



**MANCHESTER AIRPORT GROUP
INVESTMENTS LIMITED**

Company number: 08338555

A young child with light brown hair, wearing a light green sweater and blue and white striped pants, is holding a white toy airplane in their right hand and a red suitcase with blue wheels in their left hand. The child is looking up and to the left with an open mouth, as if shouting or playing. The background is a blurred airport terminal. The image is overlaid with large, semi-transparent geometric shapes in shades of blue and white.

2024 Annual Report & Accounts

Introduction

MAG is the UK’s leading airports group, operating Manchester, London Stansted and East Midlands Airports, alongside global airport services business, CAVU.

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The term ‘MAG’ (Manchester Airports Group) refers to the consolidated group of entities controlled by Manchester Airport Group Investments Limited (MAGIL)

Our Purpose

At MAG, our role is to connect our customers to the world with great airport experiences and innovative travel services.

Our Vision

To be a world leader in the provision of airport facilities and travel services, delivering value for all stakeholders.

Our Mission

We are on a mission to make our airports and travel services the number one choice for travellers and airlines.



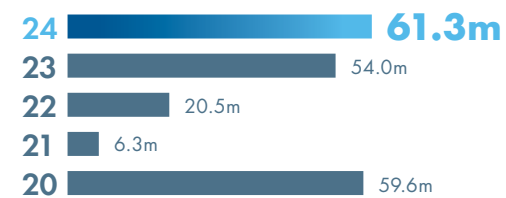
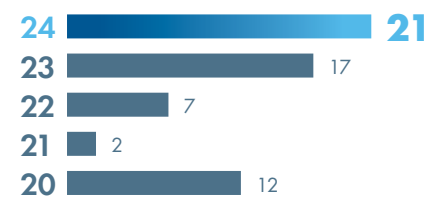
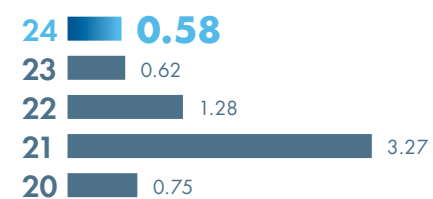
2024 performance highlights

Year in review



OPERATIONAL HIGHLIGHTS

PASSENGER NUMBERS

HEALTH AND SAFETY **RIDDOR** – REPORTABLE ACCIDENTSCARBON REDUCTION – CO₂ EMISSIONS

FEMALE REPRESENTATION AT LEADERSHIP

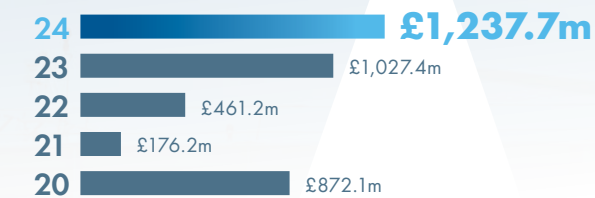


- Increase in passenger numbers year-on-year, taking traffic levels back above pre-pandemic levels
- Continued recovery of both short and long-haul route networks, and introduction of new links to key destinations in the Middle East and US
- Live investment programmes across all three MAG airports, totalling c. £2bn over the next five years
- Strong operational performance and positive feedback received from passengers at all three airports

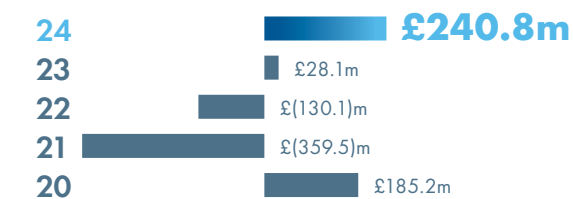
- Industry-leading research published on a number of topics, including the role of household waste in UK SAF production and the economic potential of Manchester Airport which would be unlocked through the establishment of a high-speed rail link across the North
- Introduction of new colleague wellness offerings including a 24-hour free GP service
- Continued growth of CAVU, expanding its global footprint across 49 countries

FINANCIAL HIGHLIGHTS

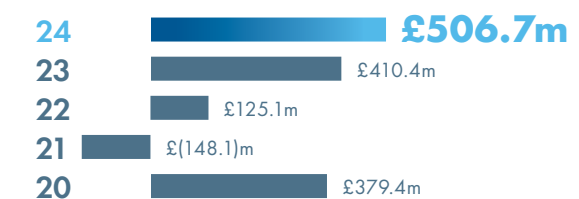
REVENUE



OPERATING PROFIT



ADJUSTED EBITDA*



* As explained in Other Information to the financial statements on page 156.

At a glance

Who we are

Manchester Airports Group (MAG) is the UK's largest airports group, owning and operating Manchester, London Stansted and East Midlands Airports, and global travel services business, CAVU.

In FY24, the Group served over 61m passengers and more than 260 destinations across its three airports. With catchments spanning the UK, around 70% of the population live within a two-hour journey of a MAG airport. Together with CAVU, the Group employed over 7,500 colleagues at the end of FY24.



£10.6bn

CONTRIBUTION TO THE UK ECONOMY

260+

DESTINATIONS SERVED

40,000+

PEOPLE EMPLOYED AT OUR AIRPORTS

Manchester Airport

PASSENGERS

28.8m

DESTINATIONS SERVED

193

CARGO HANDLED

74,016t

Manchester Airport is proud to serve the North with a wide range of global connections and in FY24 it served 28.8m passengers. It is the only airport outside of London with two full-length runways and is home to 47 airlines serving 193 destinations across four continents. The airport directly employs over 3,600 people and supports a total of 19,000 jobs.

[Read more on page 22](#)

East Midlands Airport

PASSENGERS

4.0m

DESTINATIONS SERVED

72

CARGO HANDLED

368,714t

East Midlands Airport offers passengers an effortless and affordable travel experience to popular business and leisure destinations across Europe. As the home of the UK's largest pure freight operation, it powers UK trade around the globe. In FY24 the airport served 4.0m passengers across 72 destinations and handled more than 365,000 tonnes of cargo. East Midlands directly employs over 800 people and supports a total of 7,800 jobs on site.

[Read more on page 26](#)

London Stansted Airport

PASSENGERS

28.5m

DESTINATIONS SERVED

198

CARGO HANDLED

288,111t

With the largest range of European connections of any UK airport and the simplicity of its single terminal operation, London Stansted Airport served 28.5m passengers in FY24 across 198 destinations. It is the only major London airport with spare runway capacity, and this year secured planning permission to extend the terminal building to accommodate growth and enhance the passenger experience. London Stansted directly employs over 2,100 people and supports a total of 13,000 jobs on site.

[Read more on page 24](#)

CAVU

LOUNGES

25

COUNTRIES OPERATING IN

49

AIRPORT CLIENTS

400

CAVU was founded in 2022 by bringing together the MAG-O and MAG-US business units, including their network of direct-to-consumer brands. CAVU combines the expertise of these entities to provide services to MAG airports and others across the world, driving improved revenue by delivering digital solutions and physical experiences that make air travel smoother and more enjoyable. CAVU operates MAG's own car parking and lounge products and has also secured deals to operate a total 25 lounges in the UK and US.

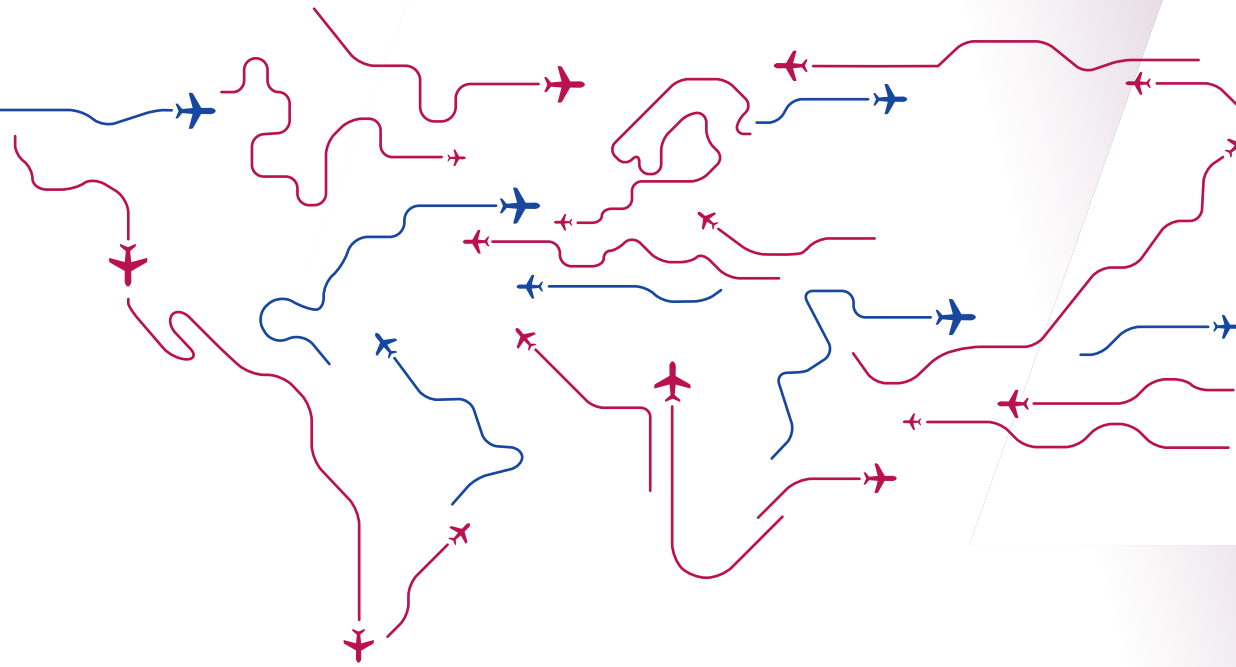
[Read more on page 28](#)



At a glance

Where we operate

With a route network spanning four continents, MAG connects passengers and businesses to key destinations across the globe. Through CAVU, we are developing a global footprint of both physical and digital airport services.



THE AMERICAS

Manchester Airport has the largest transatlantic network outside of London, with direct routes to many US cities as well as destinations in Canada, the Caribbean and Mexico. CAVU operates in the main overseas markets in the US, with lounge and car parking operations at 13 airports.

EUROPE

MAG airports have direct connections to 205 European destinations, with multiple daily frequencies to many of the most popular. London Stansted's European network is unparalleled among UK airports.

ASIA

Manchester Airport is the only UK airport outside London with Far East connectivity, with direct routes to Beijing, Hong Kong and Singapore. East Midlands and London Stansted Airports serve direct cargo routes to key Asian markets.

MIDDLE EAST & AFRICA

Our airports have multiple Middle East routes, with direct services to the key hubs of Dubai, Abu Dhabi and Qatar, alongside Saudi Arabia, Kuwait and Bahrain. London Stansted's Dubai service returned rapidly to double-daily in the UK. Popular North African destinations are served from Manchester, as well as a critical route into Addis Ababa, Ethiopia, which provides access to a key central African hub.



AVIATION REVENUE

£418.1m

MAG works with a diverse mix of carriers from across the globe, allowing our airports to provide choice, value and convenience to our passengers. We forge strong commercial partnerships with our airlines, working together to deliver growth that supports the economic prosperity of our respective regions. Cargo operations across MAG's airports handle more than 730,000 tonnes of air cargo between global hubs and the UK every year.



CAR PARKS

£370.3m

Through CAVU's market-leading approach to trading online airport services, MAG generates significant income from car parking. Our car parks cater for diverse tastes and budgets, ranging from our competitively priced JetParks brand through to Meet & Greet and Valet services.



RETAIL SPACE

£300.8m

Our airports have more than 39,118 sq m of retail space. We work with a diverse range of brands, both new and established, to help them operate successfully in an airport environment. As part of the Manchester Airport Transformation Programme, we have delivered a retail offering including regional brands that reflect the best the North has to offer. Partnering with MAG gives retailers potential access to more than 60m customer journeys.



Strategic Report

STRATEGIC
REPORT

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A positive period of growth has delivered value to customers, shareholders and the UK economy, setting us up for a further phase of strategic investment.



Chief Executive's statement

Investing in growth and experience

These are the first full year results I am presenting as MAG CEO, and it is pleasing to be able to reflect on a period that can be characterised by growth, investment and the delivery of positive customer experience.

Our airports have significantly grown passenger volumes year-on-year, by working in partnership with our airlines to increase the variety of destinations and the frequency of connections available to travellers, and by offering the best possible end-to-end value.

As well as through the addition of new routes at our airports, the year also saw us extend our international reach through our work to secure operating and maintenance contracts overseas and – through CAVU – successful bids to run lounges and car parks internationally.

The period has also presented a number of challenges, with some of our key international markets recovering faster than others and fluctuations in oil prices and aircraft availability being issues faced by airlines worldwide.

Having agreed our new Strategic Framework this time last year, we have made good progress towards all our priorities (see page 16).

Further details of this work are provided throughout this Report, but I wanted to take the opportunity in this statement to outline the main highlights of the period.

STRONG FINANCIAL AND OPERATIONAL PERFORMANCE

At a Group level, we have reported a strong financial performance, with record revenues of £1,237.7m (2023: £1,027.4m) and adjusted EBITDA of £506.7m (2023: £410.4m).

Performance has been driven by strong passenger year-on-year growth across our airports, with Group volumes ending the year at 61.3m (102.8%¹ of those delivered pre-pandemic). This performance was achieved against a backdrop of challenging household finances, which have impacted consumer spending in some other sectors.

Appreciating both the value people attach to their trips away and the financial pressures they have been facing, we have maintained a relentless focus on providing consumers great choice and value. We have worked closely with our airlines to foster commercial partnerships that ensure flying remains as affordable as possible, while increasing the destinations available from our airports and the frequency of services. With MAG airports serving areas that span most of the UK, our commitment to maximising the destinations we serve ensures people in the North, South and Midlands have the best possible access to travel opportunities.

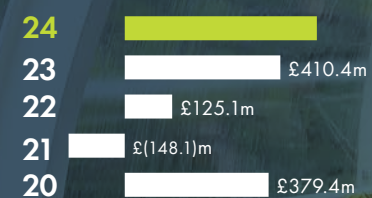
Our strong passenger performance has been complemented by good growth in non-aeronautical revenues and this has contributed to EBITDA growth exceeding the growth in passenger volumes. This reflects our commitment to offering customers a range of options when travelling through our airports, whether car park products to suit all budgets or retail and food and beverage units providing choice to suit customers' circumstances or reason for travel.

GROWING OUR AIRPORTS

'Grow our core airports business', 'Invest in our airports' and 'Deliver great customer service and operational excellence' are three of the seven priorities in our Strategic Framework, and we can report good progress against each of these.

We are investing heavily in our airports to support their growth and improve passenger experience, with plans to invest more than £2bn in our three airports over the next five years.

London Stansted became the first major UK airport to surpass pre-pandemic volumes in July 2023 and ended the financial year with a record passenger performance of 28.5m. This demonstrates that the airport's combination of excellent destination choice, value – delivered through strong airline relationships – and the ease and efficiency of a single terminal operation prove popular with travellers.

REVENUE £1,237.7m**ADJUSTED EBITDA* £506.7m**

* As explained in Other Information to the financial statements on page 156

¹ When comparing current year passenger volumes to pre-pandemic levels, the comparative used is from the financial year ended 31 March 2020. Management considers this to be the most appropriate benchmark whilst acknowledging March 2020 had travel restrictions in place impacting passenger volumes.

This performance was delivered while ensuring 97.7% of passengers passed through security in under 15 minutes across the year. It was pleasing to support the growth of our core existing carriers, such as Ryanair and Jet2.com, while welcoming several new airlines to the airport, including Anadolujet, Royal Jordanian and BA CityFlyer. It was also encouraging to see Stansted's direct rail connection to central London restored to a four-trains-per-hour service. Looking to the future, our plans for the transformation of London Stansted are progressing well. By extending our existing terminal, we will provide passengers with a spacious and modern environment, while unlocking further growth in passenger volumes up to our agreed limit of 43m passengers per year.

In its 85th year, Manchester Airport also welcomed record passenger volumes, serving 28.8m during the period. The airport also saw good growth in seat capacity from its main carriers, such as easyJet, Jet2.com, Ryanair and TUI, and new routes were launched to destinations including Cairo, Casablanca and Luxembourg. Since the year end, it has been pleasing to see the resumption of Virgin Atlantic's service to Las Vegas and to welcome Juneyao Air to Manchester. The airline started a direct service to Shanghai – the airline's first between China and the UK – which is set to deliver a significant economic and cultural boost to the North.



We are investing heavily in our airports to support their growth and improve passenger experience, with plans to invest more than £2bn in our three airports over the next five years."

KEN O'TOOLE

Group Chief Executive Officer



Chief Executive's statement continued

Operationally, 97.7% of passengers passed through security in under 15 minutes across all three terminals, with the extended Terminal 2 – the centrepiece of our Transformation Programme (MAN-TP) – receiving particularly positive customer feedback. We look forward to building on this as we continue to make progress on the final phase of MAN-TP, scheduled for completion in 2025. The facilities we have already delivered continue to receive positive customer feedback and it was pleasing to see our terminal extension recognised with the prestigious Prix Versailles design award.

East Midlands saw strong year-on-year passenger growth, ending the period at 4.0m, up 21.2% compared with FY23. Both Jet2.com and TUI added new based aircraft and routes, while Eastern Airways recently launched a flagship service to Paris Charles de Gaulle, opening up a range of onward connections. Across the year, 100% of passengers at East Midlands Airport passed through security in under 15 minutes, and we were pleased to announce a £120m programme of investment in our facilities.

Across all airports, growth was delivered while maintaining high levels of passenger satisfaction. Our most recent survey of passengers showed that 91% rated their overall experience as either 'good', 'very good' or 'excellent' across the Group.

During the year, all three of our airports received the highest possible rating from the Civil Aviation Authority for the service provided to passengers with assisted travel needs, and we will be working hard to ensure we retain that status in the year ahead.

Good progress has been made across all three of our airports on the installation of new security equipment that will take away the need for passengers to remove liquids and large electrical items from their hand luggage when passing through security. This is part of a UK-wide requirement to introduce these scanners, involving the delivery of complex capital programmes while maintaining positive passenger experience in our terminals. We expect full completion of the programme during 2025.

While the clear message to passengers across our industry is to continue to follow existing advice when preparing to come to airports, we are already receiving positive feedback

from people using the equipment that has been installed to date, indicating that the completion of the programme will be another step forward in transforming the passenger experience for the better.

Safety and security will always be our number one priority. While we have recorded an increase in RIDDOR reportable incidents, we have performed root cause and trend analysis to target areas of improvement, leading to several new measures being introduced, including a series of new Group-wide standards that make our approach to compliance and resilience industry-leading.

LEVERAGING OUR TRAVEL EXPERTISE

Another of our strategic priorities is to 'Develop and scale CAVU' and, having founded the division in 2022 with a mission to become the world's leading airport product and services company, it is encouraging to report a strong performance during the period.

CAVU has developed a single online 'marketplace' that now comprises more than 3,450 products and services. These are either sold directly through our own channels, sold by clients who have adopted CAVU's proprietary platform 'propel,' or sold by third parties themselves.

When combined with the physical airport lounges it operates both in the UK and the Americas, CAVU now has a presence at 400 airports in 49 countries, with the expansion of its reach having driven both sales and EBITDA during the period.

Looking further afield, we are pleased to be in discussions over a contract to operate and maintain Grand Bahama Airport in the Caribbean, and will consider further such opportunities to export our operational and commercial capabilities as they present themselves.

CREATING A SUSTAINABLE FUTURE

The decarbonisation of aviation remains a central focus, as we play a leading role within our industry in driving progress towards net zero flying by 2050. We recently welcomed the publication of the Manifesto for UK Leadership in Sustainable Aviation, which sets out our sector's commitment to achieving

net zero and minimising the impacts of aircraft noise while maximising the economic benefits aviation delivers to the nations and regions of the UK. The manifesto was launched by Sustainable Aviation (SA), an industry coalition bringing together airports, airlines, aerospace manufacturers and fuel producers, and we are pleased that MAG will resume the role of chairing the organisation in the coming months.

An important contribution to aviation's net zero transition is the need to establish a domestic Sustainable Aviation Fuel (SAF) sector in the UK, to not only ensure sufficient SAF is available in this country, but to support the creation of tens of thousands of high value green jobs. MAG recently published research highlighting the opportunity to convert household waste into SAF, as an alternative to incinerating the waste or using it to generate electricity. The study, by sustainability experts ICF, showed the environmental benefits of using domestic waste to make SAF, rather than to produce power, were at least five times greater and this is an agenda we will continue to pursue with government and other stakeholders this year.

We were pleased to be named as a European Climate Leader by the Financial Times for the third consecutive year, and we also retained our five-star GRESB ESG rating, which is positive recognition for our work in this area, and further details of our initiatives in the decarbonisation space are outlined from page 32. As we enter the penultimate year of our five-year Group CSR Strategy 'Working together for a brighter future', there are many other highlights to point to. These include welcoming 5,500 young people through our aerozone, and donated £750,000 to local causes. Read more about other key developments on page 34.

At the heart of our strategic framework is our goal to 'Develop a brilliant, diverse and inclusive team of people who share our values.' A comprehensive overview of the progress we have made towards this priority can be found on page 17, but, as CEO, it is pleasing to reflect on ongoing work to embed our Company values and develop strong career pathways for all our colleagues. As Chair of our ED&I Forum, I am particularly proud of our work in this area, including through our Colleague Resource Groups (CRGs), details of which are outlined later in this report.

EXTERNAL CONTEXT AND OUTLOOK

Externally, there have been a number of domestic and global issues to navigate, on top of the cost-of-living pressures outlined earlier.

We were disappointed by the Government's decision to scrap the Northern leg of HS2, given the importance of integrated transport infrastructure to rebalancing the UK economy and maximising the competitiveness and productivity of the North.

In March the Government announced that a high speed, east-west rail link is being developed with a station at Manchester Airport at its heart, ensuring all parts of the North will get better access to the region's global gateway. Our focus now is on working with government as well as public and private sector stakeholders across the North to ensure these plans are delivered as soon as possible. This investment would help unlock transformational growth for the North, and we recently published research that outlined the economic contribution Manchester Airport would make. The study, by consultancy firm Arup, stated that, in the right policy environment, Manchester Airport could secure up to 50 additional long-haul routes by 2050 and increase its economic contribution to the North to £16.2bn from £5.7bn.

We firmly believe government needs to take an integrated approach to road, rail and air in its transport policies and is something that any new UK government should prioritise.

In the UK, we believe MAG has a unique economic contribution to make, both as a direct source of opportunity for people in the communities that surround us, and as an enabler of the globally competitive sectors that will drive the country's growth in the years ahead.

This was brought to life through research we released in April, produced by WPI Economics. It demonstrated that a number of industries – broadly categorised as "service sectors" – are projected to grow faster than the rest of the UK economy, but are more reliant on international connectivity for their success.

Therefore, in order to ensure these high-potential sectors reach their full potential, as a nation we need not only maintain the levels of global connectivity we have today, but to build on it and grow aviation further.

That means any new Industrial Strategy for the UK must include measures to sustainably grow aviation, given its role as a strategic economic enabler. To grow the nation's economy as a whole, we also need to close the north-south productivity gap through regional growth strategies that also have regional airports at their heart.

That is why we look forward to working with the Government on plans to harness the potential of aviation to drive a sustainable and prosperous future for the UK.

In the months ahead, we will see elections both in the UK and in many of the markets we service, the economic and societal implications of which we will monitor closely, as well as assessing the impacts of geopolitical tensions and conflict in the Middle East and Ukraine.

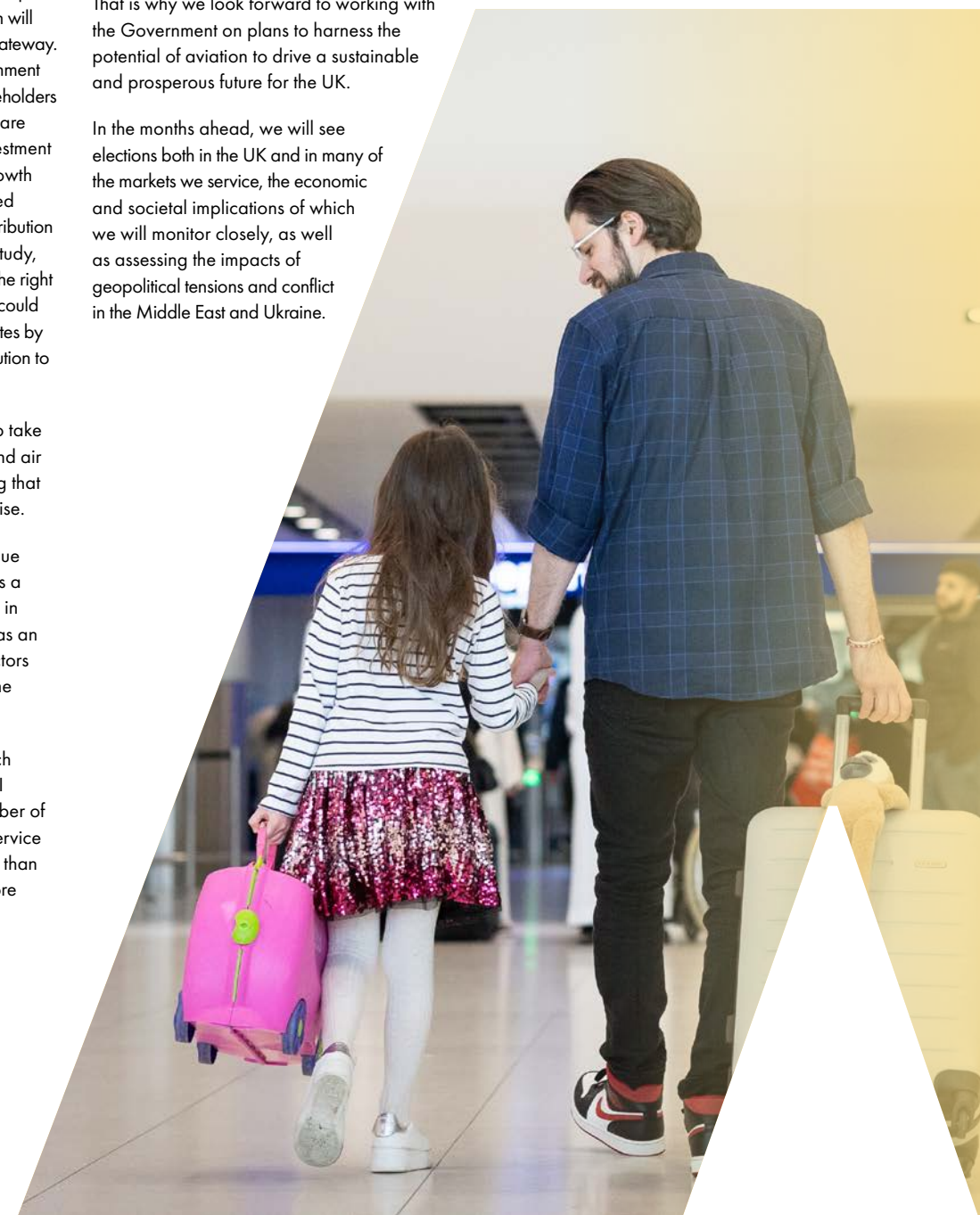
We head into the new financial year, and the 2024 peak summer season, in a position of operational and financial strength.

This sets us up for another period of significant investment, which will unlock opportunity for our customers and partners and ultimately help us achieve our final strategic objective of Driving Sustainable Growth in Shareholder Value.

KEN O'TOOLE

Group Chief Executive Officer

1 July 2024



Our business model

How we operate...

We will develop a strong and growing business by putting the needs of our customers at the centre of everything we do.

By taking a responsible and sustainable approach to managing and developing our business, we will create value for customers, colleagues, wider society and our shareholders. MAG's business model

supports the successful delivery of the Group's strategy by empowering our three airport businesses (Manchester, London Stansted and East Midlands) and travel services business (CAVU) to meet the needs of their customers in the

most effective way. This will be supported by a corporate centre that provides strategic direction and governance, and Group-wide services and solutions where these generate value.



MAG's corporate centre

- Establishes the Group's corporate strategy and strategic priorities
- Monitors performance of our airports and CAVU
- Reviews long-term business plans and secures funding
- Defines Group-wide policies, strategies and standards (including CSR and Health and Safety)
- Drives corporate priorities and ensures appropriate governance across the Group
- Provides a limited range of Group-wide services and solutions where these generate value



Airport businesses

- Develop and execute their respective strategies, in line with the Group's overall strategy and strategic priorities
- Deliver day-to-day performance and accountability for results
- Identify and respond to the specific needs of their customers and competition from other airports
- Focus on building long-term partnerships with airline customers and stakeholders to maximise growth prospects and value
- Operate in a responsible and sustainable way, consistent with Group policies and standards



CAVU

- Provide airport products and services to travellers as a standalone commercial business
- Work with airport clients to sell products and services across the passenger journey
- Partner with onward distributors who sell our products through their own channels
- Create scale via a single digital platform, increasing the volume and value of marketplace bookings
- Develop automated business processes that are powered by data and insight
- Engage directly as CAVU with customers and colleagues

...creates value
for our stakeholders

We create value by managing and developing our business in a responsible and sustainable way that recognises the needs of all our stakeholders, and maintains the highest standards of safety and security.

PASSENGERS



We provide travellers with airport services that offer the right mix of choice, quality and value to meet their different needs.

SUPPLIERS AND OTHER
AIRPORT PARTNERS

We work closely with a wide range of organisations to deliver a high quality airport experience to our customers, including National Air Traffic Service, UK Border Force, ground handling companies, providers of services to passengers with reduced mobility, retailers and food and beverage providers, and public transport operators.

AIRLINES



Our airline customers include passenger airlines, cargo airlines and general aviation operators. We compete with other airports to attract airlines and look to develop long-term agreements to support their growth.

GOVERNMENT,
REGULATORS AND
AGENCIES

The Government takes a strong interest in our airports because of their role in delivering wider policy objectives, including economic growth, strategic connectivity and regional development.

Aviation is a highly regulated industry and we work closely with Government, the CAA and other agencies to ensure we comply with their requirements and help shape development of new policy.

EMPLOYEES



MAG employees play a vital role in delivering services for our customers and they are critical to the successful delivery of our strategy.

We value positive engagement with trade unions who provide collective representation for unionised colleagues. We also recognise that the Group's performance is important to former colleagues who are members of the MAG pension scheme.

SHAREHOLDERS
AND DEBT INVESTORS

Our shareholders and debt investors provide the capital needed to operate and develop the Group. We work closely with them to ensure they understand business unit performance, and the strategic opportunities and risks for the Group.

LOCAL COMMUNITIES
AND REGIONS

People who live and work in the communities and regions around our airports are key stakeholders. We engage with local communities to understand their concerns and work to minimise our impacts as far as possible.

We also work with local schools to support the education of young people and provide training and skills to people looking for work. Our airports also support the work of local charities and organisations through volunteering and funding.

Our strategy

Connecting to the world

At MAG, our role is to connect our customers to the world with great travel experiences and innovative travel services. That is our purpose.



DELIVER GREAT CUSTOMER SERVICE AND OPERATIONAL EXCELLENCE

What it means to MAG:

Make our airports the place where the excitement of a journey really begins by providing an experience that customers trust will be efficient, reliable and friendly – using technology and data to drive high levels of productivity and predictability. We want our airports to be highly regarded for the mix of value, service and choice they provide. They will have a reputation for strong customer service, delivered through operational excellence.

Progress in FY24:

We delivered strong service across all our airports. In the areas we control directly – most notably security – we have the resources and tools in place to continue to provide a positive experience, across all MAG airports, more than 95% of all passengers passed through security throughout the year in under 15 minutes. We have worked closely with partners like airlines and ground handlers to ensure they have the resources they need to deliver stable operations. High levels of customer satisfaction were achieved, with 91% rating their overall experience as good, very good or excellent. The CAA awarded us the best possible ratings for our services for those with assisted travel needs.

Priorities for FY25 and beyond:

Continue to roll out technology-driven solutions to further streamline our operations, making them productive and predictable and, ultimately, improving the experience for customers. Examples include technology to support our resourcing by helping us better understand the movement of passengers through our terminals and the introduction of pre-booked security slots.



GROW OUR CORE AIRPORTS BUSINESS

What it means to MAG:

Maximise the commercial potential of our airports by offering value and choice to our customers, making the best use of our airports' capacity. Long-term commercial partnerships with our airlines will drive growth by ensuring our airports remain highly competitive and offer strong opportunities for network development.

Progress in FY24:

Passenger numbers recovered to above pre-pandemic levels during the FY, surpassing this at a Group level in recent months. This has been delivered by supporting our core airlines to grow, while welcoming new carriers to our airports and adding new destinations to our departure boards. We have continued to broaden our product mix, ensuring passengers have the best possible choice of products and services while at our airports. We achieved passenger volumes, revenue and profit growth ahead of budget (see pages 18, 20).

Priorities for FY25 and beyond:

Continue to drive an ambitious growth agenda by unlocking the potential of our existing runways through strong airline partnerships, adding strategic routes to our airports, working with external partners to make the case and ensure their success, and using data to understand the products and services customers want.



INVEST IN OUR AIRPORTS

What it means to MAG:

Develop new facilities and infrastructure to meet long-term growth in demand and make optimal use of current runway capacity.

Progress in FY24:

We made good progress on the final phase of the Manchester Airport Transformation Programme (MAN-TP) and on the design and enabling works carried out on the extension of the terminal at London Stansted. A £120m programme of investment in East Midlands was announced and is underway, and we invested in Next Generation Security programmes across the Group.

Priorities for FY25 and beyond:

Continue to drive MAN-TP towards completion in the first half of FY26, and progress the construction of London Stansted's extension, ahead of target delivery in 2027. Continue investment to deliver Next Generation Security programmes at all three of our airports in 2025.



DEVELOP AND SCALE CAVU

What it means to MAG:

Use CAVU's single platform, commercial expertise and expansive distribution network to help airports and other related businesses across the globe unlock value from the end-to-end passenger journey, making airport travel seamless and enjoyable for everybody.

Progress in FY24:

We exceeded financial targets through a combination of new contract wins and a strong performance across CAVU's portfolio of brands. CAVU now has a presence at 400 airports in more than 45 countries.

Priorities for FY25 and beyond:

Make further enhancements to CAVU's propel platform, including through the migration of legacy products onto it, to unlock value and drive transactions. Launch a tiered product proposition so that we offer something to a range of different clients with different needs and set us on a path to creating a global travel marketplace.



DECARBONISE AVIATION

What it means to MAG:

Lead work with industry partners and governments to decarbonise air travel over the period to 2050 so that future growth in demand is sustainable and achievable. We will progress our Net Zero Transition Plan to deliver net zero airport operations by 2038 through the implementation of a range of programmes to reduce emissions by 2030.

Progress in FY24:

We continued to engage with government and industry partners to make progress in securing the right conditions for a UK-based SAF industry, alongside the establishment of a hydrogen partnership at East Midlands Airport. We made a commitment to establish near-term targets through the Science Based Targets initiative (SBTi) to demonstrate tangible progress towards our 2038 goal.

Priorities for FY25 and beyond:

Continue progress towards making MAG's airport operations net zero by 2038. Continue cross-sector work to ensure the right conditions are in place across the aviation industry to reach net zero by 2050.



ACHIEVE SUSTAINABLE GROWTH IN SHAREHOLDER VALUE

What it means to MAG:

Grow shareholder value by taking a responsible and sustainable approach to managing and developing our business, balancing the needs of our customers, passengers, colleagues and the communities in which we operate.

Progress in FY24:

We achieved continued growth in revenue and EBITDA versus FY23, while investing in our infrastructure to unlock the full potential of our airports and drive greater value in the future. This was delivered while increasing the impact of our core CSR programmes, with a particular focus on providing Opportunity for All through our education and employability schemes, making MAG an attractive place to work and build a career through the development of our EVP, values and ED&I strategy.

Priorities for FY25 and beyond:

Continue investment to unlock value for all colleagues, shareholders, customers and stakeholders, which in turn creates opportunity and prosperity for people living in communities surrounding us. Provide clear focus for that goal through the development of a new sustainability strategy to run from 2025 onwards.



DEVELOP BRILLIANT, DIVERSE AND INCLUSIVE TEAM OF PEOPLE WHO SHARE OUR VALUES

What it means to MAG:

Create a high-performing team with the culture and capabilities that we need to deliver our strategic objectives and achieve our mission. This priority underpins our ability to deliver all the other elements of our strategy.

Progress in FY24:

We worked to embed our new Company values, including the launch of a new colleague recognition programme. We launched a new ED&I forum and strengthened the work of our Colleague Resource Groups.

Priorities for FY25 and beyond:

Continue investment in colleague experience and focus on providing strong career pathways for all MAG staff. Make ongoing progress on our ED&I agenda.

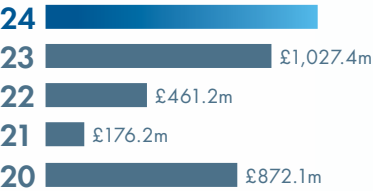
Key Performance Indicators

Financial measures

We focus on a number of key performance measures to ensure we build value for our shareholders on a consistent basis over the long term.

REVENUE

£1,237.7m
2023: £1,027.4m
+20.5%

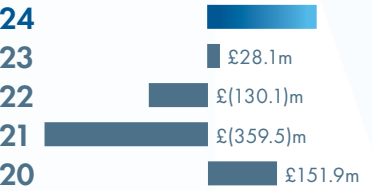


Definition
Revenue is an indicator of our top-line growth. It consists of aviation income, retail income, car parking, property and other income.

Aim & Context
We aim to achieve long-term sustainable growth in revenue across all areas of our business – aviation, car parking, retail, property and other income.

OPERATING PROFIT

£240.8m
2023: £28.1m
+757.0%

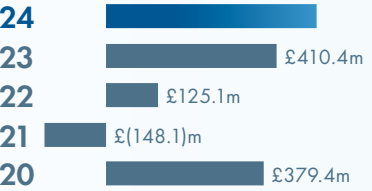


Definition
Operating profit is an indicator of how we are delivering top-line revenue growth while remaining efficient and controlling total operating costs (as defined and discussed in the finance review on page 47). Due to the high levels of investment in our airport infrastructure, leading to higher levels of finance costs, we consider a profit metric that excludes finance costs to be of more value to our key stakeholders.

Aim & Context
We aim to generate a level of profit that allows re-investment in our infrastructure.

ADJUSTED EBITDA*

£506.7m
2023: £410.4m
+23.5%

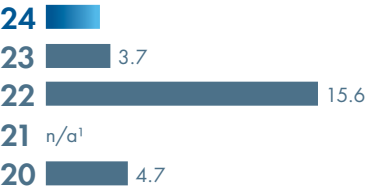


Definition
Adjusted EBITDA is an indicator of how we are delivering top-line revenue growth while remaining efficient and controlling our cost base (comprised of employee costs and other operating charges).

Aim & Context
We aim to generate a level of profit that allows re-investment in our infrastructure.

NET SENIOR DEBT/ADJUSTED FROZEN EBITDA*

3.1
2023: 3.7
-16.2%

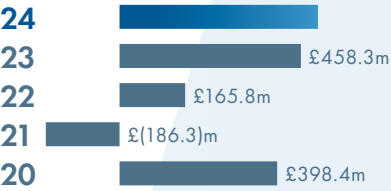


Definition
Net senior debt/adjusted frozen EBITDA* is a measure of indebtedness used by our financiers and excludes the impact of IFRS 16 in line with covenant calculations. The above ratio indicates the level of debt relative to the Group's financial performance.

Aim & Context
The Group seeks to grow EBITDA, whilst maintaining appropriate levels of net debt and leverage to invest in the asset base.

ADJUSTED CASH FROM OPERATIONS*

£501.4m
2023: £458.3m
+9.4%



Definition
Adjusted cash from operations is the cash generated in the year from operations excluding adjusted items.

Aim & Context
We focus on converting our operating profits into cash to fund further investment and returns to shareholders.

* As explained in Other Information of the financial statements on page 156.

1. N/a in 2021 due to loss making position.

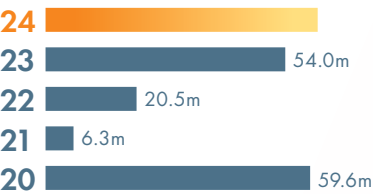
Key Performance Indicators continued

Operational measures

Operational measures help us understand how our business is performing in a number of key areas including Equity, Diversity and Inclusion and Sustainability.

PASSENGER NUMBERS

61.3m
2023: 54.0
+13.5%

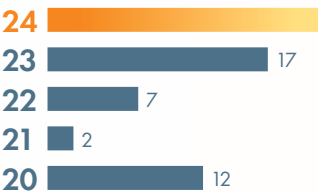


Definition
Passengers being the total of all arriving, connecting and departing passengers.

Aim & Context
Maximise passenger volumes through our airports, which will contribute to growth in our aviation and commercial revenue streams.

HEALTH AND SAFETY **RIDDOR** – REPORTABLE ACCIDENTS

21
2023: 17
+23.5%

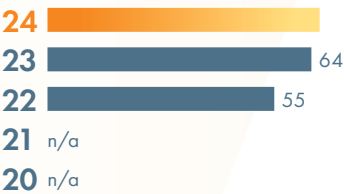


Definition
We measure the number of reportable accidents over the 12 month period.

Aim & Context
Maintain robust health and safety standards for both our customers and colleagues, contributing to a safe working and operating environment for all.

EMPLOYEE ENGAGEMENT SCORE¹

66
2023: 64
+3.1%



Definition
We survey all of our teams to understand their engagement levels over the past 12 months, the score is denominated out of 100.

Aim & Context
Achieve the highest level of employee engagement, through developing a brilliant, diverse and inclusive team of people who deliver outstanding customer service.

¹ Performance metrics only captured from FY22.

FEMALE REPRESENTATION AT LEADERSHIP

34.6%
2023: 33.6%
+3.0%

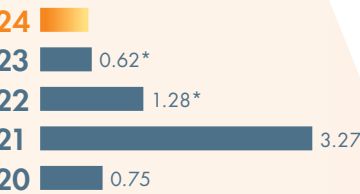


Definition
We report on female leadership (Grades 4a and above) diversity quarterly and review progress at the ExCo-sponsored ED&I Forum and the CSR Committee quarterly.

Aim & Context
Create an equitable and inclusive culture that increases colleague engagement and productivity, allowing us to increase gender and ethnic representation at leadership levels.

CARBON REDUCTION – CO₂ EMISSIONS

0.58
2023: 0.62
-6.6%



Definition
'SECR' scope 1, 2 and 3 Greenhouse gas emissions market based emissions per traffic unit (tonnes CO₂e).

* The energy and emission performance for 2022/23 and 2021/22 have been restated to make use of the most complete dataset.

Aim & Context
To minimise the environmental impact of our airports.

Divisional reviews

Manchester Airport

In its 85th year of operations, the Airport saw strong year-on-year passenger growth and continued to proudly serve the North with its increasing range of global destinations, while investing in its facilities to enhance the passenger experience.



I am proud of Manchester Airport's performance over this reporting period, both in how we have expanded our offering to passengers through new routes and the high levels of service we have delivered consistently across the year – cementing our role as the UK's global gateway in the North."

CHRIS WOODROOFE
Managing Director

PERFORMANCE

After a successful year of continued recovery in FY23, Manchester Airport saw a further increase in passenger numbers, serving 28.8m people in FY24, equivalent to 102.1% of FY20 levels and up 14.3% on last year.

In October 2023, the airport exceeded volumes seen in the same month in 2019, surpassing pre-pandemic volumes for the first time, and for the remainder of the year has seen record passenger numbers pass through its terminals.

Manchester delivered a strong operational performance and a positive experience for passengers.

This was sustained over the peak summer season, when – between June and August – an average of 90% of passengers passed through security in 15 minutes or less (compared to 85% in 2023), this continued over the winter period. In March, as we built up to the Easter period, 99% of passengers passed through in under five minutes.

The quality of the service at the airport was recognised by passengers over the summer, with 93% rating their experience as 'excellent', 'very good', or 'good'. In July, our commitment to delivering a positive experience for all passengers was recognised by the Civil Aviation Authority, when we received the highest 'very good' rating for our services for those with assisted travel needs. These outcomes are testament to the work of colleagues across Manchester Airport, and the investment we have made in improving our facilities.

**ROUTES**

In FY24, we saw the return of many routes previously served before the pandemic, alongside the introduction of additional long-haul destinations from new airlines, expanding Manchester's global reach to significant markets in Asia and the Middle East.

In June 2023, Virgin Atlantic announced the return of its direct route to Las Vegas, operating three flights a week from June 2024. This marked an important moment in the rebuilding of Manchester's US connections, with the airport once again the only one outside London to offer direct flights to America's West Coast.

In March this year, Juneyao Air announced a new direct route to Shanghai. This is the airport's second direct route to mainland China, adding to the highly successful Hainan Airlines service to Beijing, which it announced in November would be returning to a daily frequency in summer 2024. Royal Jordanian also started a new three times weekly service to Amman in March.

Short-haul carriers also increased capacity over the course of FY24. Egypt Air launched a five times weekly service to Cairo in June – connecting the North with the Egyptian capital for the first time since 2015 – and LuxeAir also announced direct flights to Luxembourg in August. Ryanair, easyJet and Jet2 are also all basing more aircraft at Manchester for their operations this summer.

The US market is one that has recovered a lot slower than others, meaning Manchester's seat capacity to American destinations remains lower than it was before the pandemic and will be an area of focus going forward.

MANCHESTER AIRPORT TRANSFORMATION PROGRAMME

In January, we marked one year of construction on the final phase of the Manchester Airport Transformation Programme (MAN-TP).

The progress has seen Terminal 2's old security hall demolished, and work continued on the construction of the Terminal's second pier. Over the course of the year, more than one million hours have been worked across the site, supporting the creation of 500 jobs.

The Terminal 2 extension that opened in 2021 continues to receive positive feedback from passengers and, in November, it was named as 'one of the most beautiful' terminals in the world by Prix Versailles, an international design and architecture award recognised by UNESCO.

RAIL INVESTMENT

In March, we published research by Arup that revealed the full economic potential of Manchester Airport, and the pivotal role it can play at the heart of a connected North.

The study showed that the delivery of a high-speed rail network between Manchester Airport and cities across the North would help unlock 'transformational growth' – enhancing prosperity for people and businesses and closing the economic gap between the North and South. It would also increase the number of people who live and work within two hours of the airport. The new rail link could see 50 new long-haul routes to cities including Sydney, Tokyo and Cape Town operating from Manchester, driving passenger volumes to around 60m per year.

It was disappointing when the Northern leg of HS2 between Birmingham and Manchester was cancelled. However, we were pleased to see a positive outcome from our engagement with Government when in March it announced it would be taking forward plans to develop Northern Powerhouse Rail (NPR) between Liverpool and Manchester, with a station at Manchester Airport.

We will continue to work closely with regional stakeholders – including through the newly-formed Manchester-Liverpool Rail Board – and Government to ensure this critical rail infrastructure is delivered so that communities and businesses across the wider region can reap its benefits.

WORKING TOGETHER FOR A BRIGHTER FUTURE

Across the year, Manchester Airport has continued to deliver initiatives which contribute to the creation of a more sustainable future for the airport and the wider aviation sector.

In November, we worked in collaboration with the North West Hydrogen Alliance to map out how a future supply of hydrogen fuel could be used across the region, with a focus on its use as fuel for aircraft. This work builds on the partnership we formed with HyNet in 2022, which could secure a future supply of hydrogen to the airport from the mid-2030s.

Our Jet Zero Curriculum officially launched in the Manchester Airport Aerozone in October, delivering on one of the pledges we made in 2021 in support of the Government's Jet Zero Strategy. The curriculum will educate thousands of students across the North West about Sustainable Aviation Fuel (SAF), how it is made, and the role it will play in the decarbonisation of the aviation sector. Across the year, we welcomed a total of more than 2,150 young people to our Aerozone and supported 900 jobs seekers through our Airport Academy.

In June we announced the Manchester Airport Apprenticeship Scheme in partnership with Trafford College. The two-year paid programme gives students the opportunity to learn about all aspects of an airport operation and could lead to future leadership opportunities as they forge a career in the aviation sector. This new scheme was launched alongside our regular programme of jobs and apprenticeship fairs, of which we hosted and attended 300 across FY24. Support for our local communities also continued throughout the year, and in total we donated £100,000 to local causes through our Community Trust Fund.



Divisional reviews continued

London Stansted Airport

London Stansted Airport became the first major UK airport to reach pre-pandemic traffic levels in July. The airport delivered a strong operational performance and has seen its route network strengthen across the year.



This has been an incredibly positive year for London Stansted, serving more passengers than ever before, and continuing to expand our extensive route network – offering choice, value and ease to everyone who travels with us. With the significant investment plans we have in place, I know our airport has an exciting future ahead of it.”

GARETH POWELL
Managing Director

PERFORMANCE

With its unrivalled choice of European destinations, London Stansted saw its passenger demand increase in FY24, serving 28.5m people, equivalent to 105.9% of FY20 and up 11.8% on last year. The strength of the airport's traffic saw it become the first major UK airport to reach pre-pandemic passenger volumes in July, and it has since delivered several record-breaking months, welcoming more passengers than ever before.

Across the year, we delivered a consistently high level of service for our passengers, and in the peak summer months 98% of people passed through security in 15 minutes or less. Over the most recent Easter period this figure was 100%.

In July 2023, we were recognised by the Civil Aviation Authority for our commitment to delivering a positive experience for passengers with additional travel needs. As a result of investment in new infrastructure and equipment across our airport, as well as excellent service delivered by colleagues, the regulator awarded London Stansted the highest ‘very good’ rating in its annual Airport Accessibility Report.

ROUTES

In recognition of our passenger demand and the unique characteristics of the area we serve, encompassing both central London and the East of England, airline partners continue to strengthen and add to our ever-growing route network, with new carriers joining London Stansted this year.

Bolstering our direct connections to the Middle East, Royal Jordanian launched a four times weekly service to Amman in March – adding to our popular service to Dubai with Emirates, which returned to a double daily frequency in May 2023.

Whilst London Stansted has not yet secured direct long-haul services to target markets in the US or Asia, it welcomed the return of British Airways, which announced services to Florence, Nice and Ibiza for the 2024 summer season. Across the board, nine new carriers started operating from London Stansted for the first time during the period.

Jet2.com and Ryanair both added routes to their networks at London Stansted during the year. Jet2.com announced services to Agadir and Marrakech in Morocco and Tivat in Montenegro, while Ryanair added new routes to Dubrovnik and Sarajevo.

Our cargo operation also grew this year and in February, Hong Kong Air Cargo launched a new route to Hong Kong, one of the world's most important economic hubs.

INVESTMENT

In July 2023, we announced plans to extend our current terminal building, to transform the passenger experience and provide capacity to accommodate growth towards the agreed limit of 43m passengers per year. We were pleased to receive planning permission in October to deliver this vision. According to analysis from Optimal Economics, the scheme could unlock potential for a greater economic contribution to the wider region, creating an additional 5,000

jobs and doubling the airport's GVA to £2bn per year. The scheme will extend the terminal by 16,500m², around 45%, creating a more spacious departure lounge, with additional seating and a greater choice of shops, bars and restaurants. There will also be new state-of-the-art check-in desks, an increased baggage capacity and a larger security hall, with more lanes equipped with next-generation scanners. We are finalising plans for the extension and will publish details of its timeline in the coming months, with our intention to complete the project by 2027.

RAIL AND SURFACE CONNECTIVITY

Following two years of engagement with the Government, in November we were pleased that the decision was taken to restore the Stansted Express to a full service, resuming the frequency and capacity that passengers experienced before the pandemic. Services now run every 15 minutes throughout the day, making access to and from Central London fast and efficient for travellers and we will continue to work with Greater Anglia to target a reduction in journey times. The frequency of coach services operating alongside our train links increased across the course of the year, including the launch of the UK's first zero emissions coach journey from London Stansted to Stratford.

WORKING TOGETHER FOR A BRIGHTER FUTURE

Across FY24, we have continued to demonstrate our commitment to the communities surrounding our airport and to creating a more sustainable future for our sector. Bridging together our commitment to driving aviation decarbonisation and providing education opportunities for all, in October we officially launched our Jet Zero Curriculum.

This programme delivered on one of the pledges we made in 2021 in support of the Government's Jet Zero Strategy and will educate thousands of students in our region about Sustainable Aviation Fuel (SAF), how it is made, and the role it will play in the decarbonisation of the aviation sector. Following a Memorandum of Understanding signed in 2022, it was pleasing to see Ryanair – our biggest carrier – purchase 1,000 tonnes of SAF, which it will use to fuel its aircraft at London Stansted, in March.

In recognition of its trailblazing role in training the next generation of aviation professionals, local MP and then Foreign Secretary, Rt Hon James Cleverly MP visited Stansted Airport College in October. As the only dedicated Further Education facility in the country for aviation, the College has this year seen around 500 students graduate with qualifications courses such as engineering, customer service and cabin crew training and we were delighted to secure funding to develop the expansion of the facility, in partnership with Harlow College. Across the year, we also hosted and attended 90 jobs fairs to inspire people into aviation careers.

This year, we donated a total of £180,000 to local causes through our Community Fund in our ongoing commitment to supporting and championing those who live closest to the airport. In January, we awarded £50,000 to community wellbeing charity Touchpoint, to renovate their ageing premises so that they can continue serving local people for decades to come.



Divisional reviews continued

East Midlands Airport

In FY24, East Midlands Airport saw its passenger numbers increase year-on-year as its network of European leisure and business destinations continued to prove popular with travellers looking for effortless journeys.



This year, East Midlands Airport has continued to offer passengers positive travel experiences to an increasing number of destinations. I am proud of the recognition our airport has received for its accessibility services, and the critical role we continue to play in powering global trade as the UK's largest pure freight operation."

STEVE GRIFFITHS
Managing Director



PERFORMANCE

East Midlands Airport served 4.0m passengers in FY24, equivalent to 88.9% of FY20 levels and up 21.2% on FY23. We continued to offer our passengers an efficient, enjoyable experience as they travelled to and from destinations across Europe.

East Midlands did not experience the same recovery as other major airports, with volumes remaining below those seen pre-pandemic. However, recovery has continued post the year-end which gives us optimism for the future. Operational performance across the year was strong, with 100% of passengers passing through security in 15 minutes or less.

Our positive track record in supporting passengers with additional travel needs continued this year, and in May East Midlands Airport was awarded a Disability Smart Award by the Business Disability Forum in recognition of the work of our teams in that area. The quality of our assisted travel services was reaffirmed in July when we once again received the highest 'very good' rating in the Civil Aviation Authority's annual Airport Accessibility Report.

In recognition of the positive experience we provide all of our passengers all year round, in June East Midlands Airport was shortlisted as a finalist for UK and Irish Airport of the Year by TTG, at The Travel Industry Awards.

As the home of the UK's largest pure freight operation, East Midlands Airport handled 368,714 tonnes of cargo in FY24, down 6.6% on FY23. Despite industry-wide challenges caused by global events, we outperformed the rest of the UK cargo market and grew our market share.

ROUTES

Airline partners have shown confidence in our airport, as passenger numbers continued to progress towards pre-pandemic levels. TUI and Jet2.com each added new aircraft based at East Midlands, along with some new routes on offer. These include Jet2.com now flying to Naples in Italy and Eastern Airways partnering with Air France so that East Midlands customers can connect to flights all around the globe via Paris Charles de Gaulle Airport – a great new destination for the summer when Paris hosts the Olympic and Paralympic Games.

INVESTMENT

In January, we were pleased to announce the start of a £120m investment programme across the airport. The programme will transform the passenger experience over the next five years and include an expansion to the security hall to accommodate next generation technology, an improvement to passenger facilities, an upgrade in air traffic control facilities and reconstruction of the airport taxiways.

WORKING TOGETHER FOR A BRIGHTER FUTURE

Across the year, our commitment to creating a sustainable future and supporting the communities closest to us has remained steadfast.

In September, we were pleased to announce our role in 'East Midlands Hydrogen', the UK's largest hydrogen cluster. The partnership is set to connect supply and demand through a new 100% hydrogen pipeline, that will help to meet the airport's projected demand of liquid hydrogen by 2050.

We added to our programme of education and skills opportunities for local residents this year, with a new partnership with Nottingham College. The partnership will offer around 200 people free two-week pre-employment and upskilling training to equip learners with the skills they need to take up jobs ranging from ground crew, baggage handling, security, customer service, or roles within hotels, car parks or logistics.

In January, the airport held its inaugural 'Meet the Buyers' event attended by 180 people, representing more than 100 small and medium sized businesses. More than 600 meetings were held across the day, giving businesses the opportunity to forge new partnerships and enter the supply chain surrounding our airport operations.

Support for our local communities continued across the year. In July we worked closely with our cargo partner DHL to donate books and laptops from a local school in Long Eaton to a school in Ghana as part of their 'Building Hope' appeal. In total, this year our Community Fund donated more than £500,000 to local causes.



Divisional reviews continued

CAVU

Laying the foundations for growth

The end of the financial year marked just over two years since MAG established CAVU, with a long-term mission to become the world's leading airport products and services company. CAVU was created through the union of two previous MAG divisions: MAG-O, a business unit focused on digital product development and sales, and MAG-US, which had been set up to pursue direct-to-consumer business development opportunities in the US.



“

With our performance this year, I am confident that CAVU will fulfil its aim of becoming a world leading airport services provider. With now more than 3,000 products available within our online market place, and new lounge acquisitions in the US and here in the UK, I am proud of our achievements in this reporting period.”

MARTIN JONES
Managing Director



PERFORMANCE

FY24 was a pivotal 12 months for CAVU, both in terms of performance and key achievements that set up the business for further growth.

It was pleasing to develop a new management structure, launch a new employee value proposition and an updated reward structure for CAVU, all of which are aligned to, but distinct from those adopted in the wider MAG Group.

Financial performance was ahead of target, both in terms of revenue and EBITDA. This was driven by an increase in customer transactions in FY24. We now have a presence at 400 airports in 49 different countries.

Central to the expansion of our reach and overall performance was the establishment, in April 2023, of our single platform, branded propel. The platform provides a marketplace through which airport products and services are sold, including MAG-owned and operated lounges and car parks as well as third party products and services.

These are a combination of our own, self-operated, products like lounges and car parks, and those of our partner organisations. propel allows our corporate partners to sell directly to customers through the platform, complementing their own channels. The platform's API also allows third parties to distribute specific products or services from the marketplace, such as hotel operators wanting to include airport parking within their propositions.

There are now more than 3,450 products in the marketplace, with the year-on-year growth in both measures driving transactions and CAVU's financial performance.

Looking forward, we will continue to migrate our legacy car park platforms – such as SkyParkSecure and Looking4Parking – onto propel and to develop a tiered proposition for clients looking to access the platform.

CREATING THE GLOBAL TRAVEL MARKETPLACE

Our ultimate ambition is to develop 'The Global Travel Marketplace', enabling customers to buy a bundle of products by putting them into a single basket and checking out with a seamless transaction.

To do that, we will build the inventory available through propel in a growing number of product categories, or verticals. For example, we have started to integrate our existing global lounge and FastTrack products into propel, as well as our first non-airport inventory, in the form of car rental and travel insurance products.

NEW LOUNGE WINS

As part of our growth strategy, we have continued to explore opportunities to operate airport lounges, both in the UK and overseas. As well as operating the physical lounges, bookings can also be sold through propel. Over the past 12 months, we opened two lounges at Bristol Airport and one in Syracuse, New York, and have won a number of new lounges which open in FY25.

49

COUNTRIES

400

AIRPORTS

3,471

PRODUCTS

25

AIRPORT LOUNGES
(INCLUDING 8 AT MAG AIRPORTS)

Our people

It would not be possible to achieve any of our strategic priorities without the hard work and dedication of our 7,600 colleagues and their commitment to exemplifying our values through their work.

EMPLOYMENT POLICIES

MAG's employment policies are reviewed regularly and updated to ensure they remain relevant and legally compliant. Aligned with our People at our Core value, we are modernising and simplifying all our people policies to improve our colleague and line manager experience and ensure all colleagues are treated fairly and with respect. During this process contributions have been sought from our Colleague Resource Groups (CRGs) and our recognised trade unions, to ensure our new policies are as inclusive as possible.

We are committed to treating all colleagues and job applicants fairly and on merit, regardless of age, disability, gender and gender reassignment, marital and civil partnership status, pregnancy and maternity, race, religion or belief and sexual orientation. Reasonable adjustments will be considered and applied where needed to support colleagues and applicants. The Group does not tolerate harassment, bullying, discrimination or victimisation of any kind.

TRAINING AND DEVELOPMENT

MAG is unwavering in its commitment to fostering the professional growth and development of all our colleagues. We believe that investing in our people not only enhances their individual potential but also strengthens our collective capabilities across the organisation.

Through comprehensive leadership development, tailored training programmes, mentorship initiatives, and ongoing learning opportunities, we strive to empower every colleague to reach their potential. We continue to support new talent through our apprenticeship and graduate programmes, and provide clear career pathways so colleagues understand how they can continue to grow at MAG.

CONSULTATION, COMMUNICATION, AND ENGAGEMENT

Our people are central to our strategy and we want them to feel valued, recognised and rewarded for their contribution to our success. We want them to have a sense of purpose and be involved in our progress. We believe that effective communication and engagement plays a key role in this.

We measure colleague sentiment and engagement through our Your Voice survey, and we were delighted to see our engagement scores increasing by 3.1% during the year. Our teams develop action plans following the surveys and share the improvements that have been made with colleagues.

We also launched our new recognition scheme including e-cards for peer-to-peer recognition and quarterly awards for which colleagues can nominate peers for demonstrating our values. During this financial year 10,299 e-cards were sent and we had 1,822 nominations to our scheme.

3.1%

INCREASE IN SURVEY
ENGAGEMENT SCORES

1,822

COLLEAGUE NOMINATIONS



We are committed to improving our internal communication channels to ensure colleagues have access to the information they need, at the right time and in a way that works for them. We have launched a social media platform for colleagues to share content and encourage conversation. Our programme to install digital screens in all our colleague rest areas is also underway to signpost colleagues to content that may interest them. We are also equipping line managers with training and toolkits to help them engage their teams.

We engage in ongoing dialogue with our recognised trade unions with the aim of ensuring that their views are considered when decisions are being made that may affect their interests and those of their members. As part of the trade union recognition agreements, various information and consultation forums exist for each business area to facilitate these discussions.

EQUITY, DIVERSITY AND INCLUSION

MAG's approach to equity, diversity and inclusion (ED&I) has continued to go from strength to strength. Our wide range of CRGs serve as our main vehicle to drive engagement and inclusion for underrepresented groups. These groups have evolved and grown in membership numbers and impact within the business.

We have launched a Group-wide ED&I Forum, chaired by our CEO. The forum includes the CRG Chairs and members of the Executive Committee (ExCo) who are sponsors of the CRGs. The purpose of this forum is to provide oversight of the ED&I strategy and action plans at a Group level, monitor performance and enable strategic decision making.

A range of ED&I activities, events and initiatives take place throughout the year to promote and support an inclusive workplace. In addition, we held an ED&I Masterclass for the Senior Leadership Team to focus on Inclusion & Equity: creating allyship, understanding microaggressions and inclusive behaviours. Our Women in Leadership development programme is underway for high potential females, identified through the Exec Talent Review process. The programme includes webinars, peer-to-peer networking/coaching and executive coaching.

To support the fair attraction and retention of applicants, we have focused on ensuring the principles of our employer brand are evident at all stages of the hiring journey, making clear what we stand for and how it will feel to work at MAG. Our new careers website and refreshed applicant tracking technology has produced a mobile first application process, with all candidate touchpoints including job adverts and communications created using gender-neutral copy to foster an inclusive approach.

To highlight critical topics such as combatting bias, best interview techniques and diverse hiring practices we have initiated a Group-wide hiring manager capability programme, alongside a refreshed assessment methodology to ensure a focus on creating fair and equitable opportunities for all. Finally, the launch of our 'We are the Journey Makers' employer value proposition in FY23 has enabled MAG to embed our new culture and values both internally and externally, helping us to attract and retain the best talent.

MODERN SLAVERY

We are committed to doing all we can to prevent and eliminate modern slavery, and we understand the critical and unique role that MAG plays as an international airport group and the influence that brings across our supply chain.

MAG is a member of Slave-Free Alliance, a leading non-profit organisation dedicated to addressing modern slavery in organisations and supply chains globally. Our partnership forms an important and central foundation to assist us in training our colleagues and improving how we tackle modern slavery across our business.

We continue to collaborate with our partners at each airport to improve our practices and to lead the way in identifying risks and speaking out when instances of modern slavery are identified. Our Modern Slavery working group, comprising members of MAG, chaplaincy, Border Force and local police, meets on a regular basis to review our strategy, risks, and progress against our action plans. Our progress is reviewed within our CSR Committee to ensure Board oversight.

We regularly train and educate our colleagues on how to spot the signs and report any concerns. In addition, we raise awareness across our airport campuses throughout the year to support the prevention of modern slavery.

More information is available on our website: <https://assets.live.dxp.maginfrastucture.com/t/73114/x/30c0b9f2ad/modern-slavery-transparency-statement-2024-final-10062424.pdf>



Sustainability

Working together for a brighter future

We have continued to make progress in delivering against our sustainability commitments in the penultimate year of our 2020-2025 CSR Strategy 'Working together for a brighter future'. Our approach to sustainability, focused on three pillars – Zero Carbon Airports, Opportunity for All and Local Voices – has delivered meaningful and far-reaching results for our colleagues, communities, the next generation of aviation professionals, and the decarbonised future of our sector.

Our role as a leader in decarbonisation and sustainability continues to be independently and internationally recognised with MAG named as an FT Climate Leader and being awarded a five-star GRESB rating.

ZERO CARBON AIRPORTS

As part of our commitment to a more sustainable future for the aviation sector, we continue to deliver initiatives to achieve our flagship target of transitioning to net zero carbon operations (Scope 1 & 2) by no later than 2038. We are also working to address important environmental issues such as energy use, embodied carbon, waste, water use, nature and pollution prevention.

Decarbonisation is one of MAG's strategic priorities, putting it at the centre of how our business operates. This year, we have continued to ensure our approach to sustainability and decarbonisation is robust and working effectively to meet our commitments. In March, we were pleased to announce our commitment to setting near-term targets through the Science Based Targets initiative (SBTi) to ensure our approach remains credible.

Our membership of the Government's Jet Zero Council is key to working in partnership with ministers to drive forward this agenda. MAG also continues to work with industry partners through Sustainable Aviation (SA) to advocate for a domestic SAF industry via the creation of a price stability mechanism.

If successful, this would allow the industry to meet net zero by 2050 and could create 60,000 new jobs.

In March, we published research conducted by transport sustainability experts ICF which found that using the 27m tonnes of annual UK household waste to make Sustainable Aviation Fuel (SAF) would be at least five times better for the environment than burning the waste to generate electricity. The researchers concluded that if all the waste intended for incineration were used to make SAF, the carbon saving would be equivalent to the emissions of at least 46 million people flying from London to Madrid every year.



Across our airports, we have continued to make progress in securing alternative fuels, to ensure that we are well placed to deliver them to our airline partners in the coming decade. In November, Manchester Airport worked with the North West Hydrogen Alliance to plan how a future supply of hydrogen fuel could be used in the region, with a focus on its use as aircraft fuel. This work complements the partnership we formed with HyNet in 2022, with the aim of securing a supply of hydrogen technology to the airport from the mid 2030s to ensure our airport is well placed to deliver future decarbonisation technologies.

In September East Midlands Airport announced its role in the newly established 'East Midlands Hydrogen' – the UK's largest hydrogen cluster. The partnership will connect supply and demand through a new 100% hydrogen pipeline, that will help to meet the airport's projected demand of liquid hydrogen by 2050.

In November, East Midlands Airport joined our other airports by passing into the 'Stage 3' gateway of the Civil Aviation Authority's Airspace Modernisation Strategy. MAG's contribution constitutes substantial progress towards delivering the overall national programme.

Last year, East Midlands Airport worked in collaboration with the Environment Agency (EA) in relation to alleged surface water permit breaches and received notification that, due to the historical failure to meet the requirements of our permit, the EA was proceeding with legal action.

In August we were notified that the airport was facing prosecution for these alleged historical failures, with the court process ongoing at the time of writing. East Midlands Airport has an asset management plan in place to identify and implement improvements to the surface water system. We are currently making good progress with those plans and plan to deliver more positive outcomes in the near future.

East Midlands Airports has engaged positively with the EA on an action plan that has made good improvements to the surface water system and will continue to deliver positive outcomes going forward.



Sustainability continued

OPPORTUNITY FOR ALL

At MAG, we are dedicated to creating education and employment opportunities for everyone, inspiring the next generation of aviation professionals, and supporting our colleagues to pursue long and fulfilling careers in our business. We work to foster a working environment that is representative of our society and is safe and inclusive for everyone across MAG.

MAG takes its responsibility to be a good employer seriously, and in November we were pleased to be formally accredited as a Real Living Wage employer. The accreditation formally recognises the fact that all 7,600 people directly employed by MAG receive at least the Real Living Wage, both now and in the future.

We have continued to celebrate diversity and inclusion across MAG, as our eight Colleague Resource Groups (CRGs) delivered a programme of insightful and inspiring activities throughout the year, including Pride Month, International Women’s Day, Black History Month and National Inclusion Week.

Enhancing our wellbeing offering, in January we launched a free GP service for all colleagues to facilitate access to healthcare. The health and safety of our colleagues is our top priority. This year we recorded 21 incidents across our sites, up from 17 in FY23. More details about our commitment to having people at our core can be found on page 30.

In October we launched the Jet Zero Curriculum in our MAG Connect Aerozones. This initiative supports our commitment to education and skills and our work on aviation decarbonisation, while delivering one of the pledges we made in relation to the Government’s Jet Zero Strategy. The curriculum is designed to educate thousands of students from across the regions we serve about Sustainable Aviation Fuel (SAF), its production and role in the decarbonisation of aviation, using an interactive game format to convey the content in an appealing way.

Across the reporting period, more than 5,500 students visited our Aerozones, where they have access to free and engaging content about careers in the aviation sector and the opportunity to meet with colleagues from across MAG who volunteer their time to speak about their roles to inspire the next generation.

