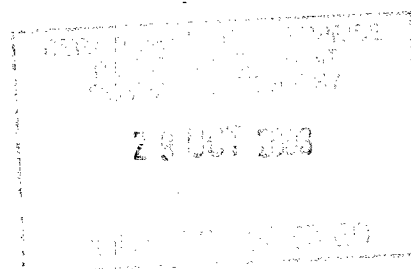




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Registered Number 2927853

Belfast International Airport Holdings Limited
Annual report and accounts
for the year ended 31 December 2007



Belfast International Airport Holdings Limited

Annual report and accounts for the year ended 31 December 2007

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Belfast International Airport Holdings Limited

Directors and advisers for the year ended 31 December 2007

Directors

M Alvarez Amador

C F del Rio Carcano (appointed 5 July 2007)

J Doran

S G Hoey

S D McKnight

M Puig i Raposo (appointed 28 March 2006, resigned 15 July 2007)

A Whiteside

Secretary

R C Clifton (resigned 13 June 2008)

Registered Office

Britannia House

Frank Lester Way

London Luton Airport

Luton

Bedfordshire

LU2 9NQ

Auditors

PricewaterhouseCoopers LLP

Waterfront Plaza

8 Laganbank Road

Belfast

BT1 3LR

Bankers

Bank of Ireland

PO Box 13

54 Donegall Place

Belfast

BT1 5BX

Property Valuers

C B Richard Ellis Limited

Kingsley House

Wimpole Street

London

W1G 0RE

Belfast International Airport Holdings Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the audited financial statements of the Group for the year ended 31 December 2007.

Principal activities

The principal activities of the Group are the operation and management of Belfast International Airport and the provision of facilities and services associated therewith through the main operating Company, Belfast International Airport Limited.

Review of business and future developments

The directors consider the results for the year to be satisfactory. The Group will continue to seek every opportunity to increase profitable turnover.

The ultimate parent undertaking and controlling party is abertis Infraestructuras SA, a company registered in Spain.

Strategy

The Group intends to continue the development of its core airport asset to ensure the airport continues to meet the requirements of all users.

Dynamics of the business

The key economic driver of the business is passenger volume. The business has two customer groups influencing this key economic driver – airlines and their passengers. Earnings are derived from the airlines primarily through a charge per passenger and a charge based on aircraft weight (traffic income) and from the passenger by way of spend-related rental agreements with retailers, caterers and car park operators (commercial income). The business is not financially regulated. Airlines are charged in accordance with the terms of their contracts or in accordance with the standard terms and conditions and the business earns from the passengers in proportion to the amount they spend whilst at the airport.

Financial review

Turnover

The trading result for the year ended 31 December 2007 reflects continued growth in demand for aviation during the year, with 5.2 million passengers served at the airport, an increase of 4.4% compared to 2006.

Total turnover for the year was £36.1m (2006: £34.5m) and is analysed in note 1 to the accounts. Traffic income comprised 46% of turnover (2006: 47%).

The growth in passenger numbers has had a commensurate effect on commercial income. Commercial income comprised 41% of turnover (2006: 40%).

Operating profit

Operating profit for the year was £12.3m (2006: £11.6m).

Belfast International Airport Holdings Limited

Balance sheet

Defined benefit pension scheme

The gross scheme deficit at the year end was £4.5m (2006: £8.8m). Further details are given in note 3 to the accounts.

Tangible fixed assets

During the year tangible fixed asset additions totalled £3.7m primarily due to a cargo apron extension and replacement of the fire training ground.

Investment properties

At 31 December 2007 the Group's investment properties were independently valued resulting in an aggregate increase of £762,000.

Commercial and operation risks

Safety and security

Safety and security risk is managed through the adoption and enforcement of appropriate policies and procedures. The activities of the airport are by their nature the subject of stringent regulation. This is supported by the necessary investment in security technology.

Changes in demand

It is important that the Group plans, and where possible, aligns its operational capacity with the long term demand for air travel. The Group carefully considers its responses to the UK Government's Aviation White Paper to help identify these demands. Aligning capacity can cause certain step changes in pricing which may be resisted by airline operators.

Market dynamics

Market dynamics for airlines continue to be challenging with continued yield pressure, cost based pressure, global issues and environmental concerns. Our customers may change as further consolidation amongst airline operators occurs to mitigate these factors.

Capital projects

Given the need to develop solutions to address capacity constraints, the costs of key projects must be carefully controlled.

Corporate social responsibility

The Group recognises its responsibility to the communities which are affected by its business and continually reviews its policies with regard to social, ethical and environmental matters. Where matters in any of these categories may materially affect the business of the Group, that matter is recorded in a risk register, which is reviewed periodically by the Board.

Financial risks

The Group's operations expose it to a variety of financial risks, including:

Interest rates

The Group works closely with the intermediate parent, TBI plc, and with the ultimate parent in order to manage its exposure to fluctuations in interest rates.

Belfast International Airport Holdings Limited

Funding and liquidity

To ensure continuity of funding and a flexibility to match its needs, the Group obtains funding from its intermediate parent, TBI plc, as necessary.

Results and dividends

The consolidated profit and loss account for the year is set out on page 8. The directors do not recommend the payment of dividend for the year (2006: £ Nil).

Directors

The directors who held office during the year are given below:

M Alvarez Amador
C F del Rio Carcano
J Doran
S G Hoey
S D McKnight
M Puig i Raposo
A Whiteside

Company Secretary

M A Gatehouse replaced R C Clifton as Company Secretary on 13 June 2008.

Donations

During the year ended 31 December 2007 the Company made charitable donations to various registered charities of £18,000 (2006: £13,000). These donations were mainly made to local charities dealing with social welfare.

Employees

Employee training, involvement and commitment is encouraged by the directors through regular courses, contacts and exchanges of information through standing committees, team briefings and newsletters.

The Group and the Trade Unions represented at Belfast International Airport are committed to the principle of equal opportunity in employment. The Group and the Trade Unions declare their opposition to any forms of less favourable treatment, whether through direct or indirect discrimination, accorded to employees and applicants for employment. They are opposed in particular to any discrimination on the grounds of race, religious belief, creed, colour, nationality, ethnic or national origins, disability, sexual orientation, marital/parental status, gender, age or Trade Union membership.

The Group's policy for the employment of disabled persons gives full and fair consideration to all applications for employment made by such persons, having regard to their aptitudes and abilities and to the Group's operational requirements. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retaining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities in line with the Group's operational requirements.

Belfast International Airport Holdings Limited

Policy and practice on payment of creditors

The Group's current policy concerning the payment of the majority of its trade creditors is to follow the Better Payments Practice Code published by the Department of Trade and Industry. A copy of this code and information about it may be obtained from the Department of Trade and Industry, No 1 Victoria Street, London SW1H 0ET. For other suppliers, the Group's policy is to:

- settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts;
- pay in accordance with its contractual and other legal obligations.

The payment policy applies, without exception, to all payments to creditors, for both revenue and capital supplies of goods and services. The Group's average creditor payment period at 31 December 2007 was 48 days (2006: 43 days).

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and the Group at the end of the period and of the profit or loss of the Group for that period. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently as explained on pages 12 to 14. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2007 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

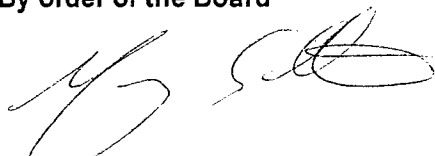
So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



M A Gatehouse
Company Secretary
26 June 2008

Belfast International Airport Holdings Limited

Independent auditors' report to the members of Belfast International Airport Holdings Limited

We have audited the group and parent company financial statements (the 'financial statements') of Belfast International Airport Holdings Limited for the year ended 31 December 2007, which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated note of historical cost profits and losses, the consolidated balance sheet, the balance sheet, the accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Belfast International Airport Holdings Limited

Independent auditors' report to the members of Belfast International Airport Holdings Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 December 2007 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Belfast
27 June 2008

Belfast International Airport Holdings Limited

Consolidated profit and loss account for the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Turnover	1	36,109	34,545
Operating costs		(23,839)	(22,896)
Operating profit		12,270	11,649
Net interest payable	4	(3,723)	(3,345)
Profit on ordinary activities before tax	5	8,547	8,304
Tax on profit on ordinary activities	6	1,852	(711)
Profit attributable to shareholders	7,20	10,399	7,593

All activities shown above are wholly derived from continuing operations.

The accounting policies and notes on pages 12 to 30 form an integral part of these financial statements.

Belfast International Airport Holdings Limited

Consolidated statement of total recognised gains and losses for the year ended 31 December 2007

	2007 £'000	2006 £'000
Profit attributable to shareholders	10,399	7,593
Unrealised surplus on revaluation of fixed assets	762	49,535
Actuarial gain on pension scheme	3,522	882
Movement in deferred tax on pension scheme	(999)	(400)
Other effect on actuarial gain	47	168
Net effect on pension scheme	2,570	650
Total gains recognised since last annual report	13,731	57,778

Consolidated note of historical cost profits and losses for the year ended 31 December 2007

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	8,547	8,304
Depreciation charged on fixed assets revaluation surplus	302	302
Historical cost profit on ordinary activities before tax	8,849	8,606
Tax on profit on ordinary activities	1,852	(711)
Historical cost profit for the year	10,701	7,895

The accounting policies and notes on pages 12 to 30 form an integral part of these financial statements.

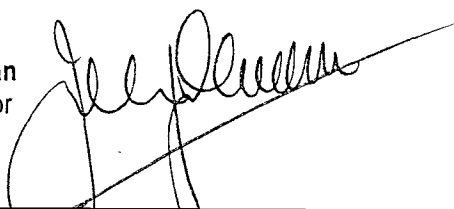
Belfast International Airport Holdings Limited

Consolidated balance sheet as at 31 December 2007

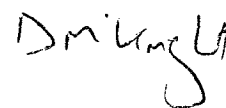
			2007		2006
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8	42,017		39,829	
Investment properties	9	139,000	181,017	136,000	175,829
Current assets					
Stock	11	464		420	
Debtors	12	4,273		4,786	
Cash at bank and in hand		1,040	5,777	681	5,887
Creditors - Amounts falling due within one year	13		(6,496)		(7,976)
Net current liabilities			(719)		(2,089)
Total assets less current liabilities			180,298		173,740
Creditors - Amounts falling due after more than one year	14		(55,710)		(57,733)
Provisions for liabilities	16		(3,934)		(6,126)
Deferred income	17		(549)		(577)
Net assets excluding pension scheme liability			120,105		109,304
Pension scheme liability	3		(3,241)		(6,171)
Net assets			116,864		103,133
Capital and reserves					
Called up share capital	18		150		150
Share premium account	19		450		450
Revaluation reserve	20		122,953		122,493
Profit and loss account	20		(6,689)		(19,960)
Equity shareholders' funds	21		116,864		103,133

The financial statements on pages 8 to 30 were approved by the board of directors on 26 June 2008 and were signed on its behalf by:

J Doran
Director



S D McKnight
Director



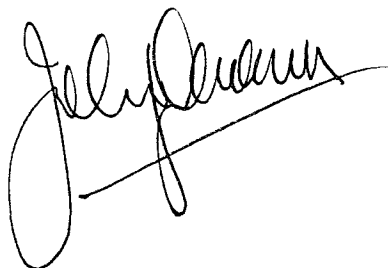
Belfast International Airport Holdings Limited

Balance sheet as at 31 December 2007

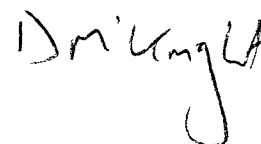
	Note	2007 £'000	2006 £'000
Fixed assets			
Investments	10	33,532	33,532
Current assets			
Debtors	12	120,187	119,994
Creditors - Amounts falling due within one year	13	(14)	(14)
Net current assets		120,173	119,980
Total assets less current liabilities		153,705	153,512
Creditors - Amounts falling due after more than one year	14	(166,605)	(161,356)
Net liabilities		(12,900)	(7,844)
Capital and reserves			
Called up share capital	18	150	150
Share premium account	19	450	450
Profit and loss account	20	(13,500)	(8,444)
Equity shareholders' deficit		(12,900)	(7,844)

The financial statements on pages 8 to 30 were approved by the board of directors on 26 June 2008 and were signed on its behalf by:

J Doran
Director



S D McKnight
Director



Belfast International Airport Holdings Limited

Accounting policies

Accounting convention

These financial statements are prepared on the going concern basis under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 1985 and applicable accounting standards. Compliance with SSAP 19, 'accounting for investment properties', requires departure from the requirements of the Companies Act 1985 relating to depreciation and the explanation of the departure is given in the Investment Properties policy set out below. The treatment adopted in respect of grants receivable relating to investment properties also represents a departure from the requirements of the Companies Act 1985 and is explained in the Grants policy below. The Group's principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Belfast International Airport Holdings Limited and its subsidiary undertakings, all of which are made up to 31 December 2007.

Fixed assets

The tangible fixed assets of the Group, 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:

Runways, aprons, car parks, taxiways and main services	100 years
Permanent buildings	50 years
Runway surface and aerodrome lighting	10 – 40 years
Vehicles, plant and equipment	5 – 20 years

Depreciation is not provided on land or on assets in the course of construction.

Stock

Stock is valued at the lower of cost and net realisable value.

Leased assets

Where the Group enters into a lease which entails taking substantially all the risks and rewards of an asset, the lease is treated as a "finance lease". The present value of the minimum lease payments is recorded in the balance sheet as a tangible fixed asset. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element, which reduces the outstanding finance lease liability.

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

Pensions

The Group operates a defined benefit pension scheme for employees who were members of defined benefit schemes at the date of the acquisition of the Company by TBI plc.

The assets of the defined benefit scheme are measured using closing market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency of the liability.

Belfast International Airport Holdings Limited

Pensions (continued)

The increase in the present value of the liabilities of the defined benefit scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the schemes liabilities, arising from the passage of time, are included in net interest payable.

Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

The Company also offers defined contribution scheme arrangements for employees joining the Company after the date of acquisition by TBI plc. The pension costs comprise contributions payable to the scheme.

Deferred tax

Deferred tax is provided in full on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities have not been discounted.

Goodwill

Goodwill represents the excess of the value of the consideration given over the fair value of the identifiable net assets acquired. As permitted by FRS 10, 'goodwill and intangible assets', goodwill previously written off against reserves has not been reinstated and such goodwill will be charged or credited to the profit and loss account on subsequent disposal of the related business. Cumulative goodwill of £16,754,727 (2006: £16,754,727) remains written off to reserves.

Airport valuation policy

Airport assets in existence at the date of TBI plc's acquisition of the Group are fair valued by independent property consultants on a basis consistent with the use of each of those assets. Specialised property, including the airfield, runways, aprons, airport offices and other assets relating to the landing and taking off of aircraft, is valued on a depreciated replacement cost basis. Non-specialised property is valued on an existing use basis. Additions to specialised and non-specialised property, subsequent to acquisition, are included at cost. These assets are depreciated in accordance with the policies set out in the fixed assets note above.

Property meeting the investment property criteria and occupied by third parties (and not occupied by the Group), including the terminal buildings, car parks and some other properties is valued at open market value and held as investment property. All investment property is valued by independent property consultants annually.

Investment properties

In accordance with SSAP 19, 'accounting for investment properties', investment properties are revalued 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 1985, which requires all 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 or amortisation (which would, had the provisions of the Act been followed, have reduced profit for the period) 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 Group and are calculated as the difference between net sales proceeds and book value at the date of disposal.

Belfast International Airport Holdings Limited

Grants

Grants receivable in respect of tangible fixed assets are credited to the profit and loss account over the expected useful economic lives of the relevant assets to which they relate. The amount of grants received but not yet released to the profit and loss account is included as deferred income in the balance sheet.

Grants receivable in respect of investment properties are credited directly to the cost of the asset. This treatment is not in accordance with Schedule 4 to the Companies Act 1985 which requires fixed assets to be shown at the purchase price or production cost and grants as deferred income. The treatment has been adopted in accordance with Section 227(6) of the Companies Act 1985 in order to show a true and fair view as, in the opinion of the directors, it is not appropriate to treat grants on investment properties as deferred income. Investment properties are not depreciated and accordingly no basis exists on which to recognise the release of deferred income to the profit and loss account. Whilst no grants were received during the period, the accumulated impact of this treatment is to reduce the deferred income and investment property costs by £1,361,000 (2006: £1,361,000).

Cash flow statement

The Group has taken advantage of the exemptions contained in FRS 1 (Revised), 'cash flow statements', not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary. The consolidated financial statements of abertis Infraestructuras SA, in which the Group is included, are publicly available and contain a consolidated cash flow statement.

Investments

Investments are included at cost less any provision for permanent diminution in value.

Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

Belfast International Airport Holdings Limited

Notes to the financial statements for the year ended 31 December 2007

1 Turnover

The Group's turnover and operating profit relate entirely to its principal activity and arise in the United Kingdom. Revenue is recognised on the delivery of the service to customers in accordance with the terms of their contracts or in accordance with the standard terms and conditions of the Airport.

	2007 £'000	2006 £'000
Traffic income	16,779	16,365
Commercial income (including income received in respect of various concession agreements)	14,711	13,731
Tenant income	4,619	4,449
	36,109	34,545

The directors consider that the operations comprise one class of business conducted solely in the UK.

2 Directors' emoluments

	2007 £'000	2006 £'000
Aggregate emoluments	501	498
Pension costs	56	60
	557	558

Belfast International Airport Holdings Limited

2 Directors' emoluments (continued)

Retirement benefits are accruing to 2 directors (2006: 2 directors) under the Group's defined benefit scheme and to 2 directors (2006: 2 directors) under money purchase schemes.

Highest paid director

	2007 £'000	2006 £'000
Aggregate emoluments	197	193
Company pension contributions to money purchase scheme	14	12
Defined benefit pension scheme – accrued pension at end of year	-	-

3 Employee information

The average number of persons (including executive directors) employed during the year was:

Activity	Company		Group	
	2007 Number	2006 Number	2007 Number	2006 Number
Operations and security	-	-	148	150
Engineering	-	-	22	22
Administration	-	-	27	24
	-	-	197	196

The aggregate payroll costs of these persons were as follows:

	Company		Group	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Wages and salaries	-	-	5,715	5,566
Social security costs	-	-	501	504
Other pension costs	-	-	887	877
	-	-	7,103	6,947

Belfast International Airport Holdings Limited

3 Employee information (continued)

The Company operates a defined benefit pension scheme, which was merged with the Cardiff International Airport defined benefit scheme on 30 June 2000. The scheme is a funded defined benefit scheme and the assets of the scheme are held in separate trustee administered funds. The Combined Scheme is called the TBI Group Final Salary Pension Plan (TGFSP) and its first valuation was carried out with an effective date of 30 June 2002.

Contributions are made to the scheme based on the advice of an independent qualified actuary on the basis of triennial valuations. An actuarial valuation of the scheme was carried out at 30 June 2005 by Mercer Human Resource Consulting Limited, independent consulting actuaries. Based on the findings of the actuary, with effect from 1 July 2006 contributions were 20.7% of pensionable salaries plus £53,000 per month to make good the deficit.

The defined benefit scheme applied to employees who were members of the scheme at the date of acquisition of the Group by TBI plc. This scheme is now closed and employees joining are instead offered defined contribution pension scheme arrangements.

The Group accounts for defined benefit pension schemes in accordance with FRS 17. As stated in the accounting policies FRS 17 prescribes the basis for valuing defined benefit scheme assets and liabilities. The prescribed basis for valuing the scheme's liabilities differs from the basis used by the scheme's actuaries in producing periodic valuations of the scheme.

The main financial assumptions used in the valuation of the pension scheme under FRS 17 are:

	2007	2006	2005
Inflation	3.3%	3.0%	2.8%
Rate of increase in salaries	4.3%	4.0%	3.8%
Rate of increase of pensions in payment	3.3%	3.0%	2.8%
Discount rate	5.9%	5.1%	5.4%

Belfast International Airport Holdings Limited

3 Employee information (continued)

The assets and the long term expected rate of return are:

	Expected rate of return %	Year ended 31 December 2007 £'000	Expected rate of return %	Year ended 31 December 2006 £'000	Expected rate of return %	9 months ended 31 December 2005 £'000
Assets						
Equities	8.0%	20,611	7.6%	22,281	8.0%	18,510
Bonds	5.4%	10,500	4.5%	9,223	5.0%	9,880
Property	7.0%	1,025	7.0%	1,058	7.0%	961
Cash	5.0%	247	4.0%	496	4.0%	325
Hedge funds	8.0%	2,970	-	-	-	-
		35,353		33,058		29,676

The following amounts have been measured in accordance with the requirements of FRS 17:

	Year ended 31 December 2007 £'000	Year ended 31 December 2006 £'000	9 months ended 31 December 2005 £'000
Fair market value of assets	35,353	33,058	29,676
Actuarial value of liabilities	(39,855)	(41,829)	(39,617)
Excess of liabilities over assets	(4,502)	(8,771)	(9,941)
Related deferred tax asset	1,261	2,600	3,000
Net pension liability	(3,241)	(6,171)	(6,941)

Belfast International Airport Holdings Limited

3 Employee information (continued)

The amounts recognised in the performance statements are as follows:

	2007 £'000	2006 £'000
Operating profit		
Current service costs	798	805
Total operating charge	798	805
 Other finance charge		
Expected return on pension scheme assets	2,299	1,943
Interest on pension liabilities	(2,128)	(1,922)
Net return	171	21
 Statement of total recognised gains and losses	2007 £'000	2006 £'000
Actual return less expected return on pension scheme assets	(159)	1,152
Experience gains and losses arising on the scheme liabilities	(215)	-
Changes in assumptions underlying the present value of the scheme liabilities	3,896	(270)
Actuarial gains recognised in the consolidated statement of total recognised gains and losses	3,522	882

Belfast International Airport Holdings Limited

3 Employee information (continued)

Movement in deficit during the year

	2007 £'000	2006 £'000
Deficit at beginning of year	(8,771)	(9,941)
Movement in year:		
Current service costs	(798)	(805)
Contributions	1,374	1,072
Other finance costs	171	21
Actuarial gains	3,522	882
Pension scheme deficit at the end of the year	(4,502)	(8,771)

Details of experience gains and losses	Year ended 31 December 2007 £'000	Year ended 31 December 2006 £'000	9 months ended 31 December 2005 £'000
Difference between the expected and actual return on scheme assets:			
Amount	(159)	1,152	2,818
Percentage of scheme assets	0%	3%	9%
Experience gains and losses on scheme liabilities:			
Amount	(215)	-	1,169
Percentage of scheme liabilities	1%	-	3%
Total amount recognised in statement of total recognised gains and losses:			
Amount	3,522	882	(1,418)
Percentage of scheme liabilities	9%	2%	(3%)

Belfast International Airport Holdings Limited

4 Net interest payable

	2007 £'000	2006 £'000
Interest payable and similar charges		
Interest on finance lease and hire purchase arrangements	-	8
Interest on inter company balances	3,956	3,416
	3,956	3,424
Interest receivable and similar income		
Short term deposits	(62)	(58)
Other finance income arising on FRS 17	(171)	(21)
Net interest payable	3,723	3,345

5 Profit on ordinary activities before tax

Profit on ordinary activities before tax is stated after charging/(crediting):

	2007 £'000	2006 £'000
Depreciation	1,367	1,277
Staff costs (note 3)	7,103	6,947
(Profit)/loss on sale of fixed assets	(105)	16
Auditors' remuneration - audit services	16	18
- other services	-	2
Release of deferred government grants	5	(16)

Auditors' remuneration for the company amounted to £2,000 (2006: £2,000).

Belfast International Airport Holdings Limited

6 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2007 £'000	2006 £'000
Corporation tax		
Current year	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	448	724
FRS 17 movement	209	72
Change in tax rates and laws	(2,560)	-
Adjustments in respect of previous periods – FRS 17	131	-
– other	(80)	(85)
Total deferred tax	(1,852)	711
Total tax on profit on ordinary activities	(1,852)	711

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

The current tax assessed for the year differs from the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2007 £'000	2006 £'000
Profit before tax	8,547	8,304
Profit multiplied by standard rate of corporation tax in the UK of 30%	2,564	2,491
Permanent differences	(257)	80
Accelerated capital allowances	(448)	(724)
FRS 17 movement	(209)	(72)
Change in tax rates and laws	(47)	-
Group relief not paid	(1,603)	(1,775)
Current tax charge for year (Note 6(a))	-	-

Belfast International Airport Holdings Limited

7 Profit of the company

The Company has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The loss attributable to shareholders dealt with in the financial statements of the Company was £5,056,000 (2006: loss of £4,234,000).

8 Tangible fixed assets

Group	Freehold land £'000	Leasehold land and buildings £'000	Runways, taxiways and aprons £'000	Plant and machinery £'000	Total £'000
Cost or valuation					
At 1 January 2007	-	5,335	31,336	20,515	57,186
Additions	-	1,287	1,227	1,189	3,703
Disposals	-	-	-	(1,113)	(1,113)
Transfers	-	720	(720)	(100)	(100)
At 31 December 2007	-	7,342	31,843	20,491	59,676
Accumulated depreciation					
At 1 January 2007	-	283	4,306	12,768	17,357
Charge for the year	-	97	445	825	1,367
Disposals	-	-	-	(1,065)	(1,065)
Transfers	-	645	(645)	-	-
At 31 December 2007	-	1,025	4,106	12,528	17,659
Net book value					
At 31 December 2007	-	6,317	27,737	7,963	42,017
At 31 December 2006	-	5,052	27,030	7,747	39,829
Cost or valuation is represented by:					
Cost	-	6,736	20,072	20,491	47,299
Revaluation in 1997	-	606	11,771	-	12,377
	-	7,342	31,843	20,491	59,676
Historical cost					
Cost	-	6,736	20,072	20,491	47,299
Accumulated depreciation	-	(2,687)	(12,847)	(12,528)	(28,062)
Net book value at 31 December 2007	-	4,049	7,225	7,963	19,237
Net book value at 31 December 2006	-	2,784	6,518	7,747	17,049

Belfast International Airport Holdings Limited

8 Tangible fixed assets (continued)

The net book value of the Group's tangible assets includes £nil (2006: £325,000) in respect of assets held under hire purchase agreements. The depreciation charge on these assets amounted to £12,000 (2006: £72,000).

9 Investment properties

Group	£'000
Cost or valuation	
At 1 January 2007	136,000
Additions	2,171
Transfer	67
Surplus arising on revaluation	762
At 31 December 2007	139,000

	2007 £'000	2006 £'000
Investment properties comprise:		
Long leaseholds	133,950	130,950
Freehold	5,050	5,050
	139,000	136,000

The carrying value of the Group's investment properties is stated net of government grants of £1,361,000 (2006: £1,361,000).

The carrying value of the Group's investment properties includes £nil (2006: £118,000) in respect of assets held under hire purchase arrangements.

The investment properties were valued on the basis of open market value, in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors, as at 31 December 2006 by C B Richard Ellis Limited, Chartered Surveyors, at a total value of £139,000,000 (2006: £136,000,000). The historical cost of these properties is £52,657,000 (2006: £50,486,000).

Belfast International Airport Holdings Limited

10 Investments

	2007 £'000	2006 £'000
Subsidiary companies		
Investments in subsidiaries	33,532	33,532

Name of company	Country of incorporation	Principal activities	Proportion of nominal value of issued shares and voting rights held by	
			Company	Group
Belfast International Airport Limited	Northern Ireland	Operation and management of airport	100%	-
Aldergrove International Airport Limited	England and Wales	Dormant	100%	-
Aldergrove Airport Limited	England and Wales	Dormant	100%	-
Aldergrove Car Parks Limited	Northern Ireland	Operation and management of car parks	-	100%

The Government owns a special rights redeemable preference share in Belfast International Airport Limited which enables it to take control of airport facilities in the event of certain circumstances occurring as detailed in the Articles of Association of that Company.

11 Stock

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Consumables	464	420	464	-

Belfast International Airport Holdings Limited

12 Debtors

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Amounts falling due within one year:				
Trade debtors	1,706	2,299	-	-
Amounts owed by group undertakings	-	-	120,187	119,994
Other debtors	619	115	-	-
Prepayments and accrued income	1,948	2,372	-	-
	4,273	4,786	120,187	119,994

13 Creditors – Amounts falling due within one year

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Amounts due under finance lease and hire purchase arrangements (note 15)	2	46	-	-
Trade creditors	3,238	4,057	11	11
Other taxation and social security	153	205	-	-
Other creditors	95	87	-	-
Accruals and deferred income	3,008	3,581	3	3
	6,496	7,976	14	14

Belfast International Airport Holdings Limited

14 Creditors – Amounts falling due after more than one year

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Amounts due under finance lease and hire purchase arrangements (note 15)	-	2	-	-
Amounts due to group undertakings	55,710	57,731	166,605	161,356
	55,710	57,733	166,605	161,356

15 Obligations under finance lease and hire purchase arrangements

	2007	2006
Group	£'000	£'000
Due within one year	2	46
Due within one to two years	-	2
Due within two to five years	-	-
	2	48
Less: finance charges allocated to future periods	-	-
	2	48

16 Provisions for liabilities

	Deferred tax
Group	£'000
At 1 January 2007	6,126
Provided during the year	(2,192)
At 31 December 2007	3,934

Belfast International Airport Holdings Limited

16 Provisions for liabilities (continued)

The amounts of deferred tax provided and unprovided are:

Group	2007 Provided £'000	2006 Provided £'000
Accelerated capital allowances	3,934	6,126
	3,934	6,126

Revaluations of investment property have resulted in a potential deferred tax liability of £36,886,000 (2006: £36,748,000), which has not been provided as, at the balance sheet date, the Company has not entered into any binding agreement to sell the revalued assets.

17 Deferred income

Group	£'000
Government grants	
At 1 January 2007	577
Released to profit and loss account	(28)
At 31 December 2007	549

18 Called up share capital

	2007 £'000	2006 £'000
Authorised		
"A" ordinary shares of £0.05 each	75	75
"B" ordinary shares of £0.05 each	75	75
	150	150
Allotted, called up and fully paid		
"A" ordinary shares of £0.05 each	75	75
"B" ordinary shares of £0.05 each	75	75
	150	150

The ordinary shares carry the right to receive an annual, fixed, net, cumulative, cash dividend at a rate each year of 5% of the total amount subscribed for such shares from the date of allotment. The dividend has been paid up to 14 July 1996 and payment since this date has been waived.

Belfast International Airport Holdings Limited

19 Share premium account

Company and Group	£'000
At 31 December 2006 and 31 December 2007	450

20 Reserves

	Group revaluation reserve	Group profit and loss account	Company profit and loss account
	£'000	£'000	£'000
At 1 January 2007	122,493	(19,960)	(8,444)
Surplus on revaluation of investment properties	762	-	-
Transfer to profit and loss account	(302)	302	-
Retained profit/(loss) for the year	-	10,399	(5,056)
Actuarial loss on pension scheme	-	2,570	-
At 31 December 2007	122,953	(6,689)	(13,500)

21 Reconciliation of movements in equity shareholders' funds

	2007 £'000	2006 £'000
Profit attributable to shareholders	10,399	7,593
Surplus on revaluation of investment properties	762	49,535
Actuarial gain on pension scheme	2,570	650
Net movement in equity shareholders' funds	13,731	57,778
Opening equity shareholders' funds	103,133	45,355
Closing equity shareholders' funds	116,864	103,133

Belfast International Airport Holdings Limited

22 Capital and other commitments

	2007 £'000	2006 £'000
Capital expenditure		
Contracts placed for future capital expenditure not provided in the financial statements	3,055	817

23 Contingent liabilities

The Group has entered into guarantees in respect of certain bank overdrafts and borrowings of its parent TBI plc. At 31 December 2007 the total amount outstanding under the terms of these arrangements was £61,000,000 (2006: £64,000,000).

24 Related party disclosures

In accordance with the exemption afforded by FRS 8, 'related party transactions', there is no disclosure in these financial statements of transactions with entities that are part of the Airport Concessions and Development Limited Group.

25 Parent undertaking

The immediate parent company is TBI plc, registered in England and Wales. The largest and smallest UK group in which the results of the company are consolidated is that headed by Airport Concessions and Development Limited. Copies of the financial statements can be obtained from Britannia House, Frank Lester Way, London Luton Airport, Luton, Bedfordshire LU2 9NQ.

The ultimate parent company is abertis Infraestructuras S.A., a company registered in Spain.