Limited to pay monies lent under the loan agreement directly to Ivy Bidco Limited for that purpose. The loan is interest-free and repayable under the terms set out in the loan agreement (note 15)

**12 CASH AND CASH EQUIVALENTS**

	31 March 2013 £'000	31 March 2012 £'000
Cash at bank and in hand	637	648

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 fair value of cash and cash equivalents approximate to their book value

Board approved investment policies and relevant debt facility agreements provide counterparty investment limits based on short and long-term credit ratings

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2013**

**13 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 March 2013 £'000	31 March 2012 £'000
Trade creditors	5	7
Amounts owed to group undertakings – interest free	187	188
	<b>192</b>	<b>195</b>

**14 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 March 2013 £'000	31 March 2012 £'000
Amounts owed to group undertakings – interest bearing <sup>1</sup>	443,592	465,732
	<b>443,592</b>	<b>465,732</b>

<sup>1</sup> Amounts owed to group undertakings – interest bearing<sup>1</sup> relates to a loan payable to Ivy Midco Limited, the Company's parent. Interest is payable on the loan at a rate of 12 per cent per annum (2012: 12 per cent per annum)

**15. CALLED UP SHARE CAPITAL**

	31 March 2013 £'000	31 March 2012 £'000
<b>Called up, allotted and fully paid<sup>1</sup></b>		
5,000,000 (2012: 5,000,000) ordinary shares of £1 each <sup>1</sup>	5,000	5,000
<b>Called up and allotted<sup>2</sup></b>		
11,520 (2012: Nil) 'Ordinary A' shares of £1 each	12	-
	<b>5,012</b>	<b>5,000</b>
<b>Share premium<sup>2</sup></b>		
'Ordinary A' share premium	2,788	-

<sup>1</sup> 100 shares issued on incorporation remain unpaid at year end. The unpaid share capital of £100 is shown in debtors in note 11.

<sup>2</sup> 11,520 Ordinary A shares with a nominal value of £1 per share were issued during the year at a deemed market value of £2,800,000 and remain unpaid at year end. The unpaid share capital of £11,520 is shown in Debtors in note 11 as is the share premium of £2,788,000. These shares issued under the LTIP agreement.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2013**

**16. RESERVES**

	<b>Profit and loss reserve £'000</b>
1 April 2012	317,288
Loss for the financial year	(34,956)
Credit to reserves for equity-settled share-based payments <sup>1</sup>	618
<b>31 March 2013</b>	<b>282,950</b>

- <sup>1</sup> Gatwick Airport Limited (a subsidiary undertaking of the Company) has an LTIP for certain participants of its Executive Management Board. The LTIP relates to the option to acquire equity instruments of the Company. The intra-group accounting for this equity-settled share-based payment scheme requires a credit to reserves as these equity instruments vest to the scheme participants.

**17. 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.

**18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY**

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

The Company'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 and control 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 of Korea (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 and Ivy Midco Limited for the year ended 31 March 2013, the largest and smallest groups to consolidate these financial statements respectively.

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