We were pleased to open a new Aerozone facility at East Midlands Airport in March, which has already welcomed more than 650 young people, highlighting the important role these facilities play to local schools.

Our Airport Academies continued to offer employment and skills support to jobseekers in the communities surrounding our airports, and this year we supported more than 14,500 people into new career opportunities. We were pleased to launch several education and employment schemes this year, including a new first-of-its-kind Airport Operations Apprenticeship Scheme in partnership with Trafford College at Manchester Airport. In January, Stansted Airport College sponsored a Pilot Enrichment Programme, after our partner Harlow College received funding from the Government’s ‘Reach for the Sky’ challenge fund. At East Midlands Airport, we were pleased to announce a new partnership with Nottingham College in October, which each year will offer 200 people free two-week pre-employment training to attain the skills required to start jobs in roles across the airport operation.

FY24 was the first year in which all three of our airports hosted Meet the Buyer events, at which small businesses close to our airports can learn more about the opportunities available to them to join our extensive supply chain. Across the Group, more than 500 businesses attended our events.

LOCAL VOICES

Working closely with our neighbouring communities to ensure they feel heard and supported is central to our Local Voices pillar, and listening to the wide range of voices across our catchment areas is central to our community engagement programme. This year, our Airport Consultative Committees met over 35 times, with more than 450 attendees.

Last year we announced the formation of our Youth Forums to diversify our approach to engagement with communities near our airports, and this year we are pleased to report on their activities over this reporting period.

The focus of the Youth Forum programme this year has been sustainable aviation, with themes including Sustainable Aviation Fuel (SAF), carbon removal and capture, and zero emissions flight technology.

In March, we hosted our first Youth Summit, with the Forums from all three of our airports meeting at East Midlands Airport to discuss how we are making aviation more sustainable and to generate ideas to help us shape our sustainability strategy for the five years.

We look forward to consolidating their insights as we prepare to create our new CSR strategy in 2025. MAG’s Noise Action Plans were a key part of our engagement this year. We issued consultations to community members to hear their views on how our airports operate and how our proposals on aircraft noise and airspace usage affect their lives. Noise Action Plans for East Midlands and London Stansted Airports have been approved by The Department for Environment, Food and Rural Affairs and are awaiting ministerial adoption. Consultation is still pending for the Manchester Airport Noise Action Plans as we navigate delays relating to our S106 agreement.

Our Community Funds remain a core element of how we support our local communities, and this year we donated more than £750,000 to charities and community groups across the North West, Midlands, London and East of England. In March, we were pleased to officially open the winning entry of the Manchester Airport Eco-Garden competition which received £25,000 funding from the airport’s Community Trust Fund in 2022. The school’s winning design incorporated a sustainable community allotment, growing produce for use in cooking classes, a forest school designed to attract native plants and wildlife, and an open-air classroom complete with a weather station that will be used in science and geography sessions.

Across the year, we encouraged more colleagues across MAG to use their two annual volunteering days to support our community activity. In FY24 86% of our leaders and 12% of colleagues gave their time to local causes, we logged over 9,500 of volunteering.

OUR ENERGY AND EMISSIONS PERFORMANCE

We have a long history of disclosing the climate impacts of our airports. In compliance with the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, this report provides an overview of our energy usage and emissions. It covers our responsibility for energy consumption and emissions related to our operations.

The information presented below details MAG’s energy use and emissions, both in absolute terms and in comparison to our

passenger and cargo throughput, measured in ‘Traffic Units’ (defined by the International Civil Aviation Organization as equivalent to 1,000 passengers or 100 tonnes of freight). We have prepared this report by following the environmental reporting guidelines published by the Government and adopting the principles of the World Resources Institute’s Greenhouse Gas Protocol.

To gather our energy usage and associated emissions data, we primarily relied on primary sources.

In cases where primary data was unavailable, we estimated consumption by extrapolating historic energy use.

We recognise the significance of greenhouse gas emissions reporting to our stakeholders and we are committed to reporting transparent and well-informed climate data. In addition to this report, we publish our annual CSR report every autumn which will include supplementary information about MAG’s emissions from our activities and other emissions indirectly associated with our business.

SECR Table ^{4,5}	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Energy consumption used to calculate emissions (kWh)	194,582,562	195,727,660	178,574,586	181,314,564	210,406,900
Emissions from combustion of gas (Scope 1, location-based, tCO ₂ e)	9,877	11,463	11,524	11,905	9,806
Emissions from combustion of gas (2) (Scope 1, market-based, tCO ₂ e)	7,528	11,463	11,524	11,905	9,806
Emissions from combustion of fuel for transport purposes (Scope 1, location-based, tCO ₂ e)	4,433	2,986	2,141	2,322	5,523
Emissions from business travel in rental cars or employee-owned vehicles where MAG is responsible for purchasing the fuel (Scope 3, location based, tCO ₂ e)	142	109	58	7	90
Emissions from purchased electricity (Scope 2, location-based, tCO ₂ e)	25,329	23,564	22,737	25,074	34,624
Emissions from purchased electricity (Scope 2, market-based, tCO ₂ e) ²	29	52	49	59	74
Total gross emissions based on the above (Location-based, tCO ₂ e)	39,781	38,122	36,460	39,309	50,043
Total gross emissions based on the above (Market-based, tCO ₂ e) ¹	12,132	14,610	13,772	14,293	15,492
Intensity measure (Traffic units) ³	68,636	61,128	28,448	12,013	66,899
Intensity ratio (Location-based emissions, tCO ₂ e /traffic unit)	0.58	0.62	1.28	3.27	0.75
Intensity ratio (Market-based emissions, tCO ₂ e /traffic unit)	0.18	0.24	0.48	1.19	0.23
Carbon offsets (Purchased and retired, tCO ₂ e) ⁶	12,132	14,610	13,772	14,293	15,492
Total net emissions based on the above (Location-based, tCO ₂ e)	27,649	23,774	22,688	25,015	34,551
Total net emissions based on the above (Market-based, tCO ₂ e)	–	–	–	–	–

1 Our energy and emission performance have been restated for 2022/23 and 2022/21 to make use of the most recent and complete dataset. This approach follows best practice outlined in the World Resources Institute Greenhouse Gas Protocol and guidance issued by the UK Government. In accordance with the Airport Carbon Accreditation Application Manual 14, we have also included new emission categories to include refrigerants and airfield de-icer emissions.

2 Location-based emissions are based on the average emission intensity of UK energy networks. MAG proactively chooses to purchase renewable electricity and green gas which are backed by Renewable Energy Guarantees of Origin and Renewable Gas Guarantees of Origin. To demonstrate the carbon saving of our procurement decision we ‘dual report’ our location and market-based greenhouse gas emissions.

3 We measure carbon intensity against traffic units, which are defined by the International Civil Aviation Organization (ICAO) as equivalent to 1,000 passengers or 100 tonnes of freight.

4 SECR scope 1, 2 and 3 greenhouse gas emissions are defined in our latest emissions report, which can be found here: https://assets.live.dxp.magainfrastructure.com/t/73114/x/3daad16d5d/csr-report-2022_23-emissions-report.pdf. This SECR data has been independently verified by TÜV NORD CERT GmbH.

5 Additional measures to improve energy efficiency will be discussed in our latest CSR Report that will be published in Autumn 2024. Previous CSR Reports can be found here: <https://www.magairports.com/responsible-business/csr-reports>.

6 The table above shows the SECR Scope. Our offsets are in alignment with ACA report which includes a wider scope. More information can be found in our emissions report.

Climate-related financial disclosures

We acknowledge the significant global impact of climate change, recognising the societal and environmental challenges that it presents and the opportunities it could present to our business. Since 2007, when MAG first announced it would make its operations carbon neutral, we have been champions in reducing our carbon emissions and climate impacts. In 2012, we achieved carbon neutrality at East Midlands Airport with Manchester Airport and London Stansted Airport following in 2015 and 2016 respectively. Our airports’ carbon neutrality is independently certified by Airport Carbon Accreditation. Building upon our achievement of carbon neutrality, in 2020, we set our flagship sustainability target: to achieve net zero carbon emissions for our operations (Scope 1 & 2) by 2038. Our target highlights our proactive approach to climate action and positions us ahead of the Government’s national target of net zero by 2050 and the Department for Transport’s Jet Zero Strategy 2040 target for airports.

Our commitment to the environment is embedded in our Corporate Social Responsibility (CSR) Strategy ‘Working Together for a Brighter Future’. Our strategy places climate change at the forefront of our approach through the strategic pillar of ‘Zero Carbon Airports’, ensuring that environmental sustainability is core to our operations.

As a business, we first began reporting against recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD) in 2021, as we recognised the importance of climate-related risk and opportunities, and the need to mitigate climate risk and embed it within our business strategy. Last year, for the first time, we reported the financial impact to the business of the most material risks and we have further enhanced our financial reporting in relation to risk in this year’s report.

This year, we have further enhanced our climate-related financial disclosures (CFD) by developing our approach to assessing climate-related opportunities and the financial benefits they could bring to the business.

Our approach to climate-related risk and opportunities aligns with the TCFD recommendations and disclosures. This includes the four TCFD recommendations and the 11 recommended disclosures outlined in Figure 4 of Section C of the ‘Recommendations of the Task Force on Climate-Related Financial Disclosures’ published by the TCFD in 2017. Our reporting is also informed by the TCFD’s 2021 guidance ‘Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures’.

We divide our risks and opportunities into those related to the transition to a net zero economy and those related to the physical impacts of climate change.

Disclosure recommendation	Section reference
Governance	
a) Describe the Board’s oversight of climate-related risks and opportunities	2023/24 Annual Report – TCFD section (this section)
b) Describe management’s role in assessing and managing climate-related risks and opportunities	2023/24 Annual Report – TCFD section (this section)
Strategy	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	2023/24 Annual Report – TCFD section (this section)
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning	2023/24 Annual Report – TCFD section (this section)
c) Describe the resilience of the organisation’s strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario	2023/24 Annual Report – TCFD section (this section)
Risk management	
a) Describe the organisation’s processes for identifying and assessing climate-related risks	2023/24 Annual Report – Internal Controls and Risk Management (Page 58)
b) Describe the organisation’s processes for managing climate-related risks	2023/24 Annual Report – Internal Controls and Risk Management (Page 63)
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management	2023/24 Annual Report – Internal Controls and Risk Management (Page 58)
Metrics and targets	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities	2023/24 Annual Report – Internal Controls and Risk Management (Page 61)
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3* greenhouse gas emissions and the related risks	Scope 1 & 2: 2023/24 Annual Report – Corporate Social Responsibility (Page 35) Scope 1, 2 and 3: Annual CSR Report, to be published later in 2024/25
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	2023/24 Annual Report – Internal Controls and Risk Management (Page 61)

* ‘SECR’ scope 1, 2 and 3 greenhouse gas emissions are defined in our latest emissions report, which can be found here: https://assets.live.dxp.maginfrastucture.com/t/73114/x/3daad16d5d/csr-report-2022_23-emissions-report.pdf.

GOVERNANCE

GOVERNANCE BOARD

At MAG, climate change is recognised as a principal risk in our Strategic Risk Register. This means that climate change is considered a significant risk to the achievement of our overall objectives and strategic goals.

The Strategic Risk Register is discussed at the Board through the Audit Committee twice a year and climate issues are discussed at the CSR Committee meetings every quarter. When relevant, climate-related matters are presented directly at Board meetings. As climate change presents a direct financial risk to the business, our Non-Executive Director Cath Schefer, in her role as Chair of the CSR Committee, has been assigned specific accountability for climate change. The CSR Committee is a sub-committee of the MAG Board. The CSR Committee provides regular updates to the Group Board, ensuring that the Group Board is well-informed about CSR-related activities and performance against agreed targets.

In addition to this, MAG’S Environmental, Social and Governance (ESG) team provides quarterly updates to the CSR Committee. These include performance updates, emission performance across Scope 1 & 2, Scope 3 passenger surface access, policy developments and strategic updates.

Over the last year the CSR Committee has discussed a number of climate-related matters. These include MAG’s net zero journey, progress against our CSR Strategy, and decarbonisation of the aviation industry more generally. The Committee has also discussed the recently released recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

In September 2023, our Chief Sustainability Officer updated the Board on Aviation Decarbonisation including our journey to net zero operations by 2038. The presentation went over our net zero transition trajectory and gained the approval of our Board to procure biomethane (please see the Strategy section of this report for more information).

Moving forward, the CSR Committee will continue to directly oversee the implementation of these strategies and track progress through key metrics such as Scope 1 & 2 emission reductions. Continued engagement on the TNFD and other relevant reporting frameworks will further inform future Board discussions and strategic direction.

MANAGEMENT

Ken O’Toole succeeded Charlie Cornish in October 2023 as our Chief Executive Officer, and in this role, he has assumed responsibility for MAG’s achievement of its climate change goals and commitments. Ken O’Toole is also Chair of the CSR Coordination, Programme Management and Strategy Board (CSR PMSB) which comprises senior leaders from across the business. The CSR PMSB is responsible for monitoring the implementation of our CSR Strategy and programmes across the business. In September 2024 MAG will have a new Chief Strategy Officer who will hold accountability for the progress of our CSR initiatives. In addition to this, the CSR PMSB agree and recommend (to ExCo) for approval an annual work programme to implement the CSR Strategy at corporate and business unit levels.

Our MAG CSR Policy outlines our CSR principles to our colleagues, customers and third parties. It includes commitments to continually improve our environmental performance and evaluating the risks and opportunities, including global and local emissions, that arise from our business and our partners. Our MAG Environment and Energy Policy provides additional detail on our commitment to protecting the environment. It outlines our top five priorities which include net zero carbon operations, improving energy performance and renewable energy use, pollution prevention and working towards a circular economy.

Recognising decarbonisation as one of the business’s seven strategic priorities. From 1 April 2024, we are establishing a strategic programme dedicated to decarbonisation and climate change. As part of this organisational change, a dedicated Programme Board for Decarbonisation will be set up and will meet bi-monthly. This Programme Board will be chaired by our new Chief Strategy Officer and report to our Executive Committee.

Members of the Programme Board will include our Chief Sustainability, Development, Finance, and Information Officers, our Decarbonisation and ESG Director, and Airport Managing Directors. The meetings will also be joined by subject matter experts to provide the technical expertise required to inform performance monitoring and decision making.

In addition to the Decarbonisation Programme Board, we will establish Project Boards which will meet monthly at each airport. Programme Board meetings will be chaired by our Chief Strategy officer and led by our Chief Sustainability Officer, Neil Robinson. Members of the Project Board will include our Chief Airport & Asset Development Officer, Airport Finance Directors, Heads of Energy Strategy, Investment Planning, and Procurement, along with our Net Zero Transition Manager and Net Zero Programme Manager.

In addition, MAG has a centralised team of experts to manage, review and monitor the delivery of our climate strategy across our airports and wider MAG businesses. The team provides quarterly emissions reports along with updates on the progress towards our CSR Strategy commitments to senior leadership, including the CSR Committee.

STRATEGY

MAG acknowledges climate change as a strategic risk for both our Company and the broader aviation industry. As a critical national infrastructure operator, we align our climate adaptation assessments with industry peers to contribute effectively to the UK Government’s National Infrastructure Adaptation Plan. Our latest Climate Change Adaptation Progress Report can be found here.

We assess climate-related risks over three distinct timeframes which have been chosen to align with our Climate Change Adaptation Progress Report, which is prepared and submitted to the Department for Environment, Food and Rural Affairs (DEFRA) under the Adaptation Reporting Power of the Climate Change Act 2008. The timeframes used in our assessments were developed in partnership with industry partners and DEFRA, ensuring that the adaptation reports prepared by major infrastructure operators provide the most constructive input to Government policy making.

Climate-related financial disclosures continued

Our latest Climate Adaptation Progress Report can be found on our website. In 2024 we will be preparing our three-scenario climate change adaptation report, which will be submitted to DEFRA and published on our website.

The timeframes we use in our assessment of climate-related risks and opportunities are:

- Short-term (2024-2030): Focuses on immediate challenges and opportunities. The transition to net-zero operations by 2038 holds the most significant short-term risk, requiring strategic adjustments.
- Medium-term (2031-2050): Emphasises the growing impact of physical risks as climate change intensifies.
- Long-term (2051-2070): Evaluates long-term trends and potential future scenarios.

We use scenario analysis to assess physical and transition risks and opportunities under various climate pathways:

Physical Risks:

- Medium-emission (RCP 6.0): 3-4°C warming by 2100, requiring adaptation to more frequent and severe weather events.
- High-emission (RCP 8.5): 4°C warming by 2100, demanding significant adaptation measures.

Transition Risks:

- High-ambition (RCP 2.6): 1.5°C warming by 2100, presenting potential long-term opportunities for early movers.
- Ambitious-emission (RCP 4.5): 2-3°C warming by 2100, requiring strategic adjustments as regulations and consumer preferences shift.

- High-emission (RCP 8.5): 4°C warming by 2100, necessitating substantial adaptation to stricter regulations and potential market disruptions.

Identified risks inform our business strategy and associated plans. Emergency and business continuity plans ensure agility in responding to any materialised physical risks.

Overall, MAG takes a proactive approach to managing climate-related risks and opportunities. By aligning with industry peers, using scenario analysis, and planning across different timeframes, we aim to ensure the long-term sustainability and resilience of our operations.

Our CSR Strategy outlines our continued commitment to addressing climate change. Beyond mitigating the environmental impact of our own operations, a key aspect of our climate strategy is actively contributing to the decarbonisation of the broader aviation industry. Recognising the collaboration required to tackle climate challenges, we maintain direct engagement with stakeholders including peers, the wider industry and government. MAG, as a founding member of the UK aviation industry coalition Sustainable Aviation, remains an active participant on the managing council and – in 2024 – MAG's Chief Sustainability Officer will become the Chair of the coalition. Additionally, our CEO, Ken O'Toole, serves as one of two airport members on the Government's Jet Zero Council, while MAG takes an active role in the environmental committees of regional and global bodies such as Airports Council International (ACI).

We have chosen to commit to establishing a near-term science-based target through the Science Based Targets initiative (SBTi). As part of this journey, we are taking steps to align emissions from our existing infrastructure with our SBTi ambition. This year, we have reduced our Scope 1 market-based emissions by purchasing Renewable Gas Guarantees of Origin (RGGOs) certificates which have been retired in June 24. An RGGO serves as a unique identifier of biomethane (otherwise known as 'green gas') that has been injected into the grid which a company then allocates to match the gas which they have withdrawn from the distribution network. By procuring and retiring our RGGOs we have reduced our market-based emissions by 2,349 tonnes of carbon dioxide equivalent (CO₂e). More information about our market- and location-based emissions is provided in our Streamlined Energy and Carbon Reporting (SECR) which has been produced in accordance with environmental reporting guidance provided by the UK Government and is included on page 35 of this report.

Acknowledging the pivotal role climate-related considerations play in shaping our business's future, we integrate proactive climate assessments into our business strategy reviews and decision-making processes. Our strategy also encompasses climate change adaptation and resilience, aligning with TCFD recommendations. We have assessed the impact of a 1.5-degree scenario (i.e., 2 degrees or lower) on our business, ensuring resilience from both liquidity and regulatory perspectives.

RISK MANAGEMENT

We recognise climate change as a serious risk to our business. Climate change is incorporated into our strategic (principal) risk register and is routinely reported to the Audit Committee on a semi-annual basis. The CSR Committee actively engages in the identification, assessment, and management of climate-related risks.

The climate-related risks we identify are summarised in our internal risk management system which also details risk controls and business owners. Our approach to risk management is outlined in the Internal controls and risk management section on pages 58 to 73.

Over the past decade, MAG has published three reports on Climate Change Adaptation, significantly contributing to the Government's national adaptation risk assessments and National Adaptation Programme. These reports represent a comprehensive evaluation aligning our climate change adaptation risk assessment approach with MAG's overarching Risk Management Framework methodology. This year, we have further refined our quantitative approach to climate-related transition risks (refer to 'transition risks' below).

The findings from our climate change risk assessments contribute to our corporate risk assessment, ensuring regular discussions on climate change within the organisation. Our climate change risk methodology involves a consideration of the potential impact of each risk, rated on a scale of 1 (minimal) to 5 (critical), and its likelihood, rated on a scale of 1 (improbable) to 5 (highly probable). The impact and likelihood scores for each risk are multiplied to calculate risk exposure, with the maximum exposure rating being 25. This methodology ensures the assessment of climate risks is fully aligned with other risks assessed by the business.

These risk exposure ratings are then assessed against our risk appetite. Risks with the highest scores that exceed our risk appetite are considered the most significant and are prioritised for mitigation and management. For each climate-related transition risk identified, we assess the risk score against three climate change scenarios. In evaluating each climate change scenario, we assess the risk score over short, medium, and long-term time horizons (refer to the 'strategy' section of this TCFD report). To best identify areas requiring further control, our climate change risk registers baseline future risk against current net risk.



Climate-related financial disclosures continued

CLIMATE-RELATED PHYSICAL RISKS AND OPPORTUNITIES

As a business, we have taken part in the last three rounds of Climate Adaptation Reporting under the DEFRA Adaptation Reporting Power and are currently preparing our fourth report. In line with the TCFD recommendations, physical risks are defined as the following:

- Acute physical risks: event-driven risks, including the increased severity of extreme weather events, such as cyclones, hurricanes, and floods and
- Chronic physical risks: longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise and chronic heat waves.

Our climate change adaptation risks registers identify a range of risks relating to infrastructure, network operations and human health and wellbeing. Some of our physical risks are covered in the financial quantification section of this report (pages 43 to 45). The most significant climate-related physical risks and associated business impacts across our airports are outlined below.

Climate-related physical risk	Business impact to MAG	Current and future actions
Increased frequency and severity of storm events including high winds, intense rainfall and icy conditions. (Materialisation: short term).	• Operational disruption resulting from physical impacts to infrastructure at MAG’s airports. • Business disruption and reduced revenue due to lost time. • Increased likelihood of airfield safety accidents and incidents as a result of hazardous conditions posing health risks to MAG’s staff and passengers.	• Emergency and business continuity plans for the loss of services. • Safety measures for workers on the airfield in the event of increased storms and lightning events. • Maintenance of climate change watching briefs using the latest climate change projections.
Increased frequency and intensity of winter rainfall events resulting in the release of contaminated surface water. (Materialisation: short term).	• Increased likelihood of contaminated surface water, due to more intense precipitation, may lead to the overspill of balancing ponds containing de-icing chemicals. • Negative impacts on the natural environment around the airports. • Potential health risks to MAG’s airport operators, passengers, employees and third party staff.	• Full review of the existing drainage networks to improve data capture and inform decisions on future improvements to the system. • Monitoring of balancing pond performance ongoing. Extreme weather conditions can overwhelm pond capacity in a short period of time. All site developments now required to include onsite attenuation to alleviate impacts on balancing ponds. Asset standards have been updated to reflect these additional requirements.
Disruption to flight schedules as a result of adverse weather events, sea level rise and storm surges at and en route to destination airports. (Materialisation: short term).	• Atmospheric disruption may affect the routing of aircraft between arrival and departure. • Delays to landing times and enhanced fuel burning, resulting in business disruption and enhanced operating costs for airlines. • Sea level rise and storm surges at destination airports may reduce the viability of future destinations being available to passengers, thereby reducing passenger demand, revenue and profitability for MAG’s airports.	• Performance-based navigation (PBN) to address the risk of extremities of wet and dry conditions affecting ground reflection or navigational aids. • Engaging with emerging research through partnerships with EUROCONTROL and Airports Council International (i.e. being a member of the European Aviation Climate Change Adaptation Working Group). • A watching brief on sea level rise and storm surge risks that will cause loss of low-lying airport destinations.
Restrictions to airport water supplies due to prolonged drought conditions and lowering of the water table. Potential for water supplier drought orders to limit the availability or use of mains water. (Materialisation: medium term).	• Prohibition of certain non-critical activities such as washing of infrastructure and assets. • Financial impact arising from the need to obtain alternative sources of water. • Reputational impact – asset renewal may be required to introduce water-efficient equipment.	• Leak detection and repair programme – distribution system maintenance/upgrade. • Conformance to asset standards and building regulations – asset renewal strategy – ongoing dialogue with water companies. • Planned development of a formal airport water drought management plan to respond to the four levels of drought trigger.

The following opportunities were identified by MAG in relation to the physical impacts of climate change:

- Improved staff and passenger comfort as well as wellbeing protections delivered through the design of low-carbon buildings with climate-resilient heating and cooling systems.
- Improved ability to plan and adapt to the physical impacts of climate change and limit disruption to employees and passengers through the provision of regularly maintained and updated climate change watching briefs.
- Enhanced marketing positioning within the aviation sector through the healthy design of airport buildings which mitigate against the negative health and wellbeing impacts of climate change such as thermal discomfort and heat stroke.
- Cost savings as a result of reduced and adjusted de-icing requirements (e.g. through increasing stock and improving product performance where necessary) delivered as a result of regular reviews of weather conditions, including snow events.

CLIMATE-RELATED TRANSITION RISKS AND OPPORTUNITIES

In accordance with recommendations from the TCFD, we categorise transition risks in four distinct categories:

- Policy and legal – policy measures that seek to mitigate against the adverse effects of climate change, and those measures which promote adaptation to climate change.
- Technology – technological improvements or innovations (or lack thereof) that impact upon the transition to a lower carbon, energy-efficient economic system.
- Market – shifts in supply and demand for certain commodities, products and services.
- Reputation – changing customer, community and wider stakeholder perceptions of an organisation’s contribution or detraction from the transition to a low-carbon economy. The key climate-related transition risks and associated business impacts to MAG are outlined below.

The tables below provide an overview of the key climate-related transition risks, and associated business impacts along with current and future actions associated with the risk.

POLICY AND LEGAL

Climate-related transition risk	Business impact to MAG	Current and future actions
Policy misalignment, including between climate policy developed by national and regional stakeholders, requiring a greater level of decarbonisation than national policy.	• Protracted planning applications owing to stringent policy and regulations posing potentially complex legal challenges relating to expansion and development. • Difficulty in accessing competitively priced finance may limit investment opportunities. • A lack of investment may reduce opportunities to further tackle climate change, thereby leading to local reputational damage.	• Regular engagement on policy and legislative changes through participation in regional collaborations (such as the Manchester Climate Change Partnership). • Direct engagement with policy officers and elected members.
Policy changes regarding non-CO ₂ climate impacts of aviation. This may result in the realignment of carbon budgets for aviation emissions.	• Increased demand and urgency for the rapid decarbonisation of the aviation industry which may lead to accelerated investment in airport infrastructure. • Increased climate-related operating costs for airlines which could reduce the overall demand for aviation due to increased ticket prices.	• Initiatives to support Sustainable Aviation Fuels and alternatively fuelled aircraft which would reduce both the climate impact of CO₂ and non-CO₂ emissions. • Monitoring, engagement and support with academic research which aims to lead to the consensus on how to best mitigate non-CO₂ impacts and incorporate the findings into policy.

TECHNOLOGY

Climate-related transition risk	Business impact to MAG	Current and future actions
The introduction of alternatively fuelled, zero-carbon aircraft will require new airport infrastructure and could reduce airport capacity.	• The need to invest in new infrastructure to support the turnaround of alternatively fuelled aircraft. • Reduced passenger throughput due to business disruption resulting from lower aircraft capacity owing, in turn, to longer refuelling turnaround times.	• Participation in UK and international trade associations, with a focus on the development of national and international decarbonisation roadmaps. • Engagement with UK policymakers through, for example, the Government’s Jet Zero Council (JZC) and the JZC’s Zero Emission Flight Infrastructure subgroup. • Planned engagement with airlines and manufacturers on alternative fuel aircraft infrastructure and investment as technologies develop to become commercially viable.
Large-scale, permanent carbon capture and storage technologies may not mature quickly enough or at sufficient scale to support aviation decarbonisation.	• Increased expenditure associated with the cost of increasing carbon emissions and therefore enhanced carbon taxes faced by the aviation sector. • Limited passenger demand and revenue potential owing to increased regulation and compliance costs from heightened carbon pricing (resulting, in turn, from limited carbon capture and storage technologies).	• Participation in UK and international trade associations, with a focus on the development of national and international decarbonisation roadmaps. • The Sustainable Aviation Coalition and the Jet Zero Council are working with industry and Government on the development of negative emissions technologies. We are working collaboratively to further the understanding of scaling-up carbon capture and storage technologies. In line with the 2023 Sustainable Aviation Decarbonisation Roadmap, we will continue our focus on improving market-based measures to support the transition to net zero.

Climate-related financial disclosures *continued*

MARKET

Climate-related transition risk	Business impact to MAG	Current and future actions
Failure of UK and international policy to deliver effective carbon markets which could lead to higher ticket prices and reduced passenger demand.	- Increased airline operating costs may result in heightened costs of flying for passengers. - Difficulty accessing competitively priced finance as a result of reduced attractiveness to prospective investors and shareholders. - Reduced availability and increased cost of carbon credits.	- Participation in UK and international trade associations, including those focused upon the development of national and international decarbonisation roadmaps. - Engagement with UK policymakers through, for example, the Government's Jet Zero Council. - Delivery of MAG's decarbonisation programmes, including a focus on enabling aviation decarbonisation.
Changes in societal behaviours and attitudes towards climate change may reduce passenger demand due to increased 'flight shame' and wider behavioural changes.	- Reduction in passenger demand (and, therefore, revenue) may reduce the attractiveness of MAG to investors and shareholders, thereby posing challenges to accessing competitively priced finance. - Challenges for employee retention and recruitment owing to reduced market attractiveness.	- MAG's CSR Strategy places net zero carbon airports at the forefront of its approach towards delivering a sustainable business (with a target for net zero carbon by 2038). - MAG airports are already certified carbon neutral (through Airport Carbon Accreditation) with programmes to deliver further decarbonisation and net zero. - Continued engagement with the Government's Jet Zero Council to understand and influence policy.

REPUTATION

Climate-related transition risk	Business impact to MAG	Current and future actions
Investors shifting capital allocation and finance in favour of low-carbon and climate-resilient businesses. Increased scrutiny from investors for businesses not having and/or meeting a science-based net zero target.	- MAG's failure to align with changed investor priorities may result in a lack of capital and investment. - Reduced revenue and associated reputational risks for the business may impact upon investment opportunities. - Reduced market attractiveness to the current and future workforce, as well as prospective passengers.	- MAG's CSR Strategy focuses on the delivery of net zero carbon airports and outlines initiatives and commitments to the decarbonisation of its operations and the wider aviation sector. - MAG will continue to report progress against this commitment to its key stakeholders and investors.
Risk of not meeting MAG's net zero commitment for 2038 through a lack of investment in measures to reduce Scope 1 and 2 emissions associated with fuel and energy consumption. Passengers and airlines may move to other airports that are taking faster, proactive climate action.	- Higher expenditure associated with the cost of increasing carbon emissions from the organisation. - Reduced capital and financing from current and future investors due to negative stakeholder perceptions. - Reduced passenger demand, leading to a reduction in airline networks.	- MAG's CSR Strategy focuses on the delivery of net zero carbon airports and outlines initiatives and commitments to the decarbonisation of its operations and the wider aviation sector. - Engagement with the UK Government and industry partners on the Sustainable Aviation Decarbonisation Roadmap and Jet Zero Council.

FINANCIAL QUANTIFICATION
OF CLIMATE RISK

Last year, we outlined the financial impacts of key climate risks, grouping similar risks to provide a clearer understanding of their implications. This year, our approach has evolved. We've engaged with various stakeholders, promoting collaboration and leveraging diverse expertise to enhance our reporting.

By further enhancing the quantification of climate-related financial risks, we fulfil regulatory requirements and enable new insights for our strategic decision-making.

In assessing the financial materiality of the identified risks, we have employed a scale ranging from 1 to 5. This method of scoring is derived from our corporate risk assessment methodology and is consistent with the way we assess other business risks. This impact scale allows us to quantitatively evaluate the magnitude of the risks and their potential business consequences.

Our assessment of climate-related risks and opportunities includes consideration of financial implications. The results of these assessments are included in this report through the use of indicators, which align with the practice of other reporting organisations.

The table below illustrates the scoring scale we have used:

FINANCIAL MATERIALITY:

Impact Score	Financial Impact
1	£
2	£ £
3	£ £ £
4	£ £ £ £
5	£ £ £ £ £

Our analysis considered the impact each risk had on areas such as operating costs, revenues and capital expenditures aligned to a 1.5°C scenario which is built into future passenger planning and capex costs. As a business, we are also investigating the financial impact of a 2°C scenario.

This additional scenario is important because it will present increased levels of physical climate impact. Our fourth-round climate adaptation report and decarbonisation programme will further explore the climate-related impacts of a 2°C scenario and associated financial impacts. As we develop our knowledge and understanding of climate-related risks, these assessments will be refined and updated accordingly.



Climate-related financial disclosures continued

The following table outlines both transition and physical risks faced by the business due to climate change. We have chosen the following risks based on the amount of material available to financially quantify overall materiality and expected materialisation term.

Risk Description	Expected materialisation	Business impact to MAG	Current and future actions	Financial materiality ¹
Reduced demand for travel due to the rise of travel alternatives and the unpredictable occurrence of geopolitical events.	Long-term	- Reduced competitive positioning compared to other modes of travel and ways of working (e.g. increase in virtual conferences, meetings etc). - Reduced revenue. - Loss of customers and less revenue, affecting investment opportunities.	- Net zero operational target. - Carbon Neutrality across the Group by encouraging low-carbon action (e.g. through offering free landing fees for five years to the first zero-emission commercial plane based at one of our airports). - Working with Government and industry partners on the decarbonisation of aviation e.g. Collaboration on policies including sustainable aviation fuel (SAF) with the Jet Zero Council and Sustainable Aviation.	
Increased heat risk for staff and customers due to warmer temperatures leading to the need to upgrade cooling systems in our airports due to increased temperatures and heat waves and to use preconditioned air (PCA) for aircraft cooling whilst on stand.	Medium-term	- Decline in revenue and passenger numbers. - Reputational damage. - Possible increase in staff absence rates. - Potential rise in passenger health issues. - New infrastructure needed to account for the increase of energy use for PCA.	- Management and maintenance of heating, ventilation, and air-conditioning (HVAC) systems. - Our existing infrastructure has the ability to cool if temperatures get hotter. - Capital planning for the acquisition of new assets and replacement of existing ones.	
Damage to buildings through thermal expansion of subsidence due to extreme weather and the impact on ground conditions.	Medium-term	- Financial costs to repair/replace affected infrastructure. - Operational disruption. - Airport closure. - Reputational damage.	- Structural inspections. - Asset maintenance schemes. - Capex plans that align to assets. - Conformance with Asset Standards and Building Regulations.	
The impact of the emergence of new climate regulations such as increased carbon pricing and taxation for the aviation sector.	Short-term	- Additional expenditures due to higher cost of capital – reduced capital and financing from investors. - Reduced revenue due to passengers choosing other modes of transport.	- Alignment to ISO 14001 Environmental Management Systems. - Working with Government and industry partners on the topics relating to taxation and aviation decarbonisation. - Engagement with industrial research such as FlyZero and partnerships with HyNet on hydrogen fuel. - Carbon taxation on airlines is considered in the revenue stream.	
Provision of low carbon energy and associated infrastructure at the airport to enable the decarbonisation of aircraft and airport operations.	Medium-term	- Reduced passenger throughput due to business disruption resulting from lower aircraft capacity owing, in turn, to longer refuelling turnaround times. - Potential operational disruptions as a result of potential market-inability to scale up, therefore, affecting the availability and increasing the price of alternative fuels. - Negative stakeholder perceptions of airlines may also arise if the airport is less able to position itself favourably.	- Working with Government and industry partners on the decarbonisation of aviation e.g. Jet Zero Council, Sustainable Aviation and FlyZero. - Updating Sustainable Development Plans (SDP) for each of our airports. - Including HVAC and fleet improvements in our five-year business plan along with a plan to utilise green gas post 2030.	
Investor movement towards decarbonisation options may lead to higher borrowing costs and challenges when refinancing.	Short-term	- Reduced capital and financing. - Increased expenditure due to potential higher rates on lending. - Reduced revenue (e.g. from delayed planning approvals as a result of new or stricter policies).	- Working with Government and industry partners on the decarbonisation of aviation e.g. Jet Zero Council, Sustainable Aviation and FlyZero. - Active member of the European and World Trade Association Airports Council International. - Engaging with investors and lenders, and ensuring transparent carbon reporting.	

¹ This is the net risk after considering mitigating actions. In preparing the Group's accounts for the year ended 31 March 2024, management have considered these risks specifically in terms of future revenue, operating expense and capital expense cashflows of the Group and the resultant impact on the useful economic lives of MAG's existing fixed asset base. This is reflected in the approved business plan, which is based upon a 1.5 degree global warming scenario, which impacts the accounts in the going concern and impairment assessments (see page 131) and in the useful economic life assessment (see page 124).

We will continue to further explore the financial implications of the risks associated with climate change. In doing so, we will continue to gain crucial insights that enable us to take proactive measures to mitigate them effectively.

CLIMATE-RELATED
FINANCIAL OPPORTUNITIES

We fully recognise that climate change poses significant challenges to our business, other businesses and the global aviation industry. However, we also recognise that climate change serves as a catalyst for innovation, transformation and collaboration across the industry as a whole.

At MAG, we understand that we not only need to adapt to climate change but we also need to proactively engage and drive change within our sector. Collaboration is at the heart of our approach to decarbonisation. We are actively engaging with industry partners to drive meaningful change across the aviation industry. Our partnership with HyNet and Fulcrum BioEnergy demonstrates our commitment to hydrogen and Sustainable Aviation Fuel (SAF). We are also a founding member of the Government's Jet Zero Council in 2020 which is a partnership between industry, academia and government to bring together ministers and chief executive officer-level stakeholders, with the aim of delivering at least 10% sustainable aviation fuel (SAF) in the UK fuel mix by 2030 and zero emission transatlantic flight within a generation, driving the ambitious delivery of new technologies and innovative ways to cut aviation emissions.

Our commitment to climate change goes beyond compliance; we are committed to ensuring a sustainable future for aviation. Climate change offers us the opportunity to adopt greener technologies and establish best practices that set new standards for sustainability.

In the short term, we understand the need to prepare for 'green jobs'. By 'green jobs', we mean jobs that contribute to sustainability or require a new sustainability-related skill set, for example – transitioning from being an engineer on a diesel vehicle to an electric-powered motor. We recognise the need to prepare for and transition towards 'green jobs' and the benefits that this brings to the business such as increasing retention rates, encouraging skilled workers to join the business and ensuring the good reputation of MAG as a great place to work. Over the last year, we introduced Carbon Curriculums in our on-site education facilities called 'Aerozone'.

The curriculum, which is delivered in an interactive format, teaches young people about Sustainable Aviation Fuel (SAF) – how it is made, and how it can be used by the aviation sector. In addition to this, we have planned a programme of internal communications to accompany the launch of our internal decarbonisation programme which is aimed at educating all colleagues about our decarbonisation journey and how they can contribute to it in their role(s).

In the medium term, we expect there to be an opportunity to enhance our reputation by aligning with the preferences of a conscious passenger in the transition to a low-carbon economy. This includes offering sustainable travel choices, such as ensuring the infrastructure for hydrogen aircraft, and sustainable aviation fuel and incentivising airlines to use next-generation aircraft. This opportunity not only positions us as a leader in aviation but also fosters enhanced customer loyalty and reputational benefits.

In the long term, we believe we can strengthen our route networks and market position by adapting to emerging holiday trends in the spring and autumn for both inbound and outbound tourism. For example, increasing summer temperatures in traditional holiday destinations mean that demand for travel could change, with passengers either travelling at different times of the year or to alternative locations. This allows us to capitalise on the demand for different destinations during less traditional travel periods. This adaptive approach not only broadens our customer base but also demonstrates MAG's responsiveness to evolving travel preferences, enhancing our competitiveness in the market.

METRICS AND TARGETS

We have a long-standing commitment to climate change and since 2007 we have reported our approach to reducing our carbon emissions. Every Autumn, we release our Corporate Social Responsibility report which showcases our progress towards our commitments set out in our CSR Strategy 'Working Together for a Brighter Future'. These reports feature key environmental performance indicators such as waste generated, material and water use that feed into our value chain emissions. In addition to the Group CSR Report, we release our dedicated 'Emissions Report' which follows the Government's environmental reporting guidance and aligns with the World Resource Institute's Greenhouse Gas Protocol.

The report outlines our Scope 1, 2 and 3 emissions across the Group and provides individual breakdowns for East Midlands, London Stansted and Manchester Airports.

Our flagship commitment to net zero operations by no later than 2038, demonstrates our commitment to reducing our reliance on fossil fuels. To achieve this commitment, our progress against our CSR Strategy is regularly reviewed and reported to relevant stakeholders.

The most recent science indicates that there is still an opportunity to constrain the global temperature increase to 1.5°C. However, these studies also underscore the alarming proximity to this critical temperature threshold, highlighting the urgent and collective approach needed to curb global temperature rise. In light of this, we have chosen to publicly commit to establishing a near-term science-based target through the Science Based Targets initiative (SBTi). This commitment extends across all scopes of emissions – Scope 1, 2, and 3 – and we look forward to submitting our targets for SBTi validation in 2024.

Net Zero

MAG TO ACHIEVE NET ZERO
OPERATIONS BY NO LATER THAN 2038.



BY 2025, ALL NEW AND REPLACEMENT
AIRPORT INFRASTRUCTURE WILL
RUN ON RENEWABLE ENERGY.



BY 2030, ALL OUR AIRPORT
INFRASTRUCTURE WILL OPERATE ON
RENEWABLE ENERGY.



BY 2030, WE WILL AIM TO TRANSITION
TO A FLEET OF ULTRA-LOW EMISSION
VEHICLES SO THAT BY 2030 OUR FLEET
WILL BE 100% ULTRA-LOW EMISSION
(WHERE SUITABLE VEHICLES ARE
AVAILABLE) TO MEET OPERATIONS
REQUIREMENTS.

Financial review

Delivering growth and investment



Continued passenger growth has underpinned MAG's strong performance with our focus on value and choice for our customers. With our revenue streams covering more of the customer journey, MAG is delivering shareholder value and re-investing returns in improved airport facilities and enhancing customer experience."

JAN BRAMALL
Chief Financial Officer



We welcomed our strong recovery from the pandemic in FY23. FY24 saw us build on the recovery to satisfy our customer demand to bring us back to pre-pandemic levels whilst successfully addressing the operational issues we encountered as a result of the rapid growth in 2023.

	Year ended 31 March 2024 (£m)	Year ended 31 March 2023 (£m)	Change (£m)	Change (%)
Passenger numbers	61.3	54.0	7.3	13.5%
Revenue	1,237.7	1,027.4	210.3	20.5%
Adjusted EBITDA ¹	506.7	410.4	96.3	23.5%
Operating profit	240.8	28.1	212.7	756.9%
Profit/(Loss) before taxation	218.4	(59.4)	277.8	n/a
Profit/(Loss) for the year	140.4	(59.5)	199.9	n/a
Adjusted cash generated from operations ¹	501.2	458.3	42.9	9.4%
Cash generated from operations	491.9	453.7	38.2	8.4%
Capital investment	308.7	192.1	116.6	60.7%
Net cash and cash equivalents ¹	334.7	54.5	280.2	514.1%
Net Debt – including IFRS 16	(1,956.5)	(1,839.8)	(116.7)	6.3%
Net Debt – excluding IFRS 16 ¹	(1,459.5)	(1,381.6)	(77.9)	5.6%
Equity shareholders' funds	2,426.3	2,424.6	1.7	0.1%

¹ As explained in Other Information of the financial statements on page 156. Results are from continuing operations unless otherwise stated.

MEASURES USED TO ASSESS PERFORMANCE

Passenger levels in FY24 improved by 13.5% to 61.3m (102.8% of pre-Covid-19 levels), which was the principal driver in increasing revenue by £210.3m, an increase of 20.5% compared with FY23. Continuing tight control over costs, MAG's net overall operating costs have increased by 18.5% compared to the FY23 cost base reflecting the volume uplift. Consequently, the Group's adjusted EBITDA¹ has increased to £506.7m (FY23: £410.4m) and operating profit to £240.8m (FY23: £28.1m). MAG's trading performance has generated cash from operations of £491.9m during FY24 (FY23: £453.7m).

This has enabled MAG to increase distributions to shareholders to £125.2m (FY23: £50.1m) and increase investment in airport infrastructure to £308.7m (FY23: £192.1m), largely through the Group's transformation programmes at both Manchester and London Stansted and Next Generation Security roll-out. MAG has secured funding for future capital expenditure requirements early through the issue of bonds into the UK capital markets. This has enabled MAG to maximise its liquidity headroom and enhance its positive net cash position to £334.7m (FY23: £54.5m).

The Group uses a number of measures to assess financial performance that are not defined within IFRS and are widely referred to as 'Alternative Performance Measures' (APMs). The Group's accounting policy relating to APMs is detailed on page 104, and the Other Information section of the financial statements on page 156 defines the Group's APMs, their purpose and definition, along with a reconciliation to the nearest IFRS measurement.

WELCOME
TO
MANCHESTER
AIRPORT

Financial review *continued*

APMs are defined by management and should not be considered as comparable with similarly named measures used by other companies. They are not considered superior to IFRS measures but are issued by management to provide additional information which may prove useful to the readers of the accounts.

Many of the Group’s APMs are referred to as ‘adjusted’ meaning prior to the impact of ‘adjusted items’.

Adjusted items are separately disclosed and relate to items that are significant in size and/or infrequent in nature, and where, in the directors’ view, their separate disclosure gives additional information on the Group’s underlying financial performance.

For example, costs incurred owing to restructuring activities, financial instrument modification gains, additional expenditure owing to Group transformation activities, and merger & acquisition activity are considered infrequent and are presented within Adjusted items as adjustments to the IFRS measures of financial performance.

ADJUSTED EBITDA

The directors use alternative performance measures (APMs) to review the performance of the Group. There are a number of measures, but the predominant one applied is adjusted EBITDA¹, as it is the main measure of business performance, is used across peers and is part of MAG’s financial covenants.

	Year ended 31 March 2024			Year ended 31 March 2023		
	Before adjusted items £m	Adjusted items £m	After adjusted items £m	Before adjusted items £m	Adjusted items £m	After adjusted items £m
Continuing operations						
EBITDA	506.7	(12.3)	494.4	410.4	(125.4)	285.0
Depreciation, amortisation and impairment	(251.3)	(2.3)	(253.6)	(241.1)	(15.8)	(256.9)
Operating profit	255.4	(14.6)	240.8	169.3	(141.2)	28.1

¹ As explained in Other Information on page 156.

SUMMARY TRADING PERFORMANCE

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m	Change £m	Change %
Summary of Revenue Stream				
Aviation income	418.1	355.9	62.2	17.5%
Retail concessions	300.8	234.5	66.3	28.3%
Car parking	370.3	325.1	45.2	13.9%
Property & property related income	18.8	18.6	0.2	1.1%
Other	129.7	93.3	36.4	39.0%
Total Revenue	1,237.7	1,027.4	210.3	20.5%

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m	Change £m	Change %
Summary of Revenue by Division				
Manchester Airport	511.8	429.0	82.8	19.3%
London Stansted Airport	429.2	373.2	56.0	15.0%
East Midlands Airport	95.0	81.3	13.7	16.9%
CAVU	200.9	142.1	58.8	41.4%
Group, consolidation and other	0.8	1.8	(1.0)	(55.6)%
Total Revenue	1,237.7	1,027.4	210.3	20.5%

MAG welcomed 61.3m passengers across our three airports, a 7.3m (13.5%) increase on the prior year, resulting from higher volumes with Ryanair, Jet2.com, easyJet, TUI and Emirates, with load factors improving to 85.5% (2023: 83.7%). Our operational teams facilitated the increased volumes with over 97% of customers clearing security within 15 minutes across all of our airports.

Flights to Dublin, Spain (Canaries, Balearics and the mainland), Turkey, and Portugal remain MAG’s most popular destinations along with Dubai which saw substantial increases in comparison to the prior year. FY24 also saw an increased choice for our passengers with fifteen new operators across our three airports and a net gain of ten new routes.

The Group delivered an overall revenue increase of 20.5% in comparison to the prior period. Whilst the increases in all of the airport divisions followed the trend of passenger increases, the revenue uplifts between 15% and 19%, exceed our levels of passenger growth. CAVU revenue increased by £58.8m (41.4%) to £200.9m (2023: £142.1m) with over half of the uplift coming from the CAVU lounge business.

Aviation yields improved at all three of our airports which enables a 17.5% increase in our aviation income. This was supported by cargo volumes improvement from 714KTe to 731KTe, with Stansted accounting for the bulk of the uplift which translated into a 2.3% revenue increase to £42.4m. Yields for car parking also improved across CAVU and all of MAG’s airports, where our growth was driven by the pre-booked market. The strongest year on year growth across our major streams came from retail with the largest increases coming from duty-free, food and beverage, and lounges.

Property income increased slightly during the year, with a 1.1% increase over the prior year. Other income increased by 39.0%, with utilities recoveries, refuelling and retail travel services income being key elements of this growth. The increase is mainly due to increased expenditure in these areas being passed onto our partners.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m	Change £m	Change %
Operating costs				
Employment costs*	(331.5)	(291.7)	(39.8)	(13.6)%
Other operating charges*	(399.5)	(325.3)	(74.1)	(22.8)%
Net overall operating costs*	(731.0)	(617.0)	(113.9)	(18.5)%
Depreciation and amortisation*	(251.3)	(241.1)	(10.2)	4.2%
Net Total Costs*	(982.3)	(858.1)	(124.2)	14.5%
Adjusted items – Other operating charges – GMPF settlement	–	(119.7)	119.7	n/a ¹
Adjusted items – Impairment of assets, asset write-downs and depreciation	(2.3)	(15.9)	13.6	n/a ¹
Adjusted items – Major reorganisation of businesses, transformation and acquisitions	(11.4)	(4.1)	(7.4)	n/a ¹
Adjusted items – Legal and other items	(0.9)	(1.5)	0.6	n/a ¹
Adjusted items – Total	(14.6)	(141.2)	126.6	n/a ¹
Total operating costs	(996.9)	(999.3)	2.4	0.2%

* Before adjusted items.

¹ The percentage change has not been included for adjusted items as these are not comparable year-over-year. As explained in Other Information on page 156.

Financial review continued

Excluding the impact of depreciation and amortisation, the Group's overall operating costs, comprising employee costs and non-employee costs, increased by £114.0m to £731.0m (2023: £617.0m). Most of the increase came through the other operating expenses which increased by £74.2m to £399.5m, principally cost of sales resulting from increased CAVU lounge expenditure, pay per click and utility costs. Employee costs increased by £39.8m to £331.5m, partially resulting from the increased headcount which enabled the Group to meet the increase in passenger demand.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m	Change £m	Change %
Adjusted EBITDA ¹ by Division				
Manchester Airport	202.2	157.3	44.9	28.5%
London Stansted Airport	182.0	164.5	17.5	10.6%
East Midlands Airport	37.8	32.8	5.0	15.2%
CAVU	63.4	35.2	28.2	80.1%
Group, consolidation and other	21.3	20.6	0.7	3.4%
Total adjusted EBITDA¹	506.7	410.4	96.3	23.5%

¹ As explained in Other Information on page 156.

Adjusted EBITDA¹ for the Group increased by £96.3m to reach £506.7m, almost half of the passenger-driven revenue uplift flowing through to adjusted EBITDA with Group's operating cost base only increasing by 18.5% (£114.0m).

The financial statements have classified as adjusted items, a total charge to operating expenses of £14.6m (2023: charge of £141.2m), net finance income of £1.0m (2023: net cost of £0.3m), and loss from discontinued operations net of tax of £0.6m (2023: profit of £4.6m). The summary of adjusted items is given in note 3 to the accounts on page 115 and the definition of the Group's APMs are explained in the Other Information section of the financial statements on page 156.

Depreciation and amortisation costs before adjusted items were marginally higher than the prior year at £251.3m (2023: £241.1m).

The Group's total operating costs, including adjusted items and depreciation, were £996.9m in FY24 (FY23: £999.3m) which was a decrease of £2.4m (0.2%). The prior year included a £119.7m settlement charge of MAG's deferred debt agreement with GMPF.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m	Change £m	Change %
Operating profit/(loss) by division				
Manchester Airport ¹	57.7	(103.6)	161.3	n/a
London Stansted Airport	107.6	91.2	16.4	18.0%
East Midlands Airport	19.4	13.4	6.0	44.8%
CAVU	44.3	21.8	22.5	103.2%
Group, consolidation and other	11.8	5.3	6.5	122.6%
Total operating profit	240.8	28.1	212.7	756.9%

¹ In the prior year the operating loss in the Manchester Airport division includes an expense of £119.7m on the closure of the DDA retirement benefit scheme.

BUSINESS OUTLOOK

Whilst acknowledging the economic headwinds that face us and our customers, MAG's performance and resilience continues to give us confidence in the future, based on:

- Continuing strong financial management taking early and prudent action to ensure that liquidity is available to invest in infrastructure, provide returns to our investors and enhance the customers' experience. Leveraging off management's track record of taking action to monitor economic headwinds and ensure a prompt and flexible response to address issues early;
- Extending our route network, welcoming new operators to our airports and working with our existing business partners to enhance the choice for our customers of all budgets;
- Our re-investment in all three of our airports to both enable future growth and enhancing the customer experience is on track. Our management of the investment being mindful that we continue to give good value for money for both our customers and investors; and
- Our leading role in sustainability in the airport sector and our ongoing commitment to growing sustainably is a core part of our business strategy.

MAG continues to be in a strong position to progress with its strategy for the future. Our focus remains on the development of both our people and infrastructure remains key in delivering a quality service to our customers. Our relationships with our airlines and other partners, our strategic locations and catchment areas allow us to deliver great customer choice and value.

TRADING UNITS

MANCHESTER AIRPORT

28.8m passengers travelled through Manchester Airport in the year ended 31 March 2024, an increase of 14.3% over the prior year.

	FY24	FY23	Change	Change %
Passengers (million)	28.8	25.2	3.6	14.3%
Revenue (£m)	511.8	429.0	82.8	19.3%
Adjusted EBITDA ¹ (£m)	202.2	157.3	44.9	28.5%
Operating profit/(loss) (£m)	57.7	(103.6)	161.3	n/a

£ per Passenger ³	FY24	FY23
Aviation	7.0	6.5
Commercial ²	10.8	10.6
Operating costs (before adjusted items, depreciation and amortisation)	10.8	10.8
Operating costs (including adjusted items, depreciation and amortisation) ⁴	15.8	21.2

¹ As explained in Other Information on page 156.

² All revenue streams excluding aviation.

³ £ per passenger calculated using exact £ figures.

⁴ Operating costs in FY23 were impacted by the £119.7m GMPF deferred debt agreement charge.

The 3.6m improvement in passenger numbers translated into an £82.8m increase in revenue at Manchester to £511.8m, with increases seen in all the core revenue streams of aviation, retail and car parking. These are principally volume related but we also saw yield improvements in both aviation (supported by carrier mix impacts and tariff increases) and retail (in duty free and food and beverage). Passenger growth was led by a load factor uplift from 82.5% to 84.4%, the year on year improvement coming across our main airline partners. Manchester has also seen four new operators working with the airport in FY24 and a net gain in our route network. Our most popular destinations for the airport were Dubai, Amsterdam, Dublin and Tenerife.

The airport cost base (before adjusted items, depreciation and amortisation) increased by £37.9m (13.9%) during FY24 to £309.6m, with the largest increases experienced in employee costs, marketing, cleaning and maintenance. The uplift in costs were diluted by the significant increase in passenger numbers, resulting in cost per passenger being maintained at £10.8.

Financial review continued

The combined impact of improving revenue per passenger for aviation and commercial coupled with maintaining the operating cost per passenger resulted in Manchester’s adjusted EBITDA¹ increasing by £44.9m to £202.2m (FY23: £157.3m).

Manchester’s depreciation and amortisation increased by £10.8m to £137.5m during the year, largely as a result of the revision to asset useful lives in FY23 following MAG’s decision to mothball T1 as part of MAN-TP.

Depreciation and amortisation of £137.5m and adjusted items of £7.0m resulted in total operating costs decreasing by £78.5m to £454.1m. This was primarily driven by the one-off charge of £119.7m in 2023 as a result of Manchester settling its deferred debt agreement with GMPF. Consequently, Manchester delivered an operating profit of £57.7m (FY23: loss of £103.6m).

LONDON STANSTED AIRPORT

London Stansted Airport experienced an increase of 11.8% in passenger numbers over the course of the year, with a total of 28.5m passengers passing through the airport.

	FY24	FY23	Change	Change %
Passengers (million)	28.5	25.5	3.0	11.8%
Revenue (£m)	429.2	373.2	56.0	15.0%
Adjusted EBITDA ¹ (£m)	182.0	164.5	17.5	10.6%
Operating profit (£m)	107.6	91.0	16.6	18.2%

£ per Passenger ³	FY24	FY23
Aviation	6.0	5.9
Commercial ²	9.0	8.7
Operating costs (before adjusted items and depreciation)	8.7	8.2
Operating costs (including adjusted items and depreciation)	11.3	11.0

1 As explained in Other Information on page 156.
2 All revenue streams excluding aviation.
3 £ per passenger calculated using exact £ figures.

The 3.0m increase in passengers at London Stansted was driven by Ryanair, Jet2.com, and Emirates with an increase in load factor from 84.7% to 86.6%, 16 net route gains and 7 new operators starting to work with the airport with Dublin, Istanbul and Edinburgh being the most popular destinations.

The passenger uplift translated into a £56.0m rise in revenue across all key revenue streams, with aviation, retail and car parking all experiencing volume driven increases. London Stansted also delivered improved aviation yields, from new deals and carrier mix, and in retail, where duty-free, food and beverage and financial services delivered strong growth. Stansted’s cost base (before adjusted items and depreciation) increased by £38.5m (18.4%) to £247.2m. The main areas of cost increases were in employee costs, rates & utilities, airfield costs, and car parking operations. Consequently, adjusted EBITDA increased by £17.5m (10.6%) to £182.0m.

The airport’s depreciation charge reduced marginally by £0.1m from £70.8m in FY23 to £70.7m in FY24, whereas adjusted costs increased slightly from £2.5m to £3.7m. Consequently, London Stansted’s total operating costs increased by £39.6m to £321.6m, resulting in the airport delivering an operating profit of £107.6m (FY23: profit of £91.2m).

EAST MIDLANDS AIRPORT

East Midlands Airport has a very important dual role as the biggest airport for dedicated cargo traffic in the UK and servicing the East Midlands region.

	FY24	FY23	Change	Change %
Passengers (million)	4.0	3.3	0.7	21.2%
Revenue (£m)	95.0	81.3	13.7	16.9%
Adjusted EBITDA ¹ (£m)	37.8	32.8	5.0	15.2%
Operating profit (£m)	19.4	13.4	6.0	44.8%

£ per Passenger ³	FY24	FY23
Aviation ⁴	11.4	12.9
Commercial ²	12.4	11.7
Operating costs (before adjusted items and depreciation)	14.3	14.7
Operating costs (including adjusted items and depreciation)	18.9	20.6

1 As explained in Other Information on page 156.
2 All revenue streams excluding aviation.
3 £ per passenger calculated using exact £ figures.
4 £ per passenger for aviation includes cargo, which there are no passenger numbers.

Passenger numbers improved by 0.7m compared to FY23, increasing from 3.3m to 4.0m with 3 new operators, a net gain of 15 new routes and improved load factors. Our aviation performance leveraged off this uplift in volume by delivering improved aviation yields whilst maintaining support from our cargo activity which reduced marginally by 1.5% to £29.9m against a backdrop of softening demand in the wider cargo market.

Commercial yields also improved with pre-booked car parking improvements and duty-free, food and beverage and pharmacy providing the increases for our retail concessions. This strong performance during FY24 has delivered a £13.7m uplift in revenue to £95.0m.

Costs (before adjusted items and depreciation) increased by £8.7m (18.0%) to £57.2m with the largest increases being seen in employee costs driven by increased headcount, along with uplift in maintenance and marketing spend. Overall, East Midlands improved its adjusted EBITDA¹ position by £5.0m to £37.8m (2023: £32.8m). Adding in depreciation and amortisation of £18.4m, total operating costs increased by £7.7m to £75.6m. Consequently, East Midlands delivered an operating profit of £19.4m (FY23: £13.4m).

CAVU

CAVU’s development as a new MAG segment has been excellent in FY24, with our businesses driving performance across the North American and EMEA markets. Firstly, the CAVU experiences business, which operates airport lounges and lounge products, initially in the US. Since FY24, CAVU operate MAG’s own airport lounges, and are now expanding geographically, servicing new locations such as Bristol and have a compelling pipeline to operate lounges overseas. Secondly, CAVU marketplace comprises our distribution business in the UK and US through which airport products and services are sold in our online marketplace to give our customers one point of access.

CAVU performed strongly during FY24 with revenues increasing from £142.1m to £200.9m through increases in the CAVU experiences and intelligent performances businesses. Operating costs increased by £30.6m (28.6%) to £137.5m with employee and IT costs making up the bulk of the increase. Overall this saw an increased profitability, with adjusted EBITDA increasing by £28.2m to £63.4m, and operating profit increasing to £44.3m (FY23: £21.8m). The EMEA and US businesses equally contributed to the uplift in year on year profitability.

	FY24	FY23	Change	Change %
Revenue (£m)	200.9	142.1	58.8	41.4%
Adjusted EBITDA ¹ (£m)	63.4	35.2	28.2	80.1%
Operating profit (£m)	44.3	21.8	22.5	103.2%

1 As explained in Other Information on page 156.

Financial review continued

GROUP’S PROPERTY

The investment properties are revalued to fair value at each reporting date by independent property valuers and valuations. During the year ended 31 March 2024, the Group’s investment properties experienced a £13.0m upward revaluation, largely driven by falling yields, which has resulted in the portfolio’s value increasing to £166.1m (FY23: £155.1m).

CASHFLOW

Adjusted cash generated from continuing operations¹ increased to a net inflow of £501.2m, a 9.4% improvement in comparison to £458.3m in FY23 (cash generated from operations of £491.9m, FY23: £453.7m). Adjusted cash generated from continuing operations¹ represented 98.9% of adjusted EBITDA¹, with strong cash management minimising the uplift in working capital arising from the increased activity levels.

Over the year ended 31 March 2024, the Group’s net cash position increased by £280.2m to £334.7m. The £491.9m of cash generated by continuing operations being used to service tax and interest payments of £132.7m, and a combined investment of £304.2m in property, plant and equipment, intangible fixed assets and the ParkVia acquisition.

MAG also bolstered its cash reserves by through the issue of a £360m bond in the year which, after accounting for lease repayments and a £125.2m dividend payment resulted in a financing inflow of £217.9m. MAG has continued to act prudently and ensure that liquidity is available and in place well ahead of payments of capital assets or upcoming repayments of debt. In addition to the positive cash reserves, the Group has access to its £500m Revolving Credit Facility (RCF) which was undrawn at the year end.

Group Cash flow (£m)	FY24	FY23	Change %
Adjusted cash generated from continuing operations ¹	501.2	458.3	9.4%
Adjusted items	(9.3)	(4.6)	102.2%
Cash generated from operations	491.9	453.7	8.4%
Net interest paid	(82.6)	(81.2)	1.7%
Net cash from discontinued operations	5.7	–	100.0%
Tax paid	(50.1)	(32.2)	55.6%
Net cash used in investing activities	(302.6)	(189.1)	60.0%
Net cash generated from financing activities	217.9	(548.1)	n/a
Net increase/(decrease) in cash and cash equivalents	280.2	(396.9)	n/a
Year end position:			
Net cash and cash equivalents ¹	334.7	54.5	514.1%

¹ As explained in Other Information on page 156.

FINANCING AND INTEREST

Maintaining MAG’s strong investment grade ratings with credit agencies is key to our strategy of providing the Group with a robust long-term financing structure that supports growth. MAG holds a stable outlook by credit rating agencies: Fitch: BBB+ and Moody’s Baa1. This is evidenced through MAG’s success in the markets with the refinancing of the £500m RCF and £90m Liquidity Facility in FY23, and the raising of £360m bonds in September 2023 and an additional £300m April 2024. This coupled with our strong liquidity position, and support from our shareholders, provides MAG with an excellent base to invest in our business.

Group net debt (excluding leases) increased to £1,459.5m (2023: £1,381.6m). The movement during the year reflects the cash inflow from operating activities after interest and tax of £364.9m offset by the outflow from investing activity of £302.6m, resulting in a net £62.3m inflow before financing, and a £125.2m dividend payment.

After taking into account IFRS 16, Group net debt of £1,956.5m comprised fixed rate bonds (£1,797.6m) of which £360.0m are short-term falling due in April 2024 and lease liabilities (£497.0m), offset by net cash of £334.7m and £3.4m of unamortised fees at 31 March 2024.

Group net interest charge in the financial statements amounted to £35.5m, a decrease of £25.7m in comparison to the prior year (2023: £61.2m), owing to the increases in base rate flowing through to intercompany loan interest. FY24 was impacted by adjusted items reflecting a derivative gain of £1.0m as a result of MAG seeking to mitigate against interest rate volatility prior to securing the £360m bond in September 2023.

CAPITAL EXPENDITURE

FY24 saw increased activity on our transformation programmes, following their recommencement at Manchester and Stansted in FY23. This coupled with work on the Next Generation Security (NGS) programmes across our airports has seen MAG invest £164.3m across these three major schemes. In addition to the Transformation and NGS schemes, MAG has also taken the opportunity to invest in renewals of our vital infrastructure. Our investment in renewals focused on our runways and taxiways at all three airports, including the resurfacing of the Stansted runway; and our surface water system at East Midlands.

The transformation programmes at Manchester and Stansted will continue to see significant investment. At Manchester work has progressed on T2 with the demolition of the old security hall and development of the second pier. At Stansted MAG was successful in securing planning permission for a northern three bay extension of the terminal building, a key part of our terminal strategy at the airport.

Overall, the Group’s investment of £308.7m in property, plant and equipment has significantly exceeded prior year levels (2023: £192.1m). Consequently, MAG’s property, plant and equipment balance increased to £3,157.7m (2023: £3,074.8m) with the increased investment more than offsetting the combined depreciation and impairment charges of £217.4m during the year.

LEASES (IFRS 16)

The principal driver of the increase in both our right of use asset and lease liability balances stems from upward remeasurements of £40.8m during FY24 at MAG’s leases with MCC and UK Power Networks (see note 31). This has increased the Group’s right-of-use asset position to £474.2m (2023: £437.0m) and lease liability to £497.0m (2023: £458.2m).

Financial review *continued*

PENSIONS

The accounting position is calculated by the directors and supported by independent actuaries, PwC, who incorporate data taken from a number of sources in calculating the closing position at the year-end across the defined benefit schemes. The net surplus included in the financial statements under IAS 19 reduced from £86.6m at 31 March 2023 to £77.8m at 31 March 2024.

Summary of changes in aggregate pension scheme surplus	£m
Net surplus as at 31 March 2023	86.6
Administration expenses	(1.2)
Other financial income	4.1
Contributions	0.4
Actuarial loss	(12.1)
Net surplus as at 31 March 2024	77.8

All of MAG’s defined benefit pension schemes are closed to future accrual. The Stansted and East Midlands scheme surpluses have decreased by a combined £8.9m to £81.8m over the year. The surplus decrease is due to lower returns on scheme assets marginally offset by slightly higher discount rate assumptions. The Group’s view remains that MAG is provided a right to a refund of any surplus in the schemes and consequently the surplus has been recognised in the financial statements.

In FY23 MAG settled the deferred debt agreement (DDA) it had entered into with GMPF the previous year. At that point in time MAG’s obligations to the GMPF ceased other than the ongoing commitment of unfunded liabilities. At 31 March 2024 those unfunded liabilities amounted to £3.6m, a £0.3m reduction in comparison to FY23.

The net surplus of £77.8m in the accounts reflects a net liability of £4.0m in the AVPS and GMPF schemes and a net surplus of £81.8m in the EMIA and STAL schemes. The total of £77.8m shows the net position across the Group, however the net surplus in the EMIA and STAL schemes cannot be offset against the net liability of the AVPS and GMPF schemes, so these are presented separately in the financial statements.

TAXATION

The total tax charge in the consolidated income statement is £78.2m compared to a £1.2m charge in the prior year, which includes tax charges attributable to discontinued operations of £0.2m (2023: £1.1m). The increase in charge is principally driven by the return to profit before tax of the Group but continues to be influenced by non-deductible items that result in the underlying effective current tax rate remaining higher than the standard rate of corporation tax, with differences explained in note 10 to the financial statements. The total tax paid in the year of £50.1m relates to payment on account for the profits in FY24.

EQUITY SHAREHOLDERS’ FUNDS AND DIVIDENDS

Equity attributable to equity holders of the group shareholders’ funds were £2,426.3m as at 31 March 2024 (2023: £2,424.6m). The movement comprises £139.8m profit after tax and adjusted items of which £139.2 was attributable to the Group’s equity shareholders, a remeasurement of pension liabilities (net of tax) of £9.8m, foreign exchange loss of £3.0m net of tax, and a £125.2m dividend payment.

Overall payments to shareholders increased from £50.1m to £125.2m. The Group increased its repayments to shareholders through declaring and paying £125.2m of dividends on ordinary shares in the year ended 31 March 2024 (£47.6m interim, £77.6m final).

POST-BALANCE SHEET EVENTS

On 2 April 2024, MAG repaid a £360m bond, initially issued in April 2014, as it matured.

On 22 April 2024, the Group announced the successful issue of a £300m bond in the UK capital markets, with a term of 18 years, at a rate of 5.75%.

The Group also executed an extension option to the RCF and LF facilities in May 2024, extending the legal maturity on both by one year to May 2029.

JAN BRAMALL

Group Chief Financial Officer

1 July 2024

Internal controls and risk management

The Board has overall responsibility for the Group's system of internal control, which aims to safeguard assets and shareholders' investment, and seeks to ensure that proper accounting records are maintained, that statutory and regulatory requirements are met, and that the Group's business is operated economically, effectively and efficiently.

It is acknowledged that any system of internal control is most likely to manage rather than eliminate risk, and can provide only reasonable, but not absolute, assurance against material misstatement or loss.

The Group's system of internal control has been in place throughout the year and up to the date of this Annual Report. The key elements of the internal control environment, which includes the process for preparing the consolidated financial statements, are:

- clearly defined organisational structures, schemes of delegation and lines of responsibility;
- the involvement of qualified, professional employees with an appropriate level of experience (in the Group's Finance function, relevant 2nd and 3rd Line assurance functions and throughout the business);
- regular meetings of the Board, the CAVU Executive Committee and the Chief Executive's Executive Committee;
- quarterly Airport, IT, CAVU and Group functions Risk and Audit Board meetings, chaired by the relevant MD or Executive member;
- Board approval of long-term business strategies, key business objectives and annual budgets (with an annual review being undertaken to update the business strategies and key business objectives);
- preparation, and Board approval, of revised financial forecasts during the year – monitoring financial performance on a monthly basis against budget, and the benchmarking of key performance indicators, with remedial action being taken where appropriate;
- monitoring annual performance against business plans;
- established procedures for planning, approving and monitoring capital projects, together with post project investment appraisal;
- regular review by the Group's Finance function of each business unit including a reconciliation to the management accounts on a segmental basis;
- the review by the Audit Committee and the Board of the draft consolidated financial statements, and receipt of and consideration by the Audit Committee of reports from management and the external auditor, on significant judgements and other pertinent matters relating to those statements;
- the activities of the Group Risk Team and Group Internal Audit function; and
- implementation of Group-wide procedures, policies, standards and processes concerning business activities, including financial reporting, health and safety, and human resources.



The Group has an established, independent Internal Audit function, the role of which is to provide impartial, objective audit, assurance and consulting activity that is designed to strengthen, improve and add value to core processes and procedures across the Group.

The Internal Audit team takes a disciplined and risk-based approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes, aimed at providing assurance that MAG's key risks are being well managed, and controls are adequately designed and operating effectively. Their methodology is based on the Chartered Institute of Internal Auditors Internal Audit Standards and best practice guidelines along with the updates as detailed in the 2020 Internal Audit Code of Practice.

An annual risk-based Internal Audit Plan is developed which provides appropriate and targeted coverage of the Group's risk profile over a rolling three-year period, with an initial focus on areas of high inherent risk and areas where the Group is heavily reliant on mitigating controls to manage the risk to an acceptable level. The plan is reviewed and refreshed in line with MAG's annual cycle of Audit Committee meetings and according to the Group's evolving risk profile.

Over the course of the year, the Internal Audit team carried out 21 reviews across a broad range of areas including: capital programme change control; security compliance and performance; attrition and retention; insider threat; key financial controls; and critical asset management and maintenance. The IT audit plan this year remained focused on key cyber and information security risks, and deep dives were conducted into areas such as incident management and privacy information management.

In line with the Institute of Internal Auditors International Professional Practices framework (IPPF), there was also a continued strong focus on MAG's implementation of the three lines of defence model, with a detailed review undertaken on the design and implementation of 2nd Line assurance processes for health and safety and fire safety across the Group.

The Internal Audit team carries out an annual self-assessment exercise to establish its effectiveness and to identify any areas for improvement, based on the Chartered Institute of Internal Auditors standards. The results of this exercise are presented to the Audit Committee annually alongside an action plan to address any areas for improvement as necessary. This activity is supplemented by a regular independent External Quality Assessment of MAG's Internal Audit function; the last one of these took place in FY23 and Internal Audit were graded as effective/leading in all areas reviewed.

In line with best practice, MAG also operates an independently provided, confidential reporting telephone helpline and web portal for employees to raise matters of concern in relation to fraud, dishonesty, corruption, theft, security and bribery. All claims are fully investigated in line with MAG's standard policies and procedures and a full whistleblowing update is provided at each Audit Committee meeting.

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REVIEWS CARRIED OUT BY OUR
INTERNAL AUDIT TEAM OVER THE
COURSE OF THE YEAR



Internal controls and risk management continued

As standard, Internal Audit reviews consider the Group-wide application of policies and procedures with the aim of promoting best practice and standardisation across MAG. Any areas of non-compliance with policies and procedures are reported to appropriate governance forums including Risk and Audit Boards, leadership team meetings and the Audit Committee. There is full transparency in respect of MAG's strong framework of risk management and controls assurance, and attendance at key forums by the Head of Risk and Head of Internal Audit ensures that cultural aims in respect of tone from the top and risk appetite are instilled across the business.

Regular reports on control issues are presented to, and discussed with, the Audit Committee, and there is a process in place to ensure that audit recommendations are fully implemented by senior Executive management. As such, 97% of recommendations made during the period have now been fully implemented or are on track to be implemented in line with initial agreed deadlines. There are updated, risk-based deadlines in place for the 3% of overdue actions.

On behalf of the Board, the Audit Committee has received the Chief Audit Officer's Annual Report and Opinion and has conducted a review of the effectiveness of the system of internal control. Based on the Internal Audit work delivered during the year, in the context of materiality, and considering management's commitment to implement agreed control improvement recommendations, the Internal Audit team concluded that MAG's internal control and risk activities were operating effectively for the period under review.

The Board, having considered the Audit Committee's review, is able to confirm that no significant failings have been identified in the system of risk management and internal control.

At MAG we believe that effective risk management is fundamental to our management practices which help deliver our strategy, commitments to customers and the community. We aim to deliver a safe, secure and efficient service which provides a great customer experience. This is supported through effective risk management strategies and making appropriate, risk-informed decisions when managing opportunities and threats across the entire MAG universe.

RISK MANAGEMENT FRAMEWORK

MAG has established a Risk Management Framework covering all of our corporate and operational activities and embedded in day-to-day operations.

MAG operates a '3 Lines' governance model. The 1st Line is formed by functions that own and manage risk on a day-to-day basis. These teams are supported and facilitated by Risk Management and Assurance functions (2nd Line) and independently assured by functions including MAG's own Internal Audit Department (3rd Line). The framework also provides guidelines to management relative to the evaluation of potential business and operational opportunities, enhancing the ability of the organisation to capitalise on these at an early stage and in a controlled manner.

MAG's Risk Management Framework is embedded throughout the organisation, enabling us to clearly identify, prioritise, respond to, and monitor our most significant risks and emerging risk themes. The framework supports decision making, with culture and leadership being the fundamental components, including setting a clear tone from the top on the importance of risk management. The Audit Committee and the Board are provided with a clear and current view of the organisation's risk profile and strategies in place for effective management and the identification of emerging risks.

MAG classifies risks as strategic, corporate and operational. All are managed through the framework and associated practices. The framework also provides guidelines for the escalation and assessment of material or emerging risks at the appropriate internal governance forums as they arise or are identified. This assessment process is underpinned via the delivery of risk review workshops, facilitated by our 2nd Line team of risk specialists, who support management in their identification and control of risks across the organisation. Further, the risk specialists will also support in the evaluation of mitigation strategies designed to manage risk exposure to an acceptable level.

The Risk Management Framework establishes a comprehensive basis for a consistent approach to risk management across the business. This core foundation means that managers can respond to new and emerging risks and provides guidelines for how risks should be identified, measured, monitored, and governed. This was facilitated in FY23 with the establishment of Risk and Audit Boards across the Group. These provide a forum for the escalation, discussion and governance of local airport and functional risks to ensure that they can be appropriately managed at the right level.

Having a well-embedded risk management process allows MAG to promptly identify the key uncertainties and challenges that our business faces alongside the mitigations and actions required to meet passenger needs and achieve our strategic objectives.

RISK APPETITE

Risk appetite is well understood within the business and is a core element of our risk evaluation methodology. Appetite guidelines establish clear boundaries for management on the levels of risk the business is prepared to accept and the action required where risks fall outside of our defined appetite.

The MAG Risk Management Framework establishes a set of key evaluation criteria for risk impact scoring based on appetite guidelines. In this way, a greater appetite may be attributed to some commercial risks compared to a significantly lower appetite for regulatory/compliance and health and safety risks. This enables a clear differentiation between a higher scoring risk for which MAG has a greater tolerance and a lower scoring risk for which the appetite is low or indeed zero. This methodology applies to all MAG risks and ensures a consistent approach to risk management. Ownership and accountability are key to the success of any risk framework, and management at all levels is expected to engage actively in the risk management process

and take full ownership of risks within their areas of responsibility. All risks of significance, based on the framework guidelines, are escalated to the appropriate forums for further governance and management decision. Risk appetite is considered regularly by management and the Audit Committee as part of its annual plan of work to ensure that it remains fit for purpose.

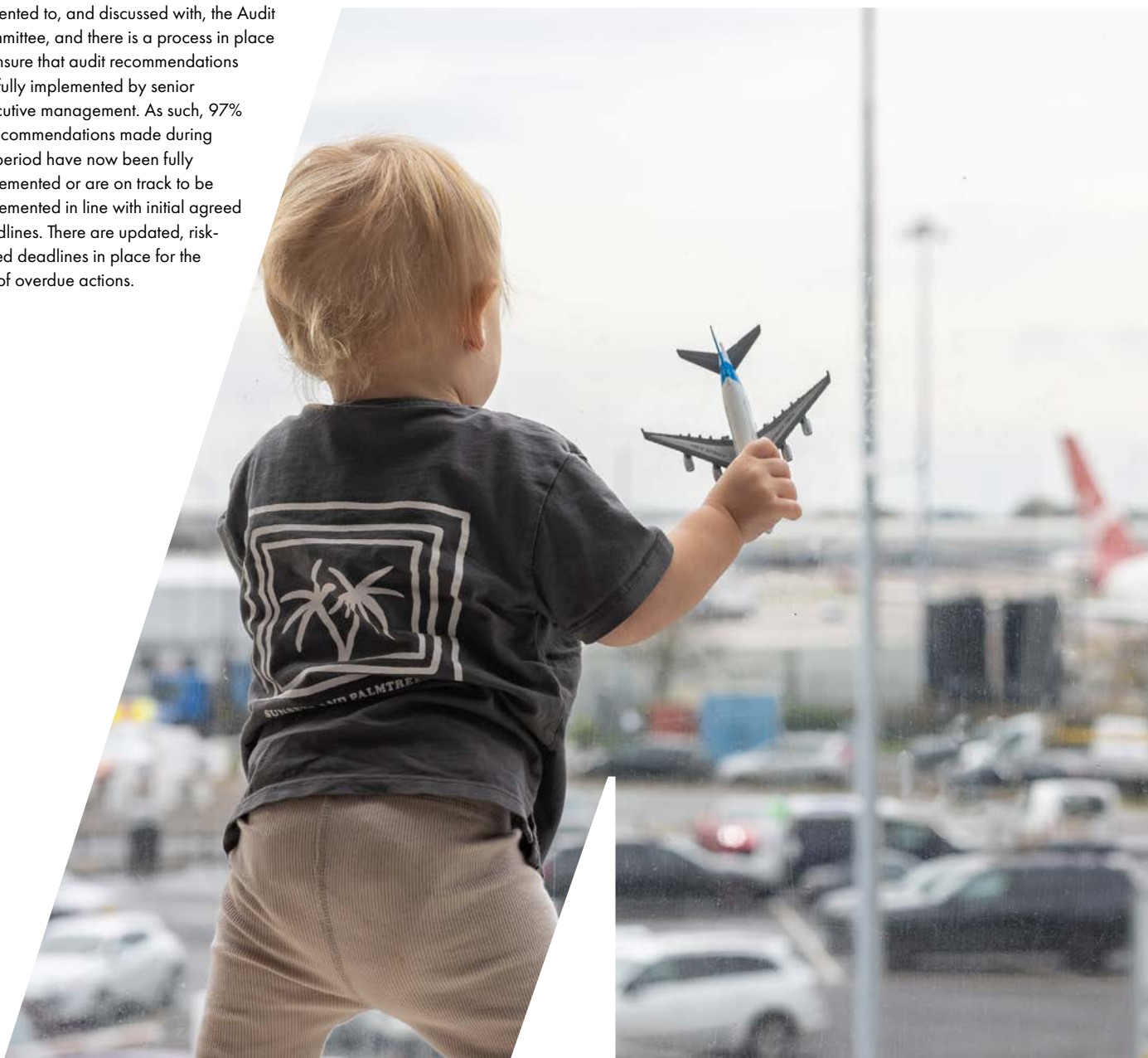
RISK CULTURE

Risk management is embedded in MAG's decision-making processes and detailed risk assessments are included in support of business case submissions to the Board. In addition, the Board receives periodic updates on the Group's risk profile to support strategic decision-making. The Board is also updated as required on new and emerging significant risks. This includes the outputs of biannual Strategic Risk workshops held with the Executive team to ensure that MAG's strategic and emerging risk assessments remain up to date.

To facilitate the consistent implementation of the Risk Management Framework, MAG uses a risk system to ensure accessibility to all colleagues of a single repository for all organisational risks. This is a dynamic tool to monitor and escalate risks, increasing the accountability and ownership of MAG colleagues and enhancing the visibility of risks and therefore our ability to govern them. The system also provides a mechanism to link risks, acknowledging their interdependency and enhancing colleagues' ability to make informed decisions.

EMERGING RISKS

Although, as outlined above, risk is considered at all levels of the organisation, horizon scanning to identify and evaluate emerging risks is the responsibility of all senior MAG officers, supported by the Group Risk team to ensure that they are recorded in a timely manner to ensure appropriate governance and attention.



Internal controls and risk management continued

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KEY

 INCREASE

 DECREASE

 NO MOVEMENT

 NEW

Principal risk: 1 – Major Health & Safety Incident Affecting our Customers or Colleagues

Risk Movement



Strategic objectives impacted



Governance & oversight

- Local Safety Forums
- Airport Safety Boards
- Group Safety Board
- Chief of Staff
- MAG and CAVU Executive Committee
- Audit Committee
- MAG and CAVU Board

Risk detail

The health and safety of our customers, colleagues and stakeholders is a priority for us. The inherent nature of our business means that we are a thriving hub of activity centred around our people, third parties and the public. We recognise our responsibility to all our stakeholders and have a zero-tolerance policy to health and safety incidents involving our stakeholders.

Potential impact

- Serious injury to the public, passengers, contractors or our people.
- Service disruption with financial losses and legal consequences.
- Reputational damage and reduced passenger footfall.

Mitigation Strategy

MAG operates a strong Health & Safety framework that meets legal requirements, and obtains independent third party accreditation to the ISO45001 standard.

Key to the mitigation of this risk are measures including:

- The provision of competent and sufficient resources within each of MAG’s business areas to advise on health and safety.
- Centralised experts, who provide best practice guidance to be implemented consistently across all MAG airports. Processes ensure that there is appropriate cross-Group collaboration and consistency. Feedback from subject matter experts is also captured, along with regular lessons learnt.
- Regular 2nd and 3rd line audits undertaken to verify compliance and assure management of the adequacy and effectiveness of controls.
- The MAG Health and Safety Policy is aligned to the ISO45001 Standard, reflecting best practice guidelines.
- For global lounges operated/managed by CAVU across a number of non-MAG airports, individual airport policies, local health and safety requirements and relevant standards are adhered to as relevant.
- As noted above, the Health and Safety governance process is supported by safety audits, compliance reviews and health and safety assurance. This enables the business to monitor implementation and embedding of recommendations and their overall effect on the quality of MAG’s control environment.
- Health and safety training is provided to all employees at all levels and briefings are provided to contractors and other visitors to our sites to ensure that key health and safety risks are understood and effectively managed. Our health and safety governance structure is designed to ensure that there is appropriate oversight of our management of health and safety risk and enables material risks to be escalated and addressed in a timely manner.

Principal risk: 2 – Security Breach

Risk Movement



Strategic objectives impacted



Risk detail

The UK security threat level is substantial, meaning an attack is likely. We have an obligation to ensure that our systems, processes, assets, and operations are secure at all our sites in the context of the current threat level.

Potential impact

- Serious injury to the public, passengers, contractors and/or our people.
- Threat of terrorism in the UK may deter passengers from air travel.
- Growth strategy not achieved and revenue targets missed.

Mitigation Strategy

We work closely with the police and government security agencies to ensure that our security facilities and processes meet the high standards required to respond to known and emerging security threats.

Our security facilities and processes are subject to extensive inspections and audits by regulators, external specialists and internal teams who regularly test the design and effectiveness of our security processes and controls.

At MAG, we recognise the need to respond effectively to the threat of terrorism and its impact on safety, security, stakeholder confidence and regulatory compliance.

Security governance is embedded at all of our airports and all security assurance activity is overseen by multi-agency governance forums. MAG’s subject matter experts liaise with third parties to review security risks and document the mitigation strategies in place to ensure the continued monitoring of key security risks.

Governance & oversight

- Local Safety and Resilience Forums
- Airport Boards
- Managing Directors
- MAG and CAVU Executive Committee
- MAG Audit Committee
- MAG and CAVU Board

Principal risk: 3 – Climate Change

Risk Movement



Strategic objectives impacted



Risk detail

Climate change is a major global risk that has implications across our business, for the environment we operate within and for our stakeholders. There is a growing focus on climate change from MAG’s stakeholders, including financial stakeholders. Failure to reduce our direct emissions and those of the wider industry, as well as the physical impacts of a changing climate, may have an adverse impact on MAG’s financial performance and reputation. The principal risk relates to the impact of policies that governments implement to ensure aviation achieves net zero by 2050, as well as consumer and stakeholder confidence in the ability of the sector to decarbonise.

Governance & oversight

- More information about the governance and oversight of climate-related risks is provided in the TCFD Chapter on page 37.

Mitigation Strategy

More information is provided about the actions we are taking to mitigate climate-related risks is provided in the TCFD section on pages 40 – 42.

Potential impact

- More information about the impacts of climate change are provided in the Task Force on Climate-Related Financial Disclosures (TCFD) Chapter on page 36.

Internal controls and risk management continued

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 INCREASE

 DECREASE

 NO MOVEMENT

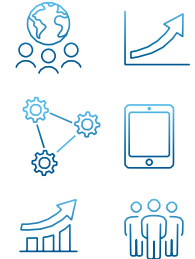
 NEW

Principal risk: 4 – People

Risk Movement



Strategic objectives impacted



Governance & oversight

- MAG and CAVU Executive Committee
- MAG Remuneration Committee
- MAG and CAVU Board

Risk detail

The competition for talent has increased across many sectors in recent years, particularly in specialist areas. The current situation regarding jobs in the hospitality and travel sectors has also been exacerbated by lower availability of EU nationals following Brexit. This has decreased the size of the talent pool, which could impact MAG’s ability to attract the right people at the right time to meet business needs.

The same risk applies to the many third parties that provide essential services that support the day-to-day running of MAG’s airports. We are dependent upon critical third parties including, Border Force and ground handlers. Their ability to recruit and retain the right number and quality of staff is a key element of the People risk to the business.

Potential impact

- Inadequate talent resources to deliver growth strategies.
- Failure to attract, retain and develop the diverse talent required for robust succession planning.
- Inability to resource and deliver business as usual with consequential impact on business operations, corporate reputation, and employer brand.

Mitigation Strategy

Market competition for key leadership and specialist talent remains strong with the UK economy experiencing specific challenges in the retention of skilled talent. Recruiting and retaining talent is critical to the success of our business and this has been an area of significant focus in recent years. Our talent strategy aims to attract and retain key employees through a variety of initiatives, including incentive schemes, career development programmes and mentoring.

MAG leadership recognises the importance of people and understands that our colleagues underpin the operation. A variety of schemes are used to attract and retain our talent including:

- Growing and developing our own talent, including acceleration of graduate and apprenticeship programmes.
- Continued targeted recruitment campaigns for Security staff and use of technology to improve referencing processes. Training has been improved to enhance Security pass rates.
- Significant focus on health and wellbeing to support colleague return to work processes. This includes resilience training, wellbeing Wednesdays and access to Employee Assistance Programme.
- Strong focus on developing detailed succession pipelines for critical roles.
- Robust and regularly reviewed recruitment and retention policies, training schemes, resource planning and working practices.
- The delivery of employee engagement surveys to all staff to regularly gauge the sentiment of our colleagues and improve internal processes, procedures and support networks.
- Regular employee performance reviews, combined with periodic communications from management and the use of pulse surveys enables MAG to remain proactive in developing initiatives to deliver any required ongoing improvements in the overall employee experience.
- The establishment of Colleague Resource Groups that are led by colleagues who are passionate about making a difference to the lives of others and continuously listening and learning to improve what we do, and how we do it.

Principal risk: 5a – IT Compliance, Security and Infrastructure – IT Compliance

Risk Movement



Strategic objectives impacted



Risk detail

MAG is subject to a number of regulations governing the protection of information systems (hardware, software and associated infrastructure), the data on them, and the services they provide. These include, but are not limited to, General Data Protection Regulation (GDPR) and Security of Network and Information Systems (NIS) Regulations. The financial and reputational penalties for non-compliance are severe.

Potential impact

- Immediate and damaging impact on business operations and/or Strategic Programme delivery.
- Reputational damage.
- Fines and penalties.
- Public safety impact.

Governance and oversight

- MAG Data Protection Team
- Cyber Security Steering Committee
- Technology Leadership Committee
- MAG and CAVU Executive Committee
- MAG Audit Committee
- MAG and CAVU Board

Mitigation Strategy

MAG is part of the UK Critical National Infrastructure (CNI) and under the Security of Network & Information Systems (NIS) Regulations its airports are considered to be an essential service. MAG is defined as an Operator of Essential Service (OES). This change in legislation now sees cyber security controls being regulated by the Civil Aviation Authority (CAA) and annual audits are performed and results reported back to the CAA. MAG has to comply with this regulatory requirement that sees cyber security associated with aviation safety.

MAG (including CAVU) has recently achieved certification for ISO27701 the international standard for privacy information management systems. This certification covers all colleague data and customer data stored within Salesforce.

MAG has a well-established approach to the governance of IT compliance, developed and designed by a team of specialists who ensure that ways of working are founded on best practice principles. The following outlines some of the ways in which compliance is embedded across the business:

- All colleagues undertake an annual mandatory data protection training to increase their knowledge of GDPR risk and reporting requirements.
- MAG has developed a readily accessible Privacy Strategy. The Privacy Strategy is reviewed and updated annually to take account of changes in legislation, case law and new guidance published by the ICO.
- MAG takes data breaches seriously and all staff are offered training sessions which provide a succinct and focused summary of key points for colleague awareness. Where breaches do occur, the relevant legal and governance processes are followed. Privacy impact assessments are undertaken as part of business-as-usual activity in line with the Data Protection Impact Assessment Standard (DPIA). All DPIA’s are reviewed and approved by the Data Protection Team. This means any projects processing personal data will meet GDPR requirements. This is reviewed by MAG’s Data Protection Officer as and when new guidance is released by the ICO to ensure compliance.

MAG has a suite of data protection policies and procedures in place. This includes a Tier one policy (signed off by MAG’s CEO) which gives an overview of GDPR processes and compliance; this is reviewed annually and is supported by 11 standards which define more detail as to how individuals should comply with GDPR. The guidance is accessible to all MAG colleagues.

Internal controls and risk management continued

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 DECREASE

 NO MOVEMENT

 NEW

Principal risk: 5b – IT Compliance, Security and Infrastructure – IT Security/Cyber Attack

Risk Movement



Strategic objectives impacted



Governance and oversight

- Cyber Security Steering Committee
- Technology Leadership Committee
- MAG Executive Committee
- MAG Audit Committee
- MAG Board

Risk detail

MAG is part of the Critical National Infrastructure and holds valuable customer, employee, financial and intellectual property, making it a valuable target to cyber criminals. Furthermore, the cyber-attack threat remains high due to the ongoing conflict in Ukraine. We are conscious that the nature of our operations means that there is a risk that MAG is subject to either a direct or indirect cyber-attack/loss that results in a loss of confidentiality, integrity and availability of critical MAG data.

Potential impact

- Cyber-attack leading to significant disruption to business as usual operations or strategic programme activity.
- Reputational damage.
- Short, medium or long term impact to growth strategy and achievement of objectives.

Mitigation Strategy

MAG has an Information Security Management System (ISMS) in place which is supported by a suite of policies and standards that define the security controls required to mitigate cyber risks. The ISMS is governed by the Group’s Cyber Security Steering Committee (CSSC).

MAG’s Information Security Risk and Audit Compliance regime audits against the ISMS standards to ensure compliance with and certification to, ISO27001. Audits are performed annually and cover all aspects of MAG’s Statement of Applicability.

A policy and robust procedure for minimising the ongoing risk from IT vulnerabilities is in place. This Standard is part of MAG’s ISMS and is reviewed annually as part of MAG’s ISO27001 certification/internal policy governance.

Vulnerability scanning and penetration testing takes place at appropriate frequencies to identify potential vulnerabilities and enable risk-based decision making. The Patch Vulnerability Group governs the activities to ensure they are compliant and, where non-compliance is identified, action is taken to remedy this where required.

MAG regularly runs Cyber Simulation Exercises to test their cyber resilience capability, raise awareness, and identify strengths and areas for improvement.

Principal risk: 5c – IT Compliance, Security and Infrastructure – IT Infrastructure

Risk Movement



Strategic objectives impacted



Governance and oversight

- Business Design Authority
- Technology Design Authority
- Technology Leadership Committee
- Cyber Security Steering Committee
- MAG Executive Committee
- MAG Audit Committee
- MAG Board

Risk detail

MAG is increasingly dependent upon technology for improved operational efficiency, passenger and colleague experience, safety and security. This risk is also influenced by a highly competitive environment for technology talent. Increased digitalisation and connectivity bring with them greater scope for vulnerability and associated business impact in the event of failure.

Potential impact

- Loss of operating capability, financial impact and reputational damage.
- Strategic projects fail to fully deliver planned benefits.

Mitigation Strategy

MAG has a Group Technology Strategy which sets out priorities and plans to address identified technology needs across the business. The Technology Operating Model has evolved to align with MAG’s Empowered Airports model. This has been designed to ensure a business-partner-led approach to technology strategy development and prioritisation.

The Technology department has adopted the ITIL Framework for service management, aligning to industry best practice. This includes detailed processes for change, problem and incident management, as well as a robust delivery framework which includes rigorous testing and where necessary, third-party assurance of critical projects.

In addition, a comprehensive Technology Governance Model is in place encompassing a Business Design Authority (responsible for ensuring delivery is aligned to strategy), a Technical Design Authority (responsible for ensuring designs meet necessary standards) and an overarching Technology Leadership Committee which tracks Technology risk, assurance and audit findings, reporting outputs to the Audit Committee as required.

As MAG’s airports are part of UK Critical National Infrastructure, critical systems are covered under the Network and Information Systems Regulations 2018 and are subjected to annual audit and assurance, with results and action items reported to the Civil Aviation Authority.

Internal controls and risk management continued

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KEY

 INCREASE

 DECREASE

 NO MOVEMENT

 NEW

Principal risk: 6 – Macroeconomic, Political and Geopolitical Uncertainty

Risk Movement



Strategic objectives impacted



Governance and oversight

- MAG Executive Committee
- MAG Audit Committee
- MAG Board

Risk detail

The nature of operations and size of the organisation mean that the business is often impacted by external factors that are inherently outside of MAG’s control to manage directly. Understanding these factors allows MAG to assess the possible impact to the business and respond accordingly. By taking steps to minimise the impact, MAG can successfully respond to national and global uncertainties.

Macroeconomic, political and geopolitical factors have the potential to reduce demand for air travel and thereby restrict growth throughout the industry. Associated consequences include the risk of airline failure, reduction in consumer spending, and inability of MAG airports to meet forecast traffic volumes.

Furthermore, macroeconomic, political and geopolitical factors may increase the costs associated with operating and developing MAG airports. This includes, but is not limited to, an increase in operating and capital costs as a result of supply chain issues, labour shortages, continued weakness in sterling and high energy costs.

Potential impact

- Supply chains become more fragile and subject to disruption.
- A recession could cause passenger demand to fall if it is severe and prolonged.
- Increased cost of raw materials and/or energy commodities from a weakened sterling.
- Labour shortages at airports and across business partners leading to slower recovery and/or poor operational performance.
- Weaker commercial environments reduce yields and affect growth targets.

Mitigation Strategy

Understanding that factors impacting on the business are inherently outside of MAG’s control, a proactive approach is taken to assessing the market and the implications of uncertainties on our business. By taking early and decisive action, MAG is able to navigate these uncertainties and continue to flourish. We also incorporate appropriate flexibility into our long-term plans and strategies to enable us to respond to changes in circumstances.

Examples of this include:

- Maintaining a manageable level of external, primarily long term, debt.
- During the pandemic, we were able to pause the Manchester Airport Transformation Programme because of the phasing we had incorporated into the planning and delivery of the project. With the recovery now established, we are pressing ahead with second phase of the programme.
- We have developed and maintained close relationships with our airline partners. This is further enhanced by strong route development, particularly among the Low-Cost Carriers who have seen the fastest recovery in operations. This diversity of offering, alongside robust key account management, enables MAG airports to remain competitive and ensures that routes remain attractive and exciting to customers, even during times of economic uncertainty.
- Continued focus on ensuring that the right skills, resources and organisational design are in place. We undertake a robust process of modelling resource requirements to align to forecast demand levels.
- MAG considers our product and geographical diversification when making business decisions. We undertake regular reviews of economic growth prospects for the UK and the world economy, and implications for demand forecasts for MAG airports. We support this approach to sound economic planning by ensuring that our corporate and airport strategies incorporate sensitivities for economic shocks and broader world events such as the current conflict in Ukraine. In this way, we strive to ensure that decision making is considered, appropriate and ensures the best short, medium and long-term outlook for the Group.

Principal risk: 7 – Government Aviation Strategy

Risk Movement



Strategic objectives impacted



Governance and oversight

- MAG Executive Committee
- MAG CSR Committee
- MAG Board

Risk detail

Government policy support is an essential part of the continued growth of the aviation industry. Government policy changes could limit MAG’s ability to make best use of its airports, impose additional costs on the business, impact shareholder value, and adversely affect colleagues, stakeholders and passengers who use our airports.

Potential impact

- Material or sustained loss of passengers due to the loss of a key airline, impacting financial goals.
- Material or sustained decline in yields and overall rates of return.
- Carbon caps would potentially constrain long-term growth of UK airports/aviation.
- Inability to make full use of existing capacity at MAN, STN or EMA means that growth strategy would not be achievable.

Mitigation Strategy

We work closely with Government to shape policies and decisions that affect our airports, customers and our stakeholders, to enable the growth of MAG airports whilst aligning to policy objectives.

We invest time across the business to work with partners, stakeholders and advocates to ensure that the strategic significance of MAG airports is communicated to decision makers. We also work to build relationships with a range of political stakeholders to ensure that emerging policies take into account MAG issues.

We take an active role in Sustainable Aviation and the Jet Zero Council to ensure that the Government maintains an appropriate policy framework to deliver net zero for aviation.

We take a proactive approach to engaging with Government, the CAA and stakeholders to support the delivery of airspace modernisation at our airports and across the UK more generally, highlighting the range of benefits the programme will deliver.

Internal controls and risk management continued

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 NO MOVEMENT

 NEW

Principal risk: 8 – Delivery of Major Capital Programmes

Risk Movement



Strategic objectives impacted



Governance and oversight

- Programme Steering Committees
- MAG Executive Committee
- MAG Board

Risk detail

Major capital programmes will play a key role in enabling future growth in passenger volumes, as will improvements in customer service and operational efficiency.

High levels of inflation may also impact the affordability and fundability of major transformation programmes, and MAG’s ability to deliver the benefits associated with these investments. It is crucial that MAG effectively manages its supply chain strategy; continued inflationary pressures across the supply chain and longer lead times are driving increases in costs and longer delivery timescales, resulting in potential delays to capital programmes.

Failure to deliver transformational benefits from major capital programmes may impact MAG’s ability to grow and sustain investment across our airports.

It is critical for MAG to have appropriate funding in place to enable major capital programmes to be delivered in line with customer needs and market demand.

Potential impact

- Reduced customer experience and impact on brand/reputation.
- Reduced revenues and dilution in retail yields through a sub-standard retail and hospitality offer.
- Increased financing requirements due to capex limit ability to pursue other internal and external growth opportunities.

Mitigation Strategy

We are working closely with airline partners to ensure that transformation programmes underway and in plan at both Manchester and Stansted deliver benefits for users and meet long-term customer needs. Phase 2 of the Manchester Airport Transformation programme is underway and will transform the original part of Terminal 2, significantly increasing capacity and further enhancing customer experience.

A new Aviation Pricing strategy has been implemented to align pricing, investment and traffic demand. This pricing strategy has been agreed through a formal tariff consultation with Airline partners. Airline engagement meetings have been held to agree cost sharing, programme and scope to ensure airlines have visibility of MAG’s proposals.

We have established strong Group-wide programme management controls and these are subject to regular 2nd and 3rd line assurance reviews. There is ongoing cross functional involvement in all programmes to ensure that capex projects meet MAG’s operational and commercial requirements, as well as continue to enhance the passenger experience.

Principal risk: 9 – Failure to Grow the CAVU Business

Risk Movement



Strategic objectives impacted



Governance and oversight

- CAVU Executive Committee
- CAVU Board
- MAG Audit Committee
- MAG Group Board

Risk detail

Founded by MAG, CAVU aims to revolutionise airport travel, driving value for passengers and growing non-aeronautical revenue for clients and partners around the world.

As a newly formed business, there is an inherent risk around the failure to grow at pace and achieve sufficient scale. This would result in dilution of competitive advantage and shortfalls against the CAVU business plan, impacting MAG’s wider financial performance and diversification strategy.

Potential impact

Limitations to client and customer offerings via the platforms, adversely effecting.

- Customer experience.
- CAVU and MAG brand/reputation.
- Financial performance.

Mitigation Strategy

The CAVU business has a robust and experienced leadership team to oversee the implementation of continuously improving and maturing governance arrangements. These are purposefully maintained whilst suitably agile to meet growth, expansion, and new territory governance needs. This is an important foundation for the future success of the business.

Specific ongoing activities to strengthen the attraction of the CAVU line of business and therefore drive growth, whilst also maintaining suitable governance structures include:

- The continued strengthening of national and international Business Development and eCommerce teams. Clear priorities (using an OKR methodology) within the CAVU structure help maximise growth opportunities (adding channels and inventory) both organically & inorganically. Teams and activities are adapted to target new market conditions and territories as required, including the need to meet new territory regulatory compliance considerations.
- Putting in place appropriate and trained Customer teams within the CAVU structure to maximise commercial opportunities (sessions, conversion, ATV, & lifetime value/advocacy), and continued enhancement of both a. client value add and b. customer experience, which can be adapted to market conditions and requirements.
- Continued work to further develop and rollout the single platform propel, which will provide improved and reliable end to end customer experiences and client solutions across all channels thereby driving desired competitive advantage in the market, leveraging capabilities, and gaining market share through satisfied clients and customers.
- Strong, visible and operational values and culture that are centred on ethics, customers and people, supported by aligned talent acquisition, development and retention approaches and investment.
- Thorough performance analysis, oversight, informed data driven decision making, and commercial opportunities review by leadership via: regular reviews of trading performance, financial outcomes and forecasts across all revenue streams at CAVU’s weekly Executive Committee and CAVU’s bi-monthly board meeting. A clear scheme of delegation for approving contracts and other critical decisions is a key pillar to maintain controls whilst enabling teams to remain agile and empowered so the business can scale at pace.

Internal controls and risk management continued

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KEY

 INCREASE

 DECREASE

 NO MOVEMENT

 NEW

Principal risk: 10 – Strategic Business Resilience – New Principal Risk for FY24

Risk Movement

N

Strategic objectives impacted



Governance and oversight

- Group Safety and Resilience Board
- MAG Executive Committee
- MAG Audit Committee
- MAG Board

Risk detail

The recent pandemic has resulted in major disruption to businesses world-wide and the Aviation industry was one of those that was highly impacted. Failure to develop and maintain an effective resilience management system compromises the organisation’s ability to absorb and adapt to major disruptive events. This, in turn, leads to disproportionate operational and/or business disruption with potentially significant impacts lasting for multiple days and affecting thousands of passengers.

Additionally, prolonged disruption can have significant a financial impact, resulting on both short-term (loss of earnings) and long-term (loss of reputation) implications. Further, periods of disruption to service can result in financial compensation for disruption, payable to airlines, passengers and business partners.

Ultimately, any significant service reduction may impact stakeholder confidence in MAG’s licence to operate, and may also adversely impact on customer, investor and employee confidence in MAG.

Potential impact

- Material and sustained decline in revenues.
- Potential regulatory penalties for failure to operate at prescribed levels.

Mitigation Strategy

Alongside relevant IT Disaster Recovery Plans, the establishment of both Group-wide and airport-based response plans and teams ensures continued monitoring of data and operational issues that may affect performance and service delivery.

Incident and crisis management plans have been established and are regularly reviewed and refreshed as necessary. This includes the creation of a Resilience Policy Framework along with business continuity management and training. Plans are subject to regular 2nd and 3rd line assurance and simulation exercises are periodically carried out with lessons learnt feeding into updated plans.

Continued engagement with customers and business partners has established a wider lens for identification of emerging business continuity risk, allowing the appropriate level of response to be activated.

MAG has established a series of response drills and exercises to ensure the appropriate level of readiness should such an event occur.

Principal risk: 11 – Material/sustained decline in retail and car park revenues – New Principal Risk for FY24

Risk Movement

N

Strategic objectives impacted



Governance and oversight

- MAG and CAVU Executive Committee
- MAG and CAVU Board

Risk detail

Failure to deliver an effective, coherent, and consistent strategy in response to an increasingly competitive landscape, and/or changes in market conditions, may result in a negative impact on our market share, causing damage to our profitability and business performance.

The growth of video-conferencing meetings and cost pressure on companies to reduce discretionary expenditure may suppress demand for business travel. Customers are facing multiple challenges from the increased cost of living, which has reduced their disposable income leading to changes in shopping behaviours, including on-line shopping alternatives.

Potential impact

- Material and sustained decline in revenues.
- Demise of retailers impacting on full occupancy of retail units in airports.
- VAT-free shopping policy changes creates revenue uncertainty.

Mitigation Strategy

Continual exploration of the market and review of MAG Strategy is undertaken to identify new opportunities.

MAG has worked with World Duty Free and brands to agree a concession fee structure to help retain the equivalent of ‘tax free pricing’. In addition, contractual pricing with concessionaires has been renegotiated to ensure the continuation of a valued offering for customers despite Brexit-related tax charges.

Car parking revenue strategy has been revised to ensure that it aligns with recovery in demand to maximise yield.

Manchester Transformation Phase 2 and Stansted Transformation Programme afford MAG the opportunity to revisit the deal structures to support re-creation of value as the airport USP.

Digital – continuing to blend a seamless customer journey through Reserve and Collect, developing promotions to target passenger types (e.g. Couples, Family, Business), and leveraging CAVU Customer Strategy.

The Company Strategic Report as set out on pages 8 to 73 was approved by the Board on 1 July 2024 and signed on its behalf by:

KEN O’TOOLE

Group Chief Executive Officer

Governance

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The Group’s introduction to corporate governance

Robust corporate governance is a key underlying principle of any successful business. Noting the importance of this, MAG remains committed to ensuring high standards of corporate governance and seeks to adopt evolving best practice in this area. The responsibility of corporate governance in MAGIL is delegated to the Board of Directors of Manchester Airport Holdings Limited (MAHL), further details of the Board and its responsibilities can be found in the MAHL Annual Report on the website <http://www.magairports.com>. The Board’s role is in maintaining the high standards upheld by MAG to date.

In accordance with MAG’s requirement to provide a statement of corporate governance arrangements, MAG continues to adopt the Wates Corporate Governance Principles for Large Private Companies (Wates Principles) as its corporate governance code for the financial year ended 31 March 2024.

This Corporate Governance Report describes how MAG has applied the Wates Principles throughout the year. Details of the directors’ performance of their duties under Section 172 of the Companies Act 2006, including important long-term considerations that direct the Board’s overall thinking, can be found in the MAHL Annual Report on the website <http://www.magairports.com>.

A clear area of focus for the Board this year has been on MAG’s ongoing investment into its infrastructure, for the benefit of stakeholders and consumers, and the performance of MAG’s airline partners across the airport portfolio.

In addition, the Board has continued to focus on improved customer service and enhancing MAG’s route offering to customers, which we are pleased to report is strong, whilst also continuing to grow CAVU (the global distribution arm of MAG). An overview of MAG’s corporate strategy in support of these objectives is set out on pages 16 to 17.

Following the successful Board Effectiveness Evaluation undertaken in 2023, we have continued to maintain our focus on corporate governance and to implement further enhancements in line with all recommendations.

This report demonstrates the Board’s ongoing commitment to corporate governance and ensuring alignment with the Group’s strategy.

Board of Directors

Strength in our leadership

As at 31 March 2024, the Board of Manchester Airports Holdings Limited (MAHL) comprises the following individuals:



KEN
O'TOOLE FCA
CHIEF EXECUTIVE OFFICER

Appointment to the Board: 2013

Ken was appointed as Chief Executive Officer for the MAG Group in October 2023.

Prior to this, he served as Deputy Chief Executive having previously held the role of the Group’s Chief Development Officer. Since joining MAG in 2012, Ken has also held the role of Chief Executive of London Stansted Airport and Chief Executive of Manchester Airport.

He spent six years with Ryanair Holdings plc, initially as Head of Revenue Management and latterly as Director of New Route Development.

Ken is a qualified Chartered Accountant and his previous experience includes roles with Musgrave Group, a leading Irish and UK based retailer, and Credit Suisse First Boston.

Other current roles

Director of The Northern Powerhouse Partnership Limited



JAN
BRAMALL FCA
CHIEF FINANCIAL OFFICER

Appointment to the Board: 2020

Jan joined MAG in 2018 as Group Finance Director before taking on the role of Chief Financial Officer in December 2020.

She previously held VP Finance roles in listed international businesses, including JCI and Tyco, with responsibility across Europe, North America, South America and Canada.

Jan qualified with PwC and specialised in Corporate Finance and M&A transactions.

Director of United Global Water Holdings Limited



JENNY
COCHRANE
GENERAL COUNSEL AND
COMPANY SECRETARY

Appointment to the Board: 2020

Jenny was appointed General Counsel and Company Secretary in April 2020.

She has been with MAG since 2013, having previously held the position of Legal Director with responsibility for the legal function across the Group.

Prior to joining MAG, Jenny worked in private practice and specialised in Corporate Finance.

S172 report

STAKEHOLDER INTRODUCTION

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

Section 172(1) of the Companies Act 2006 requires directors to act in the way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company’s employees;
- The need to foster the Company’s business relationships with suppliers, customers and others;
- The impact of the Company’s operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

The Board of Directors is aware of its responsibilities and during the year ended 31 March 2024 consider they have acted in accordance with their statutory duties by having regard to the matters set out above. This section sets out how they have discharged their obligations.

The directors considered stakeholders’ interests when decisions were made, and when values, strategy and policy were developed. The directors reviewed the Group’s operational and financial performance, risk and compliance, legal, diversity and other stakeholder-related matters at Board and Executive Committee meetings. The Company’s key stakeholders, and our interaction with them, is summarised below.

Stakeholder	Why they matter to MAG	What matters to them	How the Board interacts
Shareholders	Our shareholders provide the equity finance necessary to support the operation and future development of the business. Shareholders also appoint Non-Executive Directors who are critical to overall governance and make a valuable contribution to the working of the board and informing the Company’s strategy.	Our shareholders have invested in the long-term success of MAG. In return they seek predictable and sustainable returns on their investment. Our shareholders require high standards of governance, responsible business practices and transparent and comprehensive disclosure of information. This allows them to make informed decisions and to meet their own disclosure and reporting requirements.	Shareholders are directly represented on the Board and oversee the appointment of Non-Executive Directors. They receive regular reports from the management team on all aspects of the business. Shareholders receive regular reports from the CSR Committee, which considers responsible business practices, including environmental and community impacts, health, safety and wellbeing, modern slavery as well as equity, diversity and inclusivity. Shareholders also receive regular reports from the Audit Committee, which considers the risks associated with all aspects of the operation of the business and the results of a targeted programme of assurance audits.
Colleagues	Our people are at our core. They are our greatest asset. They make our strategy a reality and deliver services to our customers. Their engagement, energy and ideas are critical to the continued innovation and improvement of the services we offer.	Our colleagues need a workplace that is safe, inclusive and offers them opportunities to develop their careers. They expect to be treated equitably and to be rewarded appropriately for their contribution to the success of the Company. Colleagues want to be a part of the decisions that affect them and to be supported by effective systems of internal communication.	The Board receives regular reports on safety as a first priority and scrutinises and challenges safety performance. The CSR Committee provides an opportunity for workplace issues, including fair pay, equity, diversity and inclusion to be discussed.

Stakeholder	Why they matter to MAG	What matters to them	How the Board interacts
Passengers	Passengers are the foundation of our business, providing much of our income. It is important that, working with our airline and airport partners, we provide an appropriate range of services to meet their transport needs.	Our customers want our airports to provide a safe, secure, clean and welcoming environment, and to experience an efficient service. Our customers expect us to make our services available to all by providing an accessible environment that affords everyone the same opportunity to travel, including supporting those who require greater assistance.	The Board receives regular reports on passenger feedback, including our use of the Airport Service Quality Index and Net Promoter Score. The Board’s consideration of passenger experience includes regular reports on the service provided to passengers who require additional support to access our services.
Communities and the environment	Many of our colleagues and customers are drawn from local communities and the economic impact of our operations is greatest in the regions we serve. Many of the environmental consequences of our operations, including noise, congestion and air quality have greatest impact on communities closest to our airports, though some of the impacts of our operations, including contributing to climate change, have global implications. It is vital that we understand the priorities of communities and ensure our operations take place within acceptable environmental limits. By doing so we maintain our social licence to operate and grow.	Local communities want to share the economic success of our airports. They expect us to take all reasonable steps to reduce local impacts, including noise and emissions. Communities are concerned by climate change and expect us to progressively reduce the emissions of our airports and work with airlines to ensure that together we play a full part in delivering the government’s economy-wide target to reach net zero emissions by 2050.	The Board has established the CSR Committee to allow extensive discussion of these issues. The Board regularly considers environmental impacts, including climate risks and periodically considers the views of local communities through targeted surveys, including an independently facilitated materiality assessment.
Customers, partners and suppliers	We deliver our services with the support of our airline customers, business partners and suppliers across our entire value chain. Having effective and respectful relationships with them supports the long-term success of our businesses and maximises mutual benefit. It is important that those that we work with adopt responsible and sustainable practices, to minimise the risk to our operations and reputation.	Our customers, partners and suppliers want to work with us to maximise mutual benefit. They need us to adopt high standards of governance, responsible business practices, including prompt payment, and transparent disclosure of information. This allows them to make informed decisions and to meet their own disclosure and reporting requirements.	We work collaboratively including one-to-one key account management meetings with all our business partners – including airlines, retailers, tenants and aviation service partners. Our Airport Consultative Committees bring these customer groups together with business, passenger and community representatives, whilst our Airport Operator Committees bring airlines together to consider operational practices and management policies. Significant issues are drawn to the attention of the Board and associated risks are captured in our risk registers. Our approach to procurement is consistent with the Corporate Certification Standard of the Chartered Institute of Procurement and Supply. This incorporates practices to make responsible procurement decisions which treat suppliers fairly, mitigate the risk of modern slavery, and ensure prompt payment. The Board receives regular reports on the management of the risks of modern slavery.

S172 reportcontinued

Stakeholder	Why they matter to MAG	What matters to them	How the Board interacts
Industry, regulatory bodies, government and government agencies	Our operations are highly regulated. The policy and regulatory framework is an important factor that determines how we operate including ensuring that we operate safely and securely, that competition is fair and that our environmental impacts remain within acceptable limits.	Government and industry regulators seek to work closely with industry partners and their associations to ensure that the policy and regulatory framework is informed by and takes full account of relevant issues. Government and industry regulators seek to adopt policies and practices that support the operation and development of our business, where necessary striking a balance between the harms and benefits that result from our operations. Regulators rely on clear and transparent disclosures.	The Board receives regular updates on government policy and oversees our work to engage with government, government agencies and regulatory bodies to help formulate and implement their policies. Reporting to the Board highlights regulatory risk and any instances of non-compliance.

HAVING REGARD TO THE LIKELY CONSEQUENCES OF DECISIONS IN THE LONG TERM

As set out on pages 16 to 17, the Board has overseen the development of a Corporate Strategy centred on seven priorities, which include investing in the long-term success of our airports and achieving sustainable growth in shareholder value. The Corporate Strategy is supported by a series of business unit and underpinning functional strategies that give effect to these corporate priorities. These strategies underpin a business plan, which has a 5-year and 25-year outlook. Performance against business plan is subject to regular review and the Board has developed a financing strategy that ensures that the investment necessary to support the continued operation and development of the business is available and that, through prudent financial management, an investment grade rating is maintained.

As summarised on pages 58 to 73, the Board oversees a risk management process, including an Audit Committee that oversees the management and implementation of the risk framework. The regular review and assessment of risk that is shared with the Board protects the long-term interests of MAG. As reported in the TCFD Section, in recent years greater emphasis has been given to assessing the risks posed by climate change and MAG meets in full the recommendations of the Taskforce on Climate-Related Financial Disclosures.

This year key risks identified included the risk of a safety and/or security incident; the mitigation of and adaptation to climate change; the recruitment and retention of talented people; the security of data and information and macro-economic uncertainty.

This year the Board has continued to support the long-term growth of the business, with substantial investment in the infrastructure, which will support the growth of our airports and ensure they continue to provide a safe, secure and welcoming environment.

HAVING REGARD TO THE INTERESTS OF THE COMPANY’S EMPLOYEES

Through the CSR Committee, the Board has continued to receive regular reports on a wide range of workplace issues, including gender pay gap, equity, diversity and inclusion and modern slavery. As part of our Workplace Charter, this year the Board approved a commitment to ensure that all MAG employees receive the Real Living Wage, with accreditation to the Living Wage Foundation. The Board oversees the implementation of a comprehensive suite of People Policies, that ensures that business strategy and performance is shared with colleagues and that they are supported in the workplace, including access to an employee assistance programme. Safety remains a critical priority for the Board and safety performance is closely and regularly scrutinised.

HAVING REGARD TO THE NEED TO FOSTER THE COMPANY’S BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS

We have mature and extensive consultation practices. Our regular consultation forums consider relationships with colleagues, airlines, trade unions and a wide range of other stakeholders. Our airport consultative committees bring together customers, airport users, local and national government and community groups. At an operational and commercial level, liaison groups and regular one-to-one account management meetings ensure timely exchange of information. This enables us to understand the priorities of these important stakeholders and to ensure we take account of their views when taking decisions. This year our consultation was extended, to implement a programme of youth forums, to ensure that the views and priorities of young people are better understood and reported to the Board.

We seek long-term respectful partnerships with our supply chain. A supplier approval and rating system ensures that MAG’s policies are shared with suppliers and that the sustainability performance and risks posed by suppliers is understood. A particular focus is applied to major investment projects, including the assessment of embodied carbon associated with infrastructure investments and this year our assessment of the risks of modern slavery was extended to undertaking physical audits of key suppliers.

To provide access to the social economic benefits of our supply chain, a programme of ‘Meet the Buyer’ events is maintained, with a focus on supporting smaller organisations.

We continue to regularly review our assessment of materiality and this year we undertook a survey focussing on local stakeholders. This review has helped to build our understanding and inform our decision making.

The Board receives regular reports on the outcome of consultation, our supply chain policies and practices, and materiality assessments.

HAVING REGARD TO THE IMPACT OF THE COMPANY’S OPERATIONS ON THE COMMUNITY AND THE ENVIRONMENT

The Company continues to maintain certification to the environmental management systems standard ISO 14001. This year accreditation was extended to the energy management standard ISO50001. Full disclosure against the Global Reporting Initiative, including the requirements of the appropriate sector supplement is maintained, so that all stakeholders can understand the environmental, social and governance arrangements and interrogate the underlying performance data. MAG continues to participate in the GRESB benchmark. Our ‘five star’ rating in this global ESG framework was retained this year. Through the CSR Committee, the Board receives regular reports on environmental performance and community engagement programmes, considering a wide range of performance indicators, including legislative compliance. The Board continues to oversee the implementation of the CSR Strategy and the detailed supporting programme of work to deliver the commitments that it contains.

MAG continues to play a prominent role in decarbonising aviation, through membership of the Government’s Jet Zero Council and the industry coalition Sustainable Aviation. This year the Board has received several reports on the issue of climate change, considering the developing policy framework and the measures we have taken to support the decarbonisation of aviation. The enhancements to our assessment and reporting of climate risks is consistent with the recommendations of the Taskforce on Climate-Related Financial Disclosures. The results of the assessment of climate risk has been considered by the Board.

HAVING REGARD TO THE DESIRABILITY OF THE COMPANY MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT

The directors are committed to conducting business with integrity and in compliance with relevant laws and regulations. The business continues to meet the requirements of the Global Reporting Initiative’s standard, including the relevant sector supplement, providing a full disclosure. The Board maintains a policy of full and transparent disclosure as an important way to build and maintain the confidence of stakeholders. MAG continues to maintain procedures and training to minimise the risk of bribery and corruption, to ensure that colleagues are familiar with the requirements of competition law and to provide all colleagues with an anonymous service to report any instances of bullying or intimidation.

The Board takes an active interest in issues that might impact MAG’s reputation.

HAVING REGARD TO THE NEED TO ACT FAIRLY AS BETWEEN MEMBERS OF THE COMPANY

MAG is owned jointly by the ten councils of Greater Manchester and IFM Global Infrastructure Fund (which is advised by IFM Investors Pty Ltd) (IFM GIF). Shareholders appoint representatives to the Board in equal number and oversee the appointment of Non-Executive Directors, to ensure good governance. The Board meets regularly, providing full reports on all relevant aspects and the Company seeks, at all times, to ensure that appropriate information is made available to all shareholders in a timely and consistent way.

Directors’ report

The directors present their Annual Report on the affairs of Manchester Airports Group Investments Limited (the Company), together with the audited financial statements, for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The principal activities of the Company and its subsidiaries (the Group) during the year were the ownership, operation and development of airport facilities in the UK and the operation of airport related activities in the UK and overseas. The Group’s revenues were derived from aircraft and passenger handling charges, airport-based commercial and retail activities, and property.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The consolidated results for the year under review commence on page 107. The Company intends to continue its development of the Group as an operator of high-quality airports and airport facilities both within the UK and overseas.

The Group has successfully grown passenger volumes through partnerships with our airlines to deliver an exciting array of new routes whilst ensuring flying remains as affordable as possible. MAG has recommenced investment in our airports to support growth, and delivering new facilities and enhanced service levels to our customers. A more detailed review of the Group’s principal activities, results and future developments is provided in the CEO’s and divisional review sections of the Strategic report.

DIVIDENDS AND TRANSFERS TO RESERVES

The profit for the year was £139.8m (2023: loss of £54.9m), and the Group paid dividends of £125.2m (2023: £50.1m). In addition, the reserves also included a loss of £9.2m relating to revision of actuarial assumptions on the Group’s defined benefit pension schemes net of tax and a foreign exchange loss of £3.1m on MAG’s US investments, net of tax.

BOARD OF DIRECTORS

The Company directors during the year are detailed on page 77.

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

This Annual Report and Financial Statements have been prepared in adherence with the Wates Governance Principles for Large Private Companies which can be found at <https://www.frc.org.uk>.

CONFLICTS OF INTEREST

The Company has procedures in place for managing conflicts of interest. Should a Director become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Group, they should notify the Board in writing as soon as reasonably practicable. Internal controls are in place to ensure that any related party transactions involving directors, or their connected parties, are conducted on an arm’s length basis. Directors have a continuing duty to update any changes to these conflicts.

INDEMNITY AND INSURANCE

The Company’s articles of association provide that, to the extent permitted by the Companies Act 2006, the Company may indemnify any Director, or former Director, of the Company or of any associated companies, against any liability. Directors’ and officers’ insurance has been established to provide cover for all Directors against their reasonable actions on behalf of the Company.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

In accordance with section 418 of the Companies Act 2006, the directors who held office at the date of approval of this directors’ report confirm that, so far as they are each aware, there is no relevant audit information of which the Company’s auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

CONTRACTS OF SIGNIFICANCE

Details of contracts of significance with Manchester City Council are set out in note 37 to these financial statements.

RISK MANAGEMENT

The Board as a whole, including the Audit Committee members, consider the nature and extent of the risk management framework, and the risk profile that is acceptable in order to achieve the Group’s strategic objectives. The Audit Committee has reviewed the work done by internal audit, management, the Committee itself and the Board, on the assessment of the Group’s principal risks, including their impact on the prospects of the Company. The most significant strategic, corporate and operational risks and uncertainties, and the prevailing approach to their management, are detailed on pages 58 to 73.

Horizon scanning regarding new and emerging risks takes place at relevant governance forums, Risk and Audit Boards and Board and Audit Committee meetings; where relevant, the risk detail and mitigation strategies have been included in the narrative below.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

As detailed on page 35.

GOING CONCERN

The directors have prepared the Group and Company financial statements on a going concern basis. In assessing the going concern position of the Group, the directors have considered the cash flow and liquidity of the Group, for the period to 30 September 2025, and the corresponding impact of cash headroom and financial covenants associated with the Group’s financing arrangements.

In assessing going concern the directors have considered:

- the Group’s business plan forecast where passenger numbers increase to 106% of pre-Covid-19 levels in FY25 and an existing £360m bond is repaid on 2 April 2024;
- a ‘severe but plausible’ downside scenario where passenger numbers in FY25 are 96% of approved business plan levels which include planned mitigating actions that are within management’s control; and
- the ability to implement two debt raises in the going concern period as required under the Group’s business plan. MAG have reduced this uncertainty by accelerating the first debt raise, by issuing a £300m bond in April 2024 (see note 39 on page 155). The directors have therefore considered a variation of the downside scenario, (the downside ‘no further debt raise’ scenario), where there is no second debt raise.

The Group is expected to maintain positive cash headroom in excess of £155m for the period to 30 September 2025 in the business plan case. This increases to £178m in the downside scenario as a result of the mitigating actions and £149m in the additional downside scenario. In all cases, the Group complies with its covenant testing throughout the going concern period.

The directors have concluded that the Group can maintain sufficient liquidity over the period to 30 September 2025 and comply with the covenant financial testing at each reporting date. This, coupled with the early refinancing of the bond maturing in April 2024, has resulted in the directors concluding that it is appropriate to continue to account for the Group as a going concern.

Further detail of the directors’ assessment of going concern is detailed in the Basis of Preparation note in the accounting policies on page 93.

THE GROUP’S PROSPECTS

The directors have included the following statement with regards to the Group’s prospects to comply with the Wates Principle Six to provide a fair, balanced and understandable statement of the Group’s position and prospects.

The directors have assessed the prospects of the Group over a three-year period, to 31 March 2027, taking into account the Group’s current position and the potential impact of the principal risks and uncertainties set out on pages 58 to 73. These risks include macroeconomic, political and geopolitical uncertainty, climate change and the delivery of its the major capital projects. Based on this assessment, the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2027.

The directors have determined that a three-year period to 31 March 2027 constitutes an appropriate period over which it is to provide its prospects statement. This is a period focused on by the Board during the strategic planning process, is aligned to detailed passenger projections and contains the major refinancing actions required by the Group in the near term. The directors have no reason to believe the Group will not be viable over a longer period, however given the inherent uncertainty involved, it is believed that this presents users of the Annual Report with a reasonable degree of confidence while still providing a longer-term perspective.

1 As explained in Other Information of the financial statements on page 156.

Directors’ reportcontinued

THE GROUP’S PROSPECTS CONTINUED

In making this assessment the directors confirm that they have a reasonable expectation that the Group can continue in operation and meet its liabilities throughout the period. The directors have considered the potential impact of the both the economy and climate on the cashflow and liquidity of the Group over the period, together with the corresponding impact on the covenants associated with the Group’s financing arrangements, and the requirement of the Group to raise finance over the period to support the Group’s investment plans.

The Group is subject to financial covenants on its secured funding arrangements, being leverage (Net Debt/adjusted Frozen EBITDA¹) and interest cover (adjusted Frozen EBITDA¹ less tax/net finance charges). The covenants are tested half yearly on 31 March and 30 September.

The Group’s committed facilities at 31 March 2024 comprised: £1,820.0m of bonds and a £500.0m Secured Revolving Credit Facility (RCF), of which £nil was drawn at the year-end. In addition, the Group also has access to a committed £90.0m Liquidity Facility. In September 2023, the Group issued a £360m bond with a maturity date of September 2041, which was an early refinancing of a £360m bond which matured in April 2024. In April 2024 the Group also successfully issued a further £300m bond which matures in 2042. MAG’s RCF and liquidity facilities have a maturity date of May 2029, and the Group bonds will mature between 2034 and 2044. The Group’s liquidity position, with headroom at 31 March 2024 amounts to £828.7m, comprising £334.7m net cash in hand, undrawn RCF of £484.0m and a £10.0m undrawn available overdraft facility.

Following FY23’s recovery from Covid-19, FY24 saw the Group continued growth result in passenger numbers rise to 102.8% of pre-Covid-19 levels (FY23: 81%). This uplift in activity levels has flowed through into business performance which, when measured at the adjusted EBITDA¹ level, increased by 23.5%, from a £410.4m profit in FY23 to a profit of £506.7m in FY24. The adjusted cash generated from operations¹ of £501.2m, resulting from this growth, has enabled increased investment in MAG’s airport infrastructure.

The directors’ assessment of the Group’s prospects has considered: MAG’s strong trading performance in FY24; the Group’s sound financial base; and the industry expectations of demand levels in the future. Current expectations are that passenger levels will return to 106% of pre-Covid-19 levels in FY25 with further growth in FY26 and FY27. The forecasts estimate covenant compliance throughout the three-year period and a liquidity headroom in excess of £100m throughout. The Basis of Preparation on page 93 sets out the Group’s going concern conclusion. The assessment has also considered the impact of climate change, with a 1.5 degrees climate scenario forming the basis of the business plan, which aligns with the Group’s TCFD reporting on page 38. This impact has been considered in the Group’s going concern, viability and impairment assessments.

In addition, the Group also recognised the risk of the requirement to raise three additional £300m bonds in the three-year period to 31 March 2027 to support that the rate of infrastructure spending. Given MAG’s refinancing of the RCF and liquidity facilities in FY22, the raising of a £360m bond in September 2023 and the successful raising of the first of the additional £300m bonds in April 2024, this supports management’s current expectation that the Group will be able to obtain additional funding as required.

The Group can, where necessary, also undertake potential mitigating actions within its control. This can include cutting of further discretionary expenditure and delaying of capital expenditure. Having considered all the relevant requirements, including MAG’s financial position, forecast and reasonable downsides, together with actions available to mitigate impacts, the directors deem it appropriate that the Group remain viable over the three-year period to 31 March 2027.

EMPLOYMENT POLICIES

The Group’s employment policies are regularly reviewed and updated to ensure they remain relevant and legally compliant. Aligned with our Value (People at our Core), we are currently modernising and simplifying all our people policies to improve our colleague and line manager experience ensuring all colleagues are treated fairly and with respect. During this process contributions have been actively sought from our Colleague Resource Groups (CRG’s) and our recognised trade unions, to ensure our new policies are as inclusive as possible.

The Group is committed to treating all colleagues and job applicants fairly, and on merit, regardless of age, disability, gender and gender reassignment, marital and civil partnership status, pregnancy and maternity, race, religion or belief and sexual orientation. Reasonable adjustments will be considered and applied where needed to support colleagues and applicants. The Group does not tolerate bullying, harassment, discrimination or victimisation of any kind.

To support the fair attraction and retention of applicants we have focussed on building an employer brand led hiring journey focussed on hiring the best diverse talent. Our brand-new careers website and refreshed applicant tracking technology has produced a mobile first application process, with all candidate touchpoints including job adverts and communications being created using gender neutral copy to increase an inclusive approach. To highlight critical topics such as combatting bias, best interview techniques and diverse hiring practices we have initiated a Group-wide hiring manager capability programme, alongside a refreshed assessment methodology to ensure a focus on creating fair and equitable opportunities for all. Finally, the launch of our ‘We are the Journey Makers’ employer value proposition has enabled MAG to embed our new culture and values both internally and externally, attracting and retaining the best possible talent.

The Group is unwavering in its commitment to fostering the professional growth and development of all our colleagues. We believe that investing in our people not only enhances their individual potential but also strengthens our collective capabilities across the organisation. Through comprehensive leadership development, tailored training programmes, mentorship initiatives, and ongoing growth learning opportunities, we strive to empower every colleague to reach their potential. We continue to support new talent through our apprenticeship and graduate programmes, and provide clear ‘Career Pathways’ so colleagues understand how they can continue to grow at MAG.

CONSULTATION, COMMUNICATION AND ENGAGEMENT

Our people are central to our strategy and we want them to feel valued, recognised and rewarded for their contribution to our success. We want them to have a sense of purpose and be involved in our progress. We believe that effective communication and engagement plays a key role in this.

We measure colleague sentiment and engagement through our Your Voice survey, and we were delighted to see our engagement scores increasing by 3.1% during the year. Our teams develop action plans following the surveys and share the improvements that have been made with colleagues.

We have also launched our new recognition scheme including e-cards for peer to peer recognition and a quarterly nomination process for demonstrating our values. During this financial year over 10,000 e-cards were sent and we had over 1,800 nominations to our scheme.

We are committed to improving our internal communication channels to ensure colleagues have access to the information they need, at the right time and in a way that works for them. We have successfully launched a social media platform for colleagues to share content and encourage conversation. Our programme to install digital screens in all our colleague rest areas is also underway to signpost colleagues to content that may interest them. And we are equipping line managers with training and toolkits to help them engage their teams.

Finally, we have continuous two-way dialogue with our recognised trade unions with the aim of ensuring that their views are considered when decisions are being made that may affect their interests and the interests of their members. As part of the trade union recognition agreements, various information and consultation forums exist for each business area to facilitate these discussions.

EQUALITY, DIVERSITY AND INCLUSION

MAG’s approach to Equity, Diversity and Inclusion (ED&I) has continued to go from strength to strength. We have a wide range of Colleague Resource Groups (CRGs) that act as our main vehicle to drive engagement and inclusion for underrepresented groups. These groups have evolved and grown in membership numbers and impact within the business.

We have launched a Group-wide ED&I Forum chaired by our CEO. The forum includes the CRG Chairs and members of the Executive Committee who are sponsors of the CRGs. The purpose of this forum is to provide oversight of the ED&I strategy and action plans at a Group level, monitoring performance to enable strategic decision making.

We have a range of ED&I activities, events and initiatives taking place throughout the year to promote and support an inclusive workplace. In addition, we held an ED&I Masterclass for the Senior Leadership Team to focus on Inclusion & Equity: creating allyship, understanding microaggressions and inclusive behaviours. Our Women in Leadership development programme is underway for high potential females, identified through the Exec Talent Review process, which includes webinars, peer to peer networking/coaching and Executive Coaching.

MODERN SLAVERY

At MAG, we remain committed to doing all we can to prevent and eliminate modern slavery, and we understand the critical and unique role that MAG plays as an international airport group and the influence that brings across our supply chain.

MAG is a member of Slave-Free Alliance, a leading non-profit organisation dedicated to addressing modern slavery in organisations and supply chains globally. Our partnership forms an important and central foundation to assist us in training our colleagues and improving how we tackle modern slavery across our business.

We continue to collaborate with our partners at each airport to improve our practices and to lead the way in identifying risks and speaking out when instances of modern slavery are found. Our Modern Slavery working group which consists of members of MAG, chaplaincy, members of Border Force, and local police meets on a regular basis to review our strategy, risks, and progress against our action plans. Our progress is reviewed by the CSR Committee to ensure Board oversight.

We regularly train and educate our colleagues on how to spot the signs and how to report any concerns. In addition, we raise awareness across our airport campuses throughout the year to support the prevention of modern slavery.

Further detailed information can be found using the link below:
www.magairports.com/media/1852/modern-slavery-transparency-statement-2023-final-040823.pdf

1 As explained in Other Information of the financial statements on page 156.

Directors’ reportcontinued

APPRENTICES AND THE NATIONAL LIVING WAGE

MAG remains fully supportive of apprenticeships and has designed new programmes to recruit apprentices to support building a diverse talent pipeline. MAG fully complies with all of its obligations under the National Living Wage.

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 CBI’s Prompt Payment Code, copies of which are available from the CBI, Cannon Place, 178 Cannon Street, London, EC4N 6HN. 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; and
- pay in accordance with its contractual and other legal obligations.

These payment practices apply to all payments to creditors for revenue and capital supplies of goods and services, without exception. The period of credit taken by the Group at 31 March 2024 was 22 days (2023: 27 days), reflecting the average number of days between receipt of the invoice and its subsequent payment.

CHARITABLE AND POLITICAL DONATIONS

Charitable donations made by the Group during the year totalled £0.8m (2023: £1.3m). The donations were all made to recognised local and national charities for a variety of purposes. It is the Group’s policy not to make contributions to political parties.

AUDITOR

The Group assesses the effectiveness of the audit process and the independence of the auditor on an annual basis. The evaluation of audit effectiveness takes into account the views of both management and the Non-Executive Directors across a number of attributes. The independence of the external auditor considers both the quantum and the nature of non-audit services provided by the auditor during the year and ensures compliance with both the Group’s policy and the FRC’s ethical guidance.

The statutory auditor, Ernst & Young LLP, has expressed their willingness to continue in office. A written resolution relating to the reappointment for the year ending 31 March 2024 was put before the Company’s Board on 27 June 2024 and was duly approved.

The report was approved and authorised by the Board and was issued on behalf of the Board.

KEN O’TOOLE

Chief Executive MAG

For and on behalf of the Board of Directors
of the Company

1 July 2024

Statement of directors’ responsibilities
in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Group and Parent Company and of the Group’s profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK adopted international accounting standards;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Parent Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

FINANCIAL STATEMENTS

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Independent auditor’s report

OPINION

We have audited the financial statements of Manchester Airports Group Investments Limited (‘the parent company’) and its subsidiaries (the ‘group’) for the year ended 31 March 2024 which comprise the Accounting policies, the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes 1 to 39, and the Company accounting policies, Company Statement of Financial Position, Company Statement of Changes in Equity and the related notes 1 to 11. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group’s and of the parent company’s affairs as at 31 March 2024 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the group and parent company’s ability to continue to adopt the going concern basis of accounting included the following procedures:

- We obtained management’s Going Concern assessment including the cashflow forecast and forecast covenant calculation which covers the period to 30 September 2025. The Group has modelled a base scenario and downside scenarios in their cashflow forecasts in order to incorporate unexpected changes to the forecasted liquidity of the Group. A reverse stress test was also modelled to demonstrate what factors would lead to the Group utilising all liquidity or breaching the financial covenant during the going concern period;
- We challenged the appropriateness of the methods used to calculate the cashflow forecasts and covenant calculations to determine they were appropriately sophisticated to be able to make an assessment on going concern;
- We assessed the appropriateness of the going concern assessment period and considered whether any events or conditions foreseeable after the period indicate a longer review period is required;
- We performed procedures over the integrity of the modelling, verifying the arithmetical accuracy of the cash flow forecast models and vouching the calculation of headroom in respect of the financial covenant test ratios;
- We analysed the Group’s historical forecasting accuracy to evaluate potential optimism in future forecasts and compared the forecasts to post year-end actual results;
- We tested the assumptions included in each modelled scenario for the cashflow forecast and covenant calculation by comparing to historical actual results and third party industry forecasts;
- We inspected the financing agreements in place and understood the terms and conditions including those related to covenant test ratio requirements;
- We considered the mitigating factors identified by management, in particular, regarding the deferral of capital expenditure, to ensure that they are within control of the Group;
- We compared the forecasts used in the going concern assessment to those used for other purposes (i.e., impairment);
- We reviewed the company’s going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

CONCLUSIONS RELATING TO GOING CONCERN CONTINUED

Management have modelled a base case and downside scenario, neither of which indicate a liquidity or covenant breach. They have also modelled a reverse stress test which is considered remote based on current passenger levels and industry predictions.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company’s ability to continue as a going concern for the period to 30 September 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group’s ability to continue as a going concern.

OTHER INFORMATION

The other information comprises the information included in the annual report set out on pages 1 to 87 and 156 to 162, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors’ report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors’ report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors’ responsibilities statement set out on page 87 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group’s and the parent company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor’s reportcontinued

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those directly relevant to specific assertions in the financial statements and the reporting framework (UK adopted international accounting standards, FRS 102, Companies Act 2006 and UK taxation legislation) as well as Financial Conduct Authority Listing Rules, European Securities and Markets Authority regulations and Civil Aviation Act 2012.
- We understood how Manchester Airport Group Investments Limited is complying with those frameworks by making enquiries with management, those charged with governance, internal audit and those responsible for legal and compliance matters and also reviewing the entity code of conduct and whistle-blower hotline.
- We assessed the susceptibility of the Company’s financial statements to material misstatement, including how fraud might occur by assessing the risk of fraud absent of controls, and then identifying the controls which are in place at the entity level and whether the design of these controls is sufficient for the prevention and detection of fraud. We also consider the risk of management override and consider the design and implementation of controls at the financial statement level to prevent this.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved performing inquiries of internal and external legal counsel and reviewing material items within the Group’s legal expenses. We also read minutes of key boards and committees, read communications with regulators and legal advisors, inquired of management and those charged with governance, and performed targeted journal entry testing for journals with fraudulent characteristics.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor’s report.

USE OF OUR REPORT

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Victoria Venning (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Manchester

1 July 2024

Accounting policies

GENERAL INFORMATION

Manchester Airports Group Investments Limited (the ‘Company’) is a private limited liability company incorporated and domiciled in England and Wales in the UK. The Company is the Parent Company and refers to the consolidated group of entities controlled by Manchester Airports Group Investments Limited. The ultimate parent and holding company of the Group is Manchester Airports Holdings Limited. The address of the registered office is Olympic House, Manchester Airport, Manchester, M90 1QX.

The principal activities of the Group are set out within the Directors’ Report. These consolidated financial statements were approved for issue by the Board of Directors on 1 July 2024.

MAG’s material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the current year and previous year unless otherwise stated. These accounting policies apply the historical cost convention modified to include certain items at fair value.

BASIS OF PREPARATION

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the ‘Group’). The Parent Company financial statements present information about the Company as a separate entity and not about its group. The Group and Company financial statements are presented in sterling and are shown as millions rounded to the nearest one decimal place, except where otherwise stated.

The Group financial statements have been prepared and approved by the directors in accordance with UK-adopted international accounting standards (UK-adopted IFRS). The Company has elected to prepare its Parent Company financial statements in accordance with FRS 102; these are presented on pages 163 to 170.

GOING CONCERN

The directors have prepared the Group and Company financial statements on a going concern basis. In assessing the going concern position of the Group, the directors have considered macro-economic factors such as the impact of the present economic environment and high interest rates. The resultant impact on the Group’s cash flow and liquidity, for the period to 30 September 2025 (being the going concern assessment period) has been assessed, as has the corresponding impact of cash headroom and financial covenants associated with the Group’s financing arrangements.

The Group is subject to financial covenants on its secured funding arrangements, being leverage (Net Senior Debt/adjusted EBITDA on a frozen GAAP basis) and interest cover (adjusted EBITDA on a frozen GAAP basis less tax paid/net finance charges on net senior debt). The terms used in the covenant calculations, including ‘frozen GAAP basis’, have been defined and reconciled to GAAP measures in Other Information on page 156. The covenants are tested half yearly on 31 March and 30 September.

At 31 March 2024, the Group had available £334.7m of net cash and committed facilities comprised of: £1,820.0m of bonds and a £500.0m Secured Revolving Credit Facility (RCF), of which £nil was drawn at the year-end. In addition, the Group also has access to a committed £90.0m Liquidity Facility. The Group’s borrowing facilities at 31 March 2024, contain a £360m bond which matures in April 2024. In April 2024, the Group repaid the £360m bond and successfully issued a further £300m bond which matures in 2042. The remaining Group bonds will mature between 2034 and 2044.

The directors’ going concern assessment considers the Group forecasts for the period to 30 September 2025. FY24 saw passenger numbers increase overall from 91% of pre-Covid-19 levels experienced in FY23 to 103% in FY24. This uplift in activity levels has flowed through into business performance, which, when measured at the adjusted EBITDA¹ level, increased by 23.5% from a £410.4m profit in FY23 to a profit of £506.7m in FY24. The adjusted cash generated from operations¹ of £501.2m, resulting from this growth, has enabled increased investment in MAG’s airport infrastructure. The directors’ current expectation is that the Group will be able to successfully issue a further bond in Q1 FY26 to support the Group’s ongoing investment in infrastructure.

1 As explained in Other Information on page 156.

Accounting policies continued

GOING CONCERN CONTINUED

The forecasts result in a minimum liquidity headroom of £155.0m during the going concern assessment period and compliance with MAG’s financial covenants when tested at September 2024, March 2025 and September 2025. The forecasts also include the raising of additional finance for discretionary expansionary capital expenditure. The directors expect to be able to access this finance, as described above. However, should the finance not be available, the expansionary capital expenditure would be deferred.

In addition to the Group’s business plan forecast of 106% of pre-Covid passenger levels the directors have also considered two downside scenarios:

Downside scenario:

In this scenario passenger numbers are restricted to 96% of approved business plan levels in FY25 (in line with the lower level of current industry forecasts), with partial recovery to 99% in FY26. In such a case the Group is expected to maintain positive liquidity headroom in excess of £178m for the going concern assessment period.

The forecast contains certain cash and cost mitigation measures to remove areas of discretionary spend but keeps key regulatory or infrastructure spend in place. The Group can, where necessary, also undertake potential mitigating actions within its control, including cutting of additional spend and delaying of further capital expenditure.

Under the downside scenario all testing throughout the going concern assessment period is forecast to be compliant with the Group’s covenants when tested at each reporting date.

Downside ‘no further debt raise’ scenario:

In this scenario the trading levels are aligned to the activity levels in the downside scenario with the same mitigating action. However, the financing raised through the issue of a £300m bond forecast in FY26 in the Business Plan is excluded. In such a case the Group is expected to maintain positive liquidity headroom in excess of £149m for the going concern assessment period, and all covenant testing compliant throughout the going concern period.

In addition to the two downside scenarios, a reverse stress test has been prepared by management which demonstrates the level of passenger numbers that would result in a covenant breach, this equates to a reduction in passenger numbers of 77% of pre-pandemic levels. A fall to this level is considered to be implausible, based on current passenger levels and industry predictions.

Based upon their assessments of the business plan case, the downside and downside ‘no further debt raise’ scenarios detailed above, together with early refinancing of the £360.0m bond maturing in April 2024, the directors have concluded that the Group can meet its covenant requirements and maintain sufficient liquidity throughout the going concern period and as such, it is appropriate for the Group to continue to adopt the going concern basis for the preparation of these accounts

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS AND CHANGES IN ACCOUNTING POLICIES

During the year the following new and amended standards of the International Accounting Standards Board (IASB) became effective:

The new standard IFRS 17 – Insurance Contracts. This standard had no impact upon MAG’s accounts;

- Amendments to IAS 12:
 - Treatment of deferred tax assets and liabilities arising from a single transaction. Clarification regarding initial recognition exemption; and
 - Temporary exemption in relation to OECD Pillar Two income taxes. This had no impact on MAG’s accounts.
- Amendment to IAS 1 – Disclosure of accounting policies changes requirement from disclosing significant to material policies; and
- Amendment to IAS 8 – Clarification on the distinguishing changes of accounting policy to change of accounting estimates.

None of the amendments had a material impact upon the Group’s results.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS AND CHANGES IN ACCOUNTING POLICIES CONTINUED

New accounting standards, interpretations and amendments that are not yet effective, and have not been adopted by the Group which are to be adopted on accounting periods commencing on or after 1 January 2024:

- Classification of liabilities and current versus non-current and covenant compliance;
- Measuring lease liability in sale and leaseback transaction; and
- Disclosure of supplier financing arrangements.

The Group’s financial reporting will be presented in compliance with the new standards, amendments and interpretations above, which are not expected to have a material impact on the financial statements, in the FY25 Annual Report. The Group has consistently applied its accounting policies for the current and prior year.

BASIS OF CONSOLIDATION

These consolidated financial statements include the income statement, statement of comprehensive income, statement of changes in equity, statement of financial position, and statement of cash flows of the Company and all of its subsidiaries.

Subsidiaries are entities controlled directly or indirectly by the Company. Control exists when the Company has the power (directly or indirectly) to direct relevant activities of an entity so as to impact variable returns to which they have rights or are exposed. Subsidiaries have been consolidated from the date that control commences until the date that control ceases. At such time, any resulting gain or loss is recognised in the profit and loss.

Where a Company’s interest in a subsidiary is not 100% attributable to the shareholders of the Group then in accordance with the requirements of IFRS 10, 100% of the income, expenses, assets and liabilities are reflected in the primary financial statements. The split of the profit and net assets attributable to the Group’s shareholders and the non-controlling interest are detailed in the statement of comprehensive income and the Group’s equity and reserves.

Transactions eliminated on consolidation

Intra-group balances and transactions, income and expenses and all profits and losses arising from intra-group transactions, are eliminated in preparing the Group financial statements.

FOREIGN TRANSACTIONS

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates;
- The resulting exchange differences are recognised in the statement of other comprehensive income; and
- Any exchange differences arising from other than the translation of the results and financial position of foreign operations are recognised through the income statement.

Accounting policies continued

REVENUE

The Group operates a number of revenue streams and accordingly applies methods for revenue recognition, based on the principles set out in IFRS 15 (with the exception of property income which is recognised under IFRS 16).

The revenue recognised in any period is based on the satisfaction of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been satisfied (so ‘point in time’ recognition) or ‘over time’ as control of the goods or services is transferred to the customer.

The following revenue recognition criteria apply to the Group’s main income streams.

Aviation income:

- Various passenger charges for handling and security, based upon the number of departing passengers, are recognised at point of departure.
- Aircraft departure and arrival charges levied according to weight and time of departure/arrival, are recognised at point of departure/arrival.
- Aircraft parking charges based upon a combination of weight and time parked, are recognised at point of departure. The contracts entered into are complex in nature including the breadth of discounts and rebates that the Group offers. Judgement is applied to assess the impact of any contract amendments, the judgements are not considered to be significant.

Retail and commercial concession income:

- Concession income from retail and commercial concessions is recognised in the period to which it relates on an accruals basis. The contracts entered into are long-term income-sharing concession agreements, with the concession fee based on turnover. The Group has considered whether IFRS 15 or 16 applies to retail income but have determined that MAG controls the retail unit space and as a result applies IFRS 15.
- Income from airport lounges is recognised at the point of usage.

Car park income:

- Contract parking, pre-book parking and turn-up parking is recognised over the period to which it relates on a straight-line basis. The Group considers the performance obligation is satisfied through the provision of a car park space for each day the car is parked.
- Where car parking is booked through a third party and MAG own airport parking, income and related commissions are accounted for on a gross basis as the Group is acting as a principal, rather than an agent, as MAG maintain control over how the performance obligation to the customer is satisfied.
- Income and related commissions from the CAVU businesses:
- Where sales are made on behalf of a third party, they are accounted for on a net basis, as the Group does not obtain control over how the performance obligation is satisfied to the customer. Revenue is recognised at the point of booking as CAVU’s performance obligation has been completed in full at that point in time; and
- Where CAVU is selling on behalf of the Group’s car parks the revenue is recognised on a gross basis, straight-line over the booking period.

Property income (IFRS 16):

- Rental income arising on investment properties is accounted for on a straight-line basis over the lease term. The contracts being entered into are long term lease arrangements. Inter-company revenue arising from rental between the Group’s operating segments has been eliminated.

Other income:

- Passenger-related activities, such as travel services, and in-flight catering are recognised at the point in time that the service is delivered or in the case of check-in desks the period of time over which the service is provided;
- Utilities recovery (electricity, gas, water) from tenants is recognised as they consume the relevant utility, under the terms of recharge agreements with customers. Management consider Group to be principal in this relationship, and therefore recognise the recovery as revenue. Additionally, MAG’s promise to the tenants (to deliver the utility to the tenants’ premises) differs from that of the utility provider who promise to MAG to deliver the utility to the boundary of the MAG estate; and
- Income from refuelling activity is recognised at the point of delivery.

REVENUE CONTINUED

Revenue is disaggregated at the income stream level, the three airports segments generate revenue from all of the Group’s income streams, CAVU generates only car parking, retail and other income, the Group consolidation, and other segment generates property and other income. For the purposes of the Group financial statements, all inter-company turnover is eliminated upon consolidation, whereas inter-company turnover is recognised in the revenue of individual company financial statements.

All revenue from the Group’s income streams is generated in the UK other than some lounge and car park income which is generated in North America and Australia by the CAVU segment.

At contract inception the total transaction price is assessed, being the amount to which the Group expects to be entitled. This includes an estimation of any variable consideration where the Group’s performance may result in additional revenues based on the achievement of certain performance measures or discounts/rebates upon achieving certain pre-determined volumes. Revenue is only recognised to the extent it is not highly probable to reverse.

The Group’s customer contracts include a diverse range of payment schedules dependent on the nature and type of services being provided. The Group agrees payment schedules at the beginning of contracts under which it receives payments throughout the term of the contracts. These payment schedules may include performance-based payments or progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance. Where payments made are greater than the revenue recognised at the period end date, the Group recognises a deferred income liability for this difference. Where payments made are less than the revenue recognised at the period end date, the Group recognises an accrued income asset for this difference. All performance obligations are largely satisfied within the financial year with most contracts being coterminous with the Group’s year end. This reduces the amount of judgements or assumptions required to estimate transaction price or allocate revenue to performance obligations.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method as at the acquisition date, i.e. when the Group assumes control. Control exists when the Group has the power to direct relevant activities of an entity so as to obtain benefits from its activities. For acquisitions completed before 1 April 2010, attributable costs of the acquisition formed part of goodwill. For acquisitions completed on or after 1 April 2010, attributable costs of acquisition are expensed in the income statement in the period incurred.

For business combinations with acquisition dates on or after 1 April 2020, the Group has determined whether a particular set of activities and assets is a business by assessing whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Goodwill arising on acquisitions represents the difference between the fair value of the consideration given over the fair value of the assets, liabilities and contingent liabilities of an acquired entity. Positive goodwill is capitalised as an asset in the consolidated statement of financial position and is stated at cost less any accumulated impairment losses and is allocated to cash-generating units and is not amortised. It is tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment is recognised immediately in the Group’s consolidated income statement and is not subsequently reversed.

CONTINGENT CONSIDERATION

The Group evaluates any contingent consideration payable and applies the application guidance set out in IFRS 3 to the particular circumstances of the transaction. The contingent consideration will accordingly be categorised as part of the consideration of the acquisition or as post-acquisition remuneration. In all instances where the contingent consideration is dependent upon the continuing employment of the recipients, the Group will treat the amount as post-acquisition remuneration.

Contingent consideration is initially recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Accounting policiescontinued

INTANGIBLE ASSETS

Internally generated intangible assets

Development expenditure incurred in respect of individual projects is capitalised where the asset is identifiable and only when the future economic benefit of the project is probable. It is recognised only if all of the following conditions are met:

- the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the Group can demonstrate how the intangible asset created will generate future economic benefits;
- the Group has available the resources to complete the asset;
- the Group intends to complete that asset and has the future ability to sell or use the asset; and
- the development cost of the intangible asset can be measured reliably.

After recognition, the cost model is applied requiring the asset to be held at cost less accumulated amortisation and impairment. Amortisation begins when the asset is ready for use. This type of expenditure primarily relates to internally developed software, booking systems and website projects for the Group.

Purchased intangible assets (software costs)

The capitalised computer software costs principally relate to operating and financial software. There are no software as a service related assets included. Where the software is integral to the hardware the software will be recognised within property, plant and equipment. Customisation/ configuration costs of software are recognised as an intangible asset only where the Group can demonstrate control of the asset.

Useful economic lives

The useful economic lives of the Group’s intangible assets are finite and are detailed below:

	Years
Metrolink	30
Customer and operator relationships	5 – 10
Brands	4 – 10
Software & intellectual property	5 – 10

Intangible assets are amortised on a straight-line basis over the asset’s useful economic life. If there are indications of impairment in the carrying value of the asset, then the recoverable amount is estimated and compared to the carrying amount.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment constitutes the Group’s operational asset base, and includes terminal, airfield, car parking, land, plant, and owner-occupied property assets. Investment properties held to earn rentals or for capital growth are accounted for separately under IAS 40 ‘Investment Properties’.

The Group has elected to use the cost model under IAS 16 ‘Property, plant and equipment’, as modified by the transitional exemption to account for assets at deemed cost that were revalued previously under UK GAAP. Deemed cost is the cost or valuation of assets as at 1 April 2005. Consequently, property, plant and equipment is stated at cost or deemed cost, less accumulated depreciation. Cost includes directly attributable own labour. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The Group capitalises borrowing costs into the cost of property, plant and equipment, if the criteria under IAS 23 are met. Depreciation is provided to write off the cost of an asset on a straightline basis over the expected useful economic life of the relevant asset.

PROPERTY, PLANT AND EQUIPMENTCONTINUED

Expected useful lives are set out below:

	Years
Other land and buildings*	10-50
Airport infrastructure	
Runway base course	50-75
Steelwork, civils and earthworks	30-50
Main apron and taxiway assets	25-50
Utility lighting and pipework	5-20
Runway, taxiway and apron surfacing	5-15
Airfield lighting and equipment	5-15
Plant, fixtures and equipment	
Escalators, elevators and substations	15-30
Baggage systems, IT equipment and X-ray scanners	5-15
Fixtures, fittings, tools and equipment	5-10
Motor vehicles	3-10

* No depreciation is charged on freehold land.

Useful economic lives are reviewed on an annual basis, to ensure the carrying amount remains relevant and appropriate. Depreciation is charged on a straight-line basis over the asset’s useful economic life. No depreciation is provided on freehold land. Repairs and maintenance costs are written off as incurred. Assets under construction, which principally relate to airport infrastructure, are not depreciated until such time as they are available for use and any relevant regulatory approvals relating to their bringing into use have been obtained. If there are indications of impairment in the carrying value, then the recoverable amount is estimated and compared to the carrying amount in accordance with the requirements of IAS 36. Carrying amounts are also assessed for impairment as part of the carrying value of the assets at each cash generating unit ‘CGU’ by comparison with the value in use generated by the CGU from its net cashflows.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly.

INVESTMENT PROPERTIES

The Group accounts for investment properties in accordance with IAS 40 ‘Investment Properties’. An investment property is one held to either earn rental income or for capital growth. The Group has elected to use the fair value model, and therefore investment properties are initially recognised at cost and then revalued to fair value at the reporting date by an independent property valuer.

Investment properties are not depreciated. Gains or losses in the fair value of investment properties are recognised in the income statement for the period in which they arise. Gains or losses on the disposal of an investment property are recognised in the income statement on completion.

If a property ceases to be an investment property the classification change is recognised at the time that the use changes and does not reflect future management intentions. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. If an investment property is partially owner-occupied and the non-owner-occupied component can be separately sold or leased out under a finance lease then the relevant proportions will be classified as investment property and property, plant and equipment. If the non-owner-occupied portion cannot be sold separately then the property will only continue to be classified as an investment property if the owner-occupied portion is immaterial.

Accounting policies continued

IMPAIRMENT

The carrying amounts of the Group’s assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future post-tax cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management are satisfied that this methodology results in a materially similar value in use quantification that would have been arrived at if calculated applying a pre-tax discount rate to pre-tax cashflows as required by IAS 36. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the ‘cash-generating unit’). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ‘CGU’.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

LEASES

Review of contracts for leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to direct the use of an identified asset for a period of time, in exchange for consideration.

At the point of transition to IFRS 16 the Group opted to apply the practical expedient not to reassess whether contracts contain a lease.

Initial measurement

MAG initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Group’s incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- Amounts; expected to be payable under a residual value guarantee
- The exercise price under a purchase option that the Group is reasonably certain to exercise;
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- Penalties for early termination of a lease, unless the Group is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

Subsequent measurement

The lease liability is subsequently measured at amortised cost, using the effective interest method, whilst the right-of-use asset is depreciated straight line over the remaining lease term as at the date of adoption.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate,
- there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee,
- if the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or
- if there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

LEASES CONTINUED

Low-value and short lease exemption

MAG has elected to not recognise right-of-use assets and lease liabilities under leases of a duration of under one year; and low-value leases. The expense recognised in the income statement relating to such leases is below the £100,000 used for rounding in these financial statements, and therefore is not disclosed.

Covid-19 related rent concessions

MAG has elected to not apply the practical expedient to recognise Covid-19 related rent concessions as a variable lease payment, instead opting to account for these as a lease modification in the year. Refer to note 31 to the financial statements where this is discussed in further detail.

Lease as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of property and property-related income.

For finance leases, the Group accrues finance income over the lease term based on the interest rate implicit in the lease, with payments received reducing the lease receivable.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value with cost being purchase cost on a first in/first out basis.

GRANTS

Grants received and receivable relating to property, plant and equipment are shown as a deferred credit in current and non-current liabilities on the statement of financial position. An annual transfer to the income statement is made on a straight-line basis over the expected useful life of the asset for which the grant was received.

Government grants related to income are recognised when there is reasonable assurance that the grant will be received, and all the grant conditions have been complied with. Grant income related to expense items are recognised on a systematic basis over the period matching the recognition of the expense in the financial statements. The Group has chosen to present grants related to an expense item as net deductions against the related expense.

Accounting policies continued

FINANCIAL INSTRUMENTS

Financial instruments are classified at: initially at fair value, and then subsequently measured at amortised cost; Fair Value through Profit or Loss (FVPL); or Fair Value through Other Comprehensive Income (FVOCI).

The Group’s treatment of financial assets and liabilities:

- trade receivables are recognised initially at their transaction price with a loss allowance provided based upon the estimated credit loss. Subsequent measurement reflects any revisions to the estimated credit loss allowance with any gains or losses being recognised in the income statement; and
- all financial liabilities (corporate bonds, bank loans and overdrafts and trade and other payables) within the scope of IFRS 9 are initially measured at fair value and then subsequently measured at amortised cost. Any gains or losses arising are recognised in the income statement.

Expected credit loss

The Group applies IFRS 9 to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, the Group has grouped trade receivables based on shared credit risk characteristics, including the customer’s industry and the days past due. The Group’s historical loss rates are considered alongside current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables and reasonable forecasts.

The Group’s definition of default is based on the ageing of the debts and will also consider the financial status of the customer.

FINANCE INCOME AND EXPENSES

Financing expenses include: interest payable, finance charges calculated under IAS 19 and finance charges on lease liabilities recognised in profit or loss using the effective interest method, and unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign transactions policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Financing income: comprise interest receivable on funds invested, dividend income, interest income on lease receivables and net foreign exchange gains that are recognised in the income statement (see foreign transactions policy). Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity’s right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business, is part of a single coordinated plan to disposal of such a line of business. When an operation is classified as a discontinued operation, the comparative statement is profit or loss and OCI is presented as if the operation had been discontinued from the start of the comparative year.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank deposits and short-term deposits, which have an original maturity of three months or less.

BORROWINGS

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

Transaction costs are considered as incurred, for the unit of account to which they relate, on new borrowings or a re-financing. If the costs relate to the borrowing/loan then they are recognised in accordance with IFRS 9 as part of the net effective interest rate. However, if they relate to the facility itself then it is regarded as an executory contract, and as such, outside the scope of IFRS 9, and are capitalised and amortised over the facility term.

BORROWING COSTS

The Group does not capitalise borrowing costs directly attributable to the acquisition, construction or production of qualifying assets into the cost of property, plant and equipment, unless the criteria under IAS 23 are met. Where the criteria is met, borrowing costs are calculated by applying an average interest rate in the period to the expenditure incurred on qualifying assets.

All other borrowing costs are recognised in the income statement over the period of the borrowings using the effective interest method.

PROVISIONS

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where the Group has entered a contract where the unavoidable attributable costs of fulfilling the contract exceed the economic benefit derived from it then the Group will book an onerous contract provision. The calculation of the provision will reflect the least cost approach of exiting the contract.

TAXATION

The tax charge for the year comprises current and deferred tax.

The charge for taxation is based on the profit or loss for the year and takes into account deferred tax due to temporary differences between the tax bases of assets and liabilities, and the accounting carrying value of assets and liabilities in the financial statements. The principal constituents of the deferred tax liability in the Group financial statements are temporary differences on property, plant and equipment, where the carrying value in the financial statements is in excess of the tax base due to accelerated capital allowances, and the previous effects of revaluations under UK GAAP.

Deferred tax assets are recognised to the extent that it is regarded as probable that the temporary difference can be utilised against taxable profit in the future and does not give rise to equal taxable and deductible temporary differences. Current tax and deferred tax relating to items recognised directly in equity, are also recognised directly in equity. Deferred tax is based on the tax laws and rates that have been substantively enacted at the statement of financial position date and which are expected to apply when the relevant deferred tax item is realised or settled. Current tax has been calculated at the rate of 25% applicable to accounting periods ending 31 March 2024 (2023: 19%). Deferred tax assets and liabilities are shown separately in the accounts. The Group has applied the exemption in IAS 12 ‘Income Taxes’ to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

EMPLOYEE BENEFIT COSTS

The Group participates in three defined benefit schemes. MAG’s exit from the GMPF scheme in FY23 resulted in MAG being liable for unfunded liabilities in relation to that scheme. The accounting for the three defined benefit schemes and the unfunded GMPF liabilities are detailed at note 30 on page 142. All of the defined benefit schemes are contracted out of the state scheme, as well as one defined contribution scheme. The costs of the defined contribution scheme are charged to the income statement in the year in which they are incurred. Defined benefit schemes are accounted for as an asset or liability on the statement of financial position, with treatment detailed below. The amount reported in the income statement for employee benefit costs includes past service costs, current service costs, interest costs and return on assets income. Past service costs are charged to the income statement immediately, and current service costs are charged to the income statement for the period to which they relate.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Actuarial gains and losses are recognised in the statement of comprehensive income in the period in which they arise. The defined benefit asset or liability, together with the current and past service costs, are calculated at the reporting date by an independent actuary using the projected unit credit method.

Under IFRIC 14 ‘IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction’, surpluses on pension schemes are not recognised unless there is an unconditional right to recover or realise them at some point during the life of the plan. If no such unconditional right exists an asset ceiling is applied and no asset surplus is recognised in the accounts. An unconditional right would not exist when the availability of the refund or the reduction in future contribution would be contingent upon factors beyond the entity’s control (for example, approval by third parties such as plan trustees). To the extent that a right is contingent no asset would be recognised.

In the event of a settlement of a defined benefit pension scheme, the profit or loss on settlement is calculated with reference to the net scheme assets/liabilities without the impact of the asset ceiling (i.e. the unrecognised surplus). This settlement profit or loss is recognised in the income statement. The resultant reduction in asset ceiling as a result of the settlement is recognised in the statement of comprehensive income.

Accounting policiescontinued

DIVIDENDS

A dividend to the Company’s shareholders is recognised in the consolidated financial statements during the period in which paid.

ALTERNATIVE PERFORMANCE MEASURES (APMS)

The Group uses APMs, which are not defined in IFRS, throughout the Annual Report and Accounts. The Group’s APMs are defined internally, and therefore may not be comparable to similar APMs in other companies, but provide additional information used by management and useful to the investor community to assess the Group’s performance and liquidity. The key APMs used by the Board to assess the Group’s performance are detailed below:

- Adjusted EBITDA¹;
- Adjusted results from operations;
- Adjusted net cash generated from operations;
- Net debt;
- Net cash and cash equivalents; and
- Net senior Debt/adjusted frozen EBITDA.

Many of MAG’s APMs are defined as ‘adjusted’ (such as adjusted EBITDA) signifying that they are calculated before transactions that are assessed to be adjusted items. The definition of MAG’s accounting policies is also detailed below. Other Information on page 156 provides a definition of each of all APMs; the purpose for which it is used; and a reconciliation to the nearest IFRS equivalent.

ADJUSTED ITEMS

Applied consistently over time, adjusted items (formerly ‘Significant Items’) are items of income and expense that, because of their size, unusual nature, or frequency of the events giving rise to them, merit separate presentation, as these are incremental, and to allow an understanding of the Group’s underlying financial performance from its trading activities. Such items include:

Impairment of assets

Impairment charges related to non-current assets are non-cash items and tend to be significant in size. The presentation of these as other items further enhances the understanding of the ongoing performance of the Group. Impairments of property, intangible assets and other tangible fixed assets are included in adjusted items if related to a significant write off of paused or discontinued projects, a fundamental transformation project or if infrequent or significant in size. Other impairments are included in underlying results.

Major reorganisation of businesses and costs associated with acquisitions

Restructuring costs are classified as adjusted items if they relate to a fundamental change in the organisational structure of the Group or a fundamental change in the operating model of a business within the Group. Costs may include redundancy, property closure costs and consultancy costs, which are significant in size and will not be incurred under the ongoing structure or operating model of the Group. All costs related to the acquisition of businesses will be classified as adjusted.

Costs associated with the close out of previous financing arrangements upon refinancing

Costs associated with the refinancing and changes to debt facility agreements during the current and prior year are included within adjusted items as they are significant in size and do not form part of the underlying trading activities.

ADJUSTED ITEMS CONTINUED

Curtailment gain or loss

Curtailment gain or loss is recorded in adjusted items where they do not form part of the underlying trading activities of the Group or are infrequent in occurrence in order to enhance the understanding of the underlying financial performance of the Group. Such examples would include early termination of a lease and the curtailment gain due to the closure of the pension schemes and offsetting costs associated with this.

Multi-year projects

Where the impact of adjusted items span multiple years, MAG considers the overall quantum of incremental costs of the project, in comparison to the going forward recurring cost base, and disclose the cumulative adjusted costs relating to the project and the expected timeline for future costs to be incurred. MAG identifies the scope and budget of such projects at their inception and commences recognising costs as adjusted provided that the overall project meets the Group’s definition. The call out of adjusted items will continue each year within the financial statements detailing the cumulative spend and estimated timeline to project completion. Once the project’s scope of works has been completed, the contract will be closed and any further expenditures will be regarded as unadjusted.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these Consolidated Financial Statements the Group has made estimates and judgements and assumptions that impact the application of the Group accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may, however, differ from the estimates calculated.

A. Judgements

In applying the Group’s accounting policies, the Group has made key judgements. Management believes that the impact of recommencing the transformation programmes on the Group’s fixed asset balances contain the more significant judgements impacting these financial statements.

Impact of transformation recommencement on fixed asset balances

In FY23, MAG recommenced its transformation programmes at both Manchester and Stansted airports. MAG has considered how the revised programmes going forward impact upon the fixed asset balances held relating to impacted assets.

The key considerations have related to:

- the revision to the Manchester terminal strategy during FY24 to partially utilise Terminal 1 for check in and security for Terminal 3 with the resultant amendment of the useful economic lives for both terminals; and
- the impact of the securing of planning permission at Stansted for the three bay northern extension of the terminal and the resultant impact on the carrying value of design costs already incurred.

Both of these items are commented upon in more detail at the property, plant and equipment note on page 124.

1 Adjusted Earnings before interest, tax, depreciation, amortisation and impairment.

Accounting policiescontinued

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

B. Assumptions and estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised. The directors regard that the critical accounting estimates arise in the areas of: valuation of investment properties and valuation of the Group’s net pension liability. Information about assumptions and estimation uncertainty at the reporting date is detailed below:

i. Investment properties

Investment properties were valued at fair value at 31 March 2024 by JLL for the Group’s commercial property portfolio and Fisher German for the Group’s residential portfolio. The valuations were prepared in accordance with IFRS and the appraisal and valuation manual issued by the Royal Institution of Chartered Surveyors. Valuations were carried out having regard to comparable market evidence of transaction prices for similar properties, land valuations and discounted cash flow methods. The value of the Group’s Investment Properties has been included at the values advised by its professional advisers. Further details of the basis of estimation for the valuation of the Group’s investment properties is detailed on note 16.

ii. Pensions

Certain assumptions have been adopted for factors that determine the valuation of the Group’s liability for pension obligations at year end, future returns on pension scheme assets and charges to the income statement. The factors have been determined in consultation with the Group’s independent actuary taking into account market and economic conditions. Changes in assumptions can vary from year to year as a result of changing conditions and other determinants which may cause increases or decreases in the valuation of the Group’s liability for pension obligations. The objective of setting pension scheme assumptions for future years is to reflect the expected actual outcomes. The impact of the change in assumptions on the valuation of the net financial position for pension schemes is reflected in the statement of recognised gains and losses. Further details are available in note 30.

Consolidated income statement
for the year ended 31 March 2024

	Note	2024 £m Total before adjusted items	2024 £m Adjusted items	2024 £m Total after adjusted items	2023 £m Total before adjusted items	2023 £m Adjusted items	2023 £m Total after adjusted items
Continuing operations							
Revenue	1	1,237.7	–	1,237.7	1,027.4	–	1,027.4
Operating expenses	3,4	(982.3)	(14.6)	(996.9)	(858.1)	–	(858.1)
Operating profit		255.4	(14.6)	240.8	169.3	(141.2)	28.1
Gains and losses on sales and valuation of investment properties	16	13.1	–	13.1	(26.3)	–	(26.3)
Finance income	7	55.4	1.0	56.4	27.1	–	27.1
Finance costs	8	(91.9)	–	(91.9)	(88.0)	(0.3)	(88.3)
Profit/(loss) before taxation		232.0	(13.6)	218.4	82.1	(141.5)	(59.4)
Taxation	10	(78.6)	0.6	(78.0)	(30.4)	30.3	(0.1)
Profit/(loss) after taxation		153.4	(13.0)	140.4	51.7	(111.2)	(59.5)
Discontinued operations							
(Loss)/profit from discontinued operation (net of tax)	11	–	(0.6)	(0.6)	–	4.6	4.6
Profit/(loss) for the year		153.4	(13.6)	139.8	51.7	(106.6)	(54.9)
Attributable to:							
Equity holders of the Group		152.8	(13.6)	139.2	51.6	(106.6)	(55.0)
Non-controlling interests		0.6	–	0.6	0.1	–	0.1
Earnings per share expressed in pence per ordinary share							
Continuing operations	13	87.2	(7.5)	79.7	29.4	(63.4)	(34.0)
Discontinued operations	13	–	(0.3)	(0.3)	–	2.6	2.6

The accompanying notes form an integral part of the financial statements.

Consolidated statement of comprehensive income

Year ended 31 March 2024

	Note	2024 £m	2023 £m
Profit/(loss) for the year ¹		139.2	(55.0)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement benefit liabilities	30	(12.1)	177.4
Deferred tax on remeasurement of retirement benefit liabilities	10	2.9	(39.5)
Effect of change in rate of corporation tax on deferred tax	10	–	(7.0)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign exchange movement		(3.2)	6.0
Taxation on foreign exchange movement		0.1	(0.3)
Other comprehensive (loss)/income for the year		(12.3)	136.6
Total comprehensive income for the year¹		126.9	81.6

¹ Attributable to owners of the parent.

Consolidated statement of financial position

Year ended 31 March 2024

	Note	2024 £m	2023 £m
Non-current assets			
Goodwill	18	215.5	210.1
Intangible assets	18	102.8	88.3
Property, plant and equipment	14	3,157.7	3,074.8
Right-of-use assets	15	474.2	437.0
Long-term lease receivable	15	11.2	11.2
Investment properties	16	166.1	155.1
Amounts owed by group undertakings	21	664.5	673.4
Retirement benefit assets	30	81.8	90.7
		4,873.8	4,740.6
Current assets			
Inventories	19	2.2	4.1
Corporation tax recoverable	20	12.6	–
Trade and other receivables	20	150.1	117.3
Cash and cash equivalents	22	523.0	159.7
		687.9	281.1
Current liabilities			
Current borrowings	23	(548.3)	(105.2)
Trade and other payables	27	(309.9)	(254.1)
Deferred income	28	(43.0)	(35.6)
Provisions	29	(17.5)	(20.0)
Current lease liabilities	31	(13.1)	(9.4)
Current tax liabilities		–	(15.1)
Amounts owed to group undertakings	27	(21.2)	(10.0)
		(953.0)	(449.4)
Net current liabilities		(265.1)	(168.3)
Non-current liabilities			
Borrowings	23-26	(1,434.2)	(1,436.1)
Retirement benefit liabilities	30	(4.0)	(4.1)
Non-current lease liabilities	31	(483.9)	(448.8)
Deferred tax liabilities	32	(235.4)	(235.2)
Provisions	29	(4.8)	(2.1)
Other non-current liabilities	33	(18.4)	(20.3)
		(2,180.7)	(2,146.6)
Net Assets		2,428.0	2,425.7
Shareholders' equity			
Share capital	34	175.3	175.3
Foreign currency reserve	35	0.9	4.0
Other reserve	35	(1,249.6)	(1,249.6)
Retained earnings	35	3,499.7	3,494.9
Equity attributable to equity holders of the Group		2,426.3	2,424.6
Non-controlling interest		1.7	1.1
Total Equity		2,428.0	2,425.7

The accompanying notes form an integral part of the financial statements.

The financial statements on pages 93 to 155 were approved by the Board of Directors on 1 July 2024 and signed on its behalf by:

KEN O'TOOLE

Group Chief Executive
MAG

Consolidated statement of changes in equity

Year ended 31 March 2024

Note	Attributable to equity holders of the Company						Non-controlling interest ³ £m	Total Equity £m
	Share capital £m	Share premium £m	Foreign currency reserve ¹ £m	Other reserve ² £m	Retained earnings £m	Total £m		
Balance at 1 April 2023	175.3	–	4.0	(1,249.6)	3,494.9	2,424.6	1.1	2,425.7
Total comprehensive income for the year								
Profit for the year	–	–	–	–	139.2	139.2	0.6	139.8
Foreign exchange movement, net of tax	–	–	(3.1)	–	–	(3.1)	–	(3.1)
Remeasurement of retirement benefit liabilities, net of tax	10,30	–	–	–	(9.2)	(9.2)	–	(9.2)
	–	–	(3.1)	–	130.0	126.9	0.6	127.5
Transactions with owners recorded directly in equity								
Dividends paid to equity holders ⁴	12	–	–	–	(125.2)	(125.2)	–	(125.2)
Balance at 31 March 2024	175.3	–	0.9	(1,249.6)	3,499.7	2,426.3	1.7	2,428.0

Consolidated statement of changes in equity

Year ended 31 March 2023

Note	Attributable to equity holders of the Company						Non-controlling interest ³ £m	Total Equity £m
	Share capital £m	Share premium £m	Foreign Currency Reserve ¹ £m	Other reserve ² £m	Retained Earnings £m	Total £m		
Balance at 1 April 2022	175.3	3,059.4	(1.7)	(1,249.6)	409.7	2,393.1	–	2,393.1
Total comprehensive income for the year								
Loss for the year	–	–	–	–	(55.0)	(55.0)	0.1	(54.9)
Acquisition for non-controlling interest	–	–	–	–	–	–	1.0	1.0
Foreign exchange movement, net tax	–	–	5.7	–	–	5.7	–	5.7
Remeasurement of retirement benefit liabilities, net of tax	10,30	–	–	–	137.9	137.9	–	137.9
Effect of change in rate of corporation tax	10	–	–	–	(7.0)	(7.0)	–	(7.0)
	–	–	5.7	–	75.9	81.6	1.1	82.7
Transactions with owners recorded directly in equity								
Capital reduction	–	(3,059.4)	–	–	3,059.4	–	–	–
Dividends paid to equity holders ⁴	12	–	–	–	(50.1)	(50.1)	–	(50.1)
Balance at 31 March 2023	175.3	–	4.0	(1,249.6)	3,494.9	2,424.6	1.1	2,425.7

1 The foreign currency reserve reflects exchange rate differences arising when converting the Group's US operations results into the reporting presentation currency using the average rate to translate the income statement and the spot rate to translate the statement of financial position.

2 Relates to acquisition of Stansted Airport in February 2013.

3 During the prior year, the Group acquired an majority interest in a concession in a lounge. MAG has assessed that it controls the concession in the lounge and has consolidated 100% of the revenue, expenses, assets and liabilities in the income statement and balance sheet. The profit for the year and other reserve movements have been split between those attributable to MAG's equity holders and those attributable to the non-controlling interest.

4 A dividend of £125.2m (2023: £50.1m) was declared and paid to parent company Manchester Airport Finance Holdings Limited in the year.

Consolidated statement of cash flows

for the year ended 31 March 2024

Note	2024 £m Before adjusted items	2024 £m After adjusted items	2023 £m Before adjusted items	2023 £m After adjusted items
Cash flows from operating activities				
Profit/(loss) from continuing operations	153.4	(13.0)	140.4	51.7
Taxation	10	78.6	(0.6)	78.0
(Gains)/losses on sales and valuations of investment properties	16	(13.1)	–	(13.1)
Finance costs	8	91.9	–	91.9
Finance income	7	(55.4)	(1.0)	(56.4)
Depreciation, amortisation and impairment	2	251.3	2.3	253.6
Increase in trade and other receivables and inventories		(32.7)	–	(32.7)
Decrease in amounts owed by group companies		2.2	–	2.2
Increase in trade and other payables		25.0	3.0	28.0
Increase in retirement benefits provision ¹		–	–	–
		–	1.5	119.7
Cash generated from continuing operations	501.2	(9.3)	491.9	458.3
(Loss)/profit before taxation – discontinued operations	11			(0.4)
Working capital – discontinued operations				6.1
Interest paid				(98.8)
Interest received				16.2
Tax paid				(50.1)
Net cash from operating activities			364.9	340.4
Cash flows from investing activities				
Purchase of property, plant and equipment				(276.0)
Purchase of intangible fixed assets				(22.5)
Proceeds (net of selling costs) from sale of property, plant, equipment and investment properties				0.3
Payment of deferred consideration on prior acquisitions				–
Receipt of grants				1.3
Consideration paid for acquisition, net of cash acquired	17			(5.7)
Net cash used in investing activities – continuing activities			(302.6)	(189.1)
Cash flows from financing activities				
Decrease of bank loan borrowings	24			–
Bond issued in the year, net of discount				358.4
Transaction costs related to loans and borrowings				(3.1)
Payment of principal on lease liabilities	31			(12.2)
Dividends paid to shareholders	12			(125.2)
Net cash generated from/(used in) financing activities			217.9	(548.1)
Net increase/(decrease) in net cash and cash equivalents			280.2	(396.9)
Net cash and cash equivalents at beginning of the period	38			54.5
Net cash and cash equivalents at end of the period	38		334.7	54.5

The accompanying notes form an integral part of the financial statements.

1 This includes the settlement of the Deferred Debt Arrangement (DDA) (note 30).

Notes to the financial statements

for the year ended 31 March 2024

1. REVENUE

An analysis of the Group's revenue is as follows:

	2024 £m	2023 £m
Aviation income	418.1	355.9
Commercial income		
Retail concessions	300.8	234.5
Car parking	370.3	325.1
Property and property related income	18.8	18.6
Other	129.7	93.3
Total commercial income	819.6	671.5
Total income	1,237.7	1,027.4

Revenue from all income streams is recognised in line with IFRS 15 except for property income which is recognised in line with IFRS 16. Management's revenue accounting policy can be found on page 96.

Standard payment terms for MAG's revenue streams are typically 28 days.

Other income includes utilities recharges to tenants (where the Group is acting as principal) of £56.4m (2023: £28.1m), refuelling income of £11.2m (2023: £11.2m) and retail travel services income of £15.0m (2023: £14.2m).

The amount of accrued income at 31 March 2024 was £44.3m (2023: £40.4m) and the amount of deferred income at 31 March 2024 was £43.0m (2023: £35.6m). Both of these balances have increased in line with the return in passenger demand, and balances are expected to settle within the next 12 months.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

For management purposes, the Group is organised into four main operating divisions: Manchester Airport, London Stansted Airport, East Midlands Airport and CAVU.

The reportable segments are consistent with how information is presented to the Group Chief Executive Officer (Chief Operating Decision Maker) to report its primary information for the purpose of assessment of performance and allocation of resources, with information primarily presented at a segmental operating profit level.

With the exception of CAVU, the primary business of all of these operating divisions is the operation and development of airport facilities in the UK. CAVU's US revenue is less than 10% of total Group revenue. Consequently, no geographical split of performance has been included.

	Manchester Airport £m	London Stansted Airport £m	East Midlands Airport £m	CAVU £m	Group, consolidation adjustments and elimination ¹ £m	Consolidated – continuing operations £m	Discontinued operations ² £m
Year ended 31 March 2024							
Revenue							
Total Revenue	516.8	429.8	95.5	200.9	0.8	1,243.8	–
Inter-segment sales ³	(5.0)	(0.6)	(0.5)	–	–	(6.1)	–
External Revenue	511.8	429.2	95.0	200.9	0.8	1,237.7	–
Profit/(loss)							
Segment operating profit before adjusted items	64.7	111.3	19.4	48.2	11.8	255.4	–
Adjusted items	(7.0)	(3.7)	–	(3.9)	–	(14.6)	(0.4)
Segment operating profit/(loss) after adjusted items	57.7	107.6	19.4	44.3	11.8	240.8	(0.4)
Gains and losses on sales and valuation of investment properties						13.1	–
Finance income						56.4	–
Finance costs						(91.9)	–
Loss before taxation						218.4	(0.4)
Other information							
Segment assets	2,540.0	1,896.1	312.8	386.5	426.3	5,561.7	–
Segment liabilities	(1,818.6)	(445.6)	(97.6)	(178.8)	(593.1)	(3,133.7)	–
Capital expenditure (property, plant and equipment)	183.5	79.5	25.0	6.1	14.6	308.7	–
Capital expenditure (intangible assets)	1.3	1.3	1.0	4.5	14.4	22.5	–
Depreciation ⁴	133.4	69.7	18.2	7.0	1.4	229.7	–
Depreciation – adjusted	–	–	–	–	–	–	–
Impairment – adjusted	–	(2.3)	–	–	–	(2.3)	–
Amortisation	4.1	1.0	0.2	8.2	8.1	21.6	–
Taxation	(47.4)	(42.0)	(9.4)	(1.8)	22.6	(78.0)	(0.2)
Segment operating profit before adjusted items	64.7	111.3	19.4	48.2	11.8	255.4	–

Notes to the financial statements *continued*
for the year ended 31 March 2024

2. BUSINESS AND GEOGRAPHICAL SEGMENTS *CONTINUED*

Year ended 2023	Manchester Airport £m	London Stansted Airport £m	East Midlands Airport £m	CAVU £m	Group, consolidation adjustments and eliminations ¹ £m	Consolidated – continuing operations £m	Discontinued operations ² £m
Revenue							
Total Revenue	430.4	373.2	81.3	142.1	1.8	1,028.8	–
Inter-segment sales ³	(1.4)	–	–	–	–	(1.4)	–
External Revenue	429.0	373.2	81.3	142.1	1.8	1,027.4	–
Profit/(loss)							
Segment operating profit before adjusted items	30.6	93.7	14.8	24.4	5.8	169.3	–
Adjusted items	(134.2)	(2.5)	(1.4)	(2.6)	(0.5)	(141.2)	5.7
Segment operating profit/(loss) after adjusted items	(103.6)	91.2	13.4	21.8	5.3	28.1	5.7
Gains and losses on sales and valuation of investment properties	–	–	–	–	–	(26.3)	–
Finance income	–	–	–	–	–	27.1	–
Finance costs	–	–	–	–	–	(88.0)	–
Finance costs – adjusted	–	–	–	–	–	(0.3)	–
Loss before taxation						(59.4)	5.7
Other information							
Segment assets	2,046.1	1,661.7	296.5	217.9	799.5	5,021.7	–
Segment liabilities	(1,377.7)	(315.4)	(115.1)	(67.2)	(720.6)	(2,596.0)	–
Capital expenditure (property, plant and equipment & intangible assets)	120.3	45.6	9.5	6.1	10.6	192.1	–
Depreciation ⁴	122.3	70.0	17.9	5.7	11.7	227.6	–
Depreciation – adjusted	4.5	–	–	–	–	4.5	–
Impairment	6.4	2.4	1.2	1.4	–	11.4	–
Amortisation	4.4	0.8	0.1	5.1	3.1	13.5	–
Taxation	18.5	(15.2)	0.2	(6.9)	3.3	(0.1)	(1.1)
Segment operating profit before adjusted items	30.6	93.7	14.8	24.4	5.8	169.3	–

1 Group consolidation and other includes, Group, Head Office, MAG Property, and other subsidiary companies and balances arising on consolidation, which are not specific to the other main operating divisions. Assets include goodwill and fair value adjustments arising on consolidation. Liabilities include borrowings, further details of which can be found in note 23 Borrowings.

2 MAG’s non-core property has been disclosed separately as discontinued operations, which was disposed of by the Group on 7 August 2020. The ongoing post-sale disclosure reflects changes in conditional balances that have changed since the date of disposal.

3 Sales between segments are at arm’s length.

4 The total depreciation charge reflects depreciation charged on both Property, Plant & Equipment and Right of use assets.

3. ADJUSTED ITEMS

	2024 £m	2023 £m
Recorded in operating profit		
Adjusted items – operating costs	14.6	141.2
Total adjusted items recorded in operating profit	14.6	141.2
Adjusted items – finance (income)/costs (see note 7)	(1.0)	0.3
Total adjusted items recorded in finance costs	(1.0)	0.3
Total adjusted charge recorded before taxation	13.6	141.5
Recorded in loss/(profit) from discontinued operations		
Adjusted items recorded in discontinued operations (before tax) (see note 11)	0.4	(5.7)
Total charge/(credit) recorded in profit before tax from discontinued operations	0.4	(5.7)
Total charge before tax	14.0	135.8

Adjusted items from continuing operations – operating income/(costs)

The Group has recognised costs in operating profit of £14.6m in adjusted items for the year ended 31 March 2024 (2023: £141.2m). A charge of £8.4m (2023: £4.1m) has been recognised in relation to operational airport transformation schemes which is an initiative to improve the airports environment in addition to costs associated with installation of new security equipment.

During the year management have undertaken a review of the lives of certain fixed and intangible assets in addition to the annual impairment reviews in line with IAS 36, with review of airport asset useful economic lives. This exercise has resulted in a total expense of £2.3m (2023: £11.4m) being recognised in relation to impairment of assets. In the prior year, accelerated depreciation of £4.5m was recognised in adjusted items, relating to the decision to mothball Manchester T1 as a result of the announcement to launch MAN-TP phase 2. All impairments, depreciation and write offs are non-cash in nature.

Costs of £3.0m (2023: £nil) have been recognised in relation to the acquisition of ParkCloud Holdings Limited, further details can be found in note 17. Legal and professional services fees that meet the Group’s definition of adjusted costs of £0.9m (2023: £1.5m) have also been recognised.

An expense of £119.7m was recognised in 2023 following the extinguishment of the Group’s deferred debt agreement (DDA) for the exit from the GMPF pension scheme.

Adjusted items from continuing operations – finance costs

Finance income of £1.0m relating to a gilt lock entered into to partially hedge interest rate fluctuations (see note 7).

Adjusted items from discontinued operations

Discontinued operations’ adjusted items for the year ended 31 March 2024 is income of £0.4m (2023: income of £5.7m) relating to a further update to the estimated amounts to be recovered from escrow in relation to the sale of non-core property. The balance is disclosed in other receivables, within current assets as all amounts fall due within 12 months.

Notes to the financial statements continued

for the year ended 31 March 2024

4. PROFIT FROM CONTINUING OPERATIONS BEFORE ADJUSTED ITEMS

	2024 £m	2023 £m
Turnover	1,237.7	1,027.4
Wages and salaries	(292.1)	(257.2)
Social security costs	(26.1)	(22.0)
Pension costs	(13.3)	(12.5)
Employee benefit costs	(331.5)	(291.7)
Depreciation and amortisation	(251.3)	(241.1)
Other operating charges ¹	(399.5)	(325.3)
Operating profit before adjusted items	255.4	169.3

¹ Other operating charges includes maintenance, variable rent, rates, utility costs and other operating expenses.

The increase in wages and salaries is directly linked to an increase in headcount.

5. EMPLOYEE INFORMATION

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

	2024 Number of FTEs	2023 Number of FTEs
By location		
Manchester Airport	3,224	2,716
London Stansted Airport	1,935	1,759
East Midlands Airport	682	601
CAVU	702	533
	6,543	5,609

Manchester Airport includes Head Office as well as operational employees, based on where these employees are geographically located. Group employees are allocated proportionately across the three airports based on headcount. The calculation for the average number of employees for both 2024 and 2023 reflects full-time equivalent (FTEs) employees.

6. DIRECTORS' EMOLUMENTS

Further details of directors' emoluments and a description of the Group's remuneration policy are set out on pages 92 to 95 in the Annual Report of Manchester Airport Holdings Limited.

	2024	2023
Directors' emoluments		
Number of directors	8	9
Aggregate emoluments (£m)	5.2	6.0

Consistent with the treatment in prior years the amounts above include STIP payments during the year of £1.6m paid relating to prior periods and LTIP amounts accrued of £1.6m (2023: £2.5m). The LTIP amount accrued in the financial statements driven by the Group's FY22 – FY24 Covid Recovery LTIP scheme, FY23 – FY25 LTIP scheme, FY24 – FY26 LTIP scheme and an Executive Incentive Plan (EIP) which delivers a return on LTIP award amounts retained by MAG dependent upon achieving performance criteria.

	2024	2023
Key management compensation		
Number of key management	18	21
Aggregate emoluments (£m)	10.5	11.5

Key management for the Group are the Board of Directors and members of the Executive Committee who control and direct the Group's operational activities and resources. Consistent with the treatment in prior years the amounts above include STIP payments during the year of £2.9m paid relating to prior periods (2023: £2.3m). The LTIP amounts included in the current year are amounts accrued in the financial statements driven by the Group's FY22 – FY24, FY23 – FY25, and FY24 – FY26 LTIP schemes and EIP scheme, amounting to £2.9m (2023: £4.3m).

The key management compensation for the current year comprised: Short-term employee benefits £7.6m (2023: £7.2m); Other long-term benefits £2.9m (2023: £4.3m).

	2024 £m	2023 £m
Highest paid director		
Aggregate emoluments	1.9	2.4

The £1.9m (2023: £2.4m) includes salary, benefits, STIP payment during the year relating to a prior period, and an accrued LTIP under the Group's schemes.

Notes to the financial statements continued

for the year ended 31 March 2024

7. FINANCE INCOME

	2024 £m	2023 £m
Interest receivable on deposits	14.6	5.6
Interest receivable from Group undertakings	35.9	20.1
Interest income on long-term lease receivable	0.6	1.4
Interest income on defined benefit pension schemes	4.3	–
Finance income before adjusted items	55.4	27.1
Adjusted items – hedging gain	1.0	–
Total finance income	56.4	27.1

Adjusted Items

During the period the Group issued a £360.0m publicly listed fixed rate secured bond. Before issuing the bond the Group entered into a gilt lock arrangement to partially hedge interest rate fluctuations, this resulted in a gain of £1.0m which has been recognised in adjusted interest income as MAG opted not to apply hedge accounting.

8. FINANCE COSTS

	2024 £m	2023 £m
Interest payable on bank loans and overdrafts	4.2	11.0
Interest payable on bonds	68.6	56.8
Interest cost on defined benefit pension schemes	0.2	(0.5)
Interest expense on lease liabilities	26.3	23.8
Capitalisation of borrowing costs	(7.4)	(3.1)
Finance costs before adjusted items	91.9	88.0
Adjusted items	–	0.3
Total finance costs after adjusted items	91.9	88.3

Borrowing costs

MAG capitalises borrowing costs in accordance with IAS 23. FY24 saw higher capitalisation of borrowing costs of £7.4m (2023: £3.1m) following the continuation of the Group transformation programme at Manchester and Stansted Airports and the capital expenditure on next generation security.

An expense of £nil (31 March 2023: £0.3m) was charged to adjusted finance cost during the period due to reversal of capitalised interest on impaired capital projects.

9. PROFIT/(LOSS) BEFORE TAXATION

	Note	2024 Continuing operations £m	2024 Discontinued operations £m	2023 Continuing operations £m	2023 Discontinued operations £m
Profit/(loss) before taxation has been arrived at after charging/(crediting):					
Depreciation and amortisation ¹					
Depreciation of property, plant and equipment	14	215.1	–	214.5	–
Depreciation of right-of-use assets	15	16.1	–	13.3	–
Amortisation of intangible assets	18	22.8	–	13.5	–
Release of capital based grants		(2.7)	–	(0.2)	–
Total depreciation and amortisation		251.3	–	241.1	–
Depreciation of property, plant and equipment – adjusted	14	–	–	4.5	–
Depreciation and amortisation – adjusted		–	–	4.5	–
Impairment of property, plant and equipment	14	(2.3)	–	10.0	–
Impairment of right-of-use assets	15	–	–	1.4	–
Impairment of non-current assets		(2.3)	–	11.4	–
Total depreciation, amortisation and impairment		249.0	–	257.0	–
Adjusted items ²	3	13.6	0.4	141.5	(5.7)
Gains and losses on sales and valuation of investment properties	2,16	(13.1)	–	26.3	–
Interest charged on lease liabilities	31	26.3	–	23.8	–
Interest income on long-term lease receivable	15	(0.6)	–	(1.4)	–
Employee benefit costs	4	331.5	–	291.7	–
Auditor's remuneration³		0.9	–	0.8	–
Audit of these financial statements					
Amounts receivable by the Company's auditor and its associates in respect of:					
Audit of subsidiaries' financial statements		0.3	–	0.3	–
Total auditor's remuneration		1.2	–	1.1	–

¹ The overall depreciation charge relating to property, plant and equipment, right-of-use assets under IFRS 16 and intangible assets is in aggregate £2.7m higher than the total depreciation charge of £251.3m in the income statement, due to £2.7m of release of capital grants being offset against depreciation in the year.

² Adjusted items have been separately disclosed on the face of the consolidated income statement. Further details of these items are shown in note 3 adjusted items.

³ A description of the work of the Audit Committee is set out in the Corporate Governance Report and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor.

Notes to the financial statements continued

for the year ended 31 March 2024

10. TAXATION

Analysis of (credit)/charge in the year

	2024 £m Total before adjusted items	2024 £m Adjusted items	2024 £m Total after adjusted items	2023 £m Total before adjusted items	2023 £m Adjusted items	2023 £m Total after adjusted items
Current taxation						
UK corporation tax on profits for the year	73.8	(0.4)	73.4	48.6	0.7	49.3
Impact of overseas tax rate	0.1	–	0.1	–	–	–
Adjustment in respect of prior year	2.7	–	2.7	(2.5)	–	(2.5)
Total current taxation	76.6	(0.4)	76.2	46.1	0.7	46.8
Deferred taxation						
Temporary differences arising in the year	16.4	–	16.4	(1.2)	(22.7)	(23.9)
Impact of overseas tax rate	0.5	–	0.5	–	–	–
Adjustment in respect of prior year	(14.9)	–	(14.9)	(10.3)	–	(10.3)
Effect of change in rate of corporation tax	–	–	–	(4.2)	(7.2)	(11.4)
Total ordinary deferred taxation	2.0	–	2.0	(15.7)	(29.9)	(45.6)
Total taxation charge/(credit)	78.6	(0.4)	78.2	30.4	(29.2)	1.2

The total tax charge of £78.2m is comprised of a charge from continuing operations of £78.0m, and a charge for discontinued operations of £0.2m.

Taxation on items (credited)/charged to equity

	2024 £m	2023 £m
Deferred taxation on remeasurement of retirement benefit liabilities	(2.9)	39.5
Effect of change in rate of corporation tax	–	7.0
Deferred tax on foreign exchange movement	(0.1)	0.3
Total taxation (credit)/charge	(3.0)	46.8

Factors affecting the taxation charge/(credit) for the year

The Group's effective tax rate for the year ended 31 March 2024 is higher (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below.

	2024 £m Total before adjusted items	2024 £m Adjusted items	2024 £m Total after adjusted items	2023 £m Total before adjusted items	2023 £m Adjusted items	2023 £m Total after adjusted items
Profit/(loss) before taxation (including discontinued items)	232.0	(14.0)	218.0	82.1	(135.8)	(53.7)
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK of 25% (2023: 19%)	58.0	(3.5)	54.5	15.6	(25.8)	(10.2)
Effect of:						
Non-taxable items/non-deductible items	32.2	3.1	35.3	31.8	3.8	35.6
Adjustments to prior year taxation charge	(12.2)	–	(12.2)	(12.8)	–	(12.8)
Impact of overseas tax rate	0.6	–	0.6	–	–	–
Effect of change in rate of corporation tax	–	–	–	(4.2)	(7.2)	(11.4)
Total taxation charge/(credit)	78.6	(0.4)	78.2	30.4	(29.2)	1.2

The adjustment in respect of prior year reflects the differences between final tax return submissions and liabilities accrued in the prior year financial statements including differences between IFRS and local GAAP adjustments.

11. DISCONTINUED OPERATIONS

The Group commenced a sales process for its non-core property portfolio during the year ended 31 March 2021 with the sale completing on 7 August 2020. Non-core property represented a major line of business for the Group, consequently the trading performance of the portfolio has been classified as a discontinued operation since 1 April 2019. The (loss)/profit of the discontinued operation, which have been included in the consolidated income statement, were as follows:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Adjusted items	(0.4)	5.7
Attributable tax expense	(0.2)	(1.1)
(Loss)/profit from discontinued operations (net of tax)	(0.6)	4.6
Net (loss)/profit attributable to discontinued operation (attributable to owners of the Company)	(0.6)	4.6

Adjusted items of £0.4m for the year ended 31 March 2024 relates to movements in the estimate relating to the post sale receivable. The receivable, net of discounting, is £6.8m (2023: £10.1m). The balance is disclosed in other receivables, within current assets as all amounts fall due within 12 months as there is expected to be no further movements in discontinued operations after FY24..

During the year, a tax charge of £0.2m was attributable to discontinued operations.

12. DIVIDENDS

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Amounts recognised as distributions to equity holders in the year		
Final dividend for the year ended 31 March 2024 of 44.3 pence (2023: 28.6 pence) per share	77.6	50.1
Interim dividend for the year ended 31 March 2023 of 27.1 pence (2023: nil pence) per share	47.6	–
Amounts recognised as distributions to equity holders in the year	125.2	50.1
Dividends not recognised at the end of the reporting year		
In addition to the above dividends, since year end the directors have recommended that there is no payment of a further final dividend for the year ended 31 March 2024 (2023: nil) pence per share	–	–

13. EARNINGS PER SHARE

Earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. The Group does not have any dilutive equity instruments in issue, therefore diluted earnings per share is the same as basic earnings per share.

	2024					2023				
	Earnings		Weighted average number of shares	Per share amount		Earnings		Weighted average number of shares	Per share amount	
	Continuing operations*	Dis-continued operations		Continuing operations	Dis-continued operations	Continuing operations*	Dis-continued operations		Continuing operations	Dis-continued operations
	£m	£m	m	Pence	Pence	£m	£m	m	Pence	Pence
EPS attributable to ordinary shareholders – before adjusted items	152.8	–	175.3	87.2	–	51.6	–	175.3	29.4	–
EPS attributable to ordinary shareholders – after adjusted items	139.8	(0.6)	175.3	79.7	(0.3)	(59.6)	4.6	175.3	(34.0)	2.6

* Result for the period attributable to equity holders of the group.

Notes to the financial statements continued

for the year ended 31 March 2024

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and property £m	Other land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Assets in the course of construction £m	Total £m
2023						
Cost						
At 1 April 2023	156.8	1,041.4	2,721.8	1,064.9	251.9	5,236.8
Additions	–	–	–	–	308.7	308.7
Reclassification from assets in the course of construction	–	19.1	33.4	141.5	(194.0)	–
Reclassification to/from investment properties (note 16)	–	0.2	–	–	1.5	1.7
Reclassification to intangible assets (note 18)	–	–	(0.7)	(13.8)	(5.6)	(20.1)
Other reclassifications*	–	32.9	(32.9)	–	–	–
Impairment	–	–	–	–	(2.3)	(2.3)
Disposals	–	(7.7)	(52.8)	(202.3)	–	(262.8)
At 31 March 2024	156.8	1,085.9	2,668.8	990.3	360.2	5,262.0
Depreciation						
At 1 April 2023	53.7	454.9	957.3	696.1	–	2,162.0
Charge for the period	–	44.0	89.5	81.6	–	215.1
Reclassification to intangible assets (note 18)	–	–	(0.4)	(9.8)	–	(10.2)
Other reclassifications*	–	(74.5)	174.6	(100.1)	–	–
Depreciation on disposals	–	(7.7)	(52.8)	(202.1)	–	(262.6)
At 31 March 2024	53.7	416.7	1,168.2	465.7	–	2,104.3
Carrying amount						
At 31 March 2024	103.1	669.2	1,500.6	524.6	360.2	3,157.7
At 31 March 2023	103.1	586.5	1,764.5	368.8	251.9	3,074.8

*Other reclassifications

To better align the classification within the fixed asset note to the underlying fixed asset records, a reclassification adjustment has been made to cost and accumulated depreciation. In previous periods the depreciation had been incorrectly allocated between asset classes. The impact of this adjustment is to increase cost in other land and buildings by £32.9m and decrease cost in airport infrastructure by £32.9m. Accumulated depreciation in airport infrastructure has increased by £174.6m, offset by decreases of £74.5m and £100.1m in other land and buildings and plant, fixtures and equipment respectively. There is no impact on net assets, result for the year or cash flows.

14. PROPERTY, PLANT AND EQUIPMENT CONTINUED

	Freehold land and property £m	Other land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Assets in the course of construction £m	Total £m
2023						
Cost						
At 1 April 2022*	156.8	1,026.4	2,724.8	1,033.2	137.1	5,078.3
Additions	–	–	–	–	192.1	192.1
Reclassification from assets in the course of construction	–	6.5	28.6	40.7	(75.8)	–
Reclassification to/from investment properties (note 16)	–	8.5	–	–	–	8.5
Reclassification to right-of-use assets (note 15)	–	–	(3.7)	–	–	(3.7)
Reclassification to intangible assets (note 18)	–	–	(1.7)	(4.2)	0.9	(5.0)
Impairment	–	–	(7.6)	–	(2.4)	(10.0)
Disposals	–	–	(18.6)	(4.8)	–	(23.4)
At 31 March 2023	156.8	1,041.4	2,721.8	1,064.9	251.9	5,236.8
Depreciation						
At 1 April 2022*	53.7	418.7	884.0	612.9	–	1,969.3
Charge for the period	–	36.2	94.4	88.4	–	219.0
Reclassification to right-of-use assets (note 15)	–	–	(2.2)	–	–	(2.2)
Reclassification to intangible assets (note 18)	–	–	(0.3)	(0.4)	–	(0.7)
Depreciation on disposals	–	–	(18.6)	(4.8)	–	(23.4)
At 31 March 2023	53.7	454.9	957.3	696.1	–	2,162.0
Carrying amount						
At 31 March 2023	103.1	586.5	1,764.5	368.8	251.9	3,074.8
At 31 March 2022	103.1	607.7	1,840.8	420.3	137.1	3,109.0

* Restated as at 31 March 2023 financial statements.

The carrying amount of land not depreciated as at 31 March 2024 is £204.4m (2023: £204.4m).

During the year the Group's carrying value of property, plant and equipment increased by £0.8m (2023: £0.9m) as a result of foreign exchange rate changes upon translation of the Group's US operations into GBP. The impact of the foreign exchange adjustment is included within the additions and depreciation categories.

Capitalised borrowing costs

During the year ended 31 March 2024, borrowing costs of £7.4m were capitalised (31 March 2023: £3.1m), relating to borrowing costs incurred in FY24. Capitalised borrowing costs were calculated on a monthly basis, by applying the monthly average interest rate of borrowings against the expenditure incurred in that month. The average rate of interest applied in the year ending 31 March 2024 was 3.80% (2023: 3.68%). Capitalised borrowing costs of £nil (2023: £0.3m) were reversed during the year, relating to capitalised interest on impaired capital projects.

Borrowing costs are capitalised on significant capital projects, such as the Manchester Transformation Programme and large-scale implementation of future security requirements.

The value of borrowing costs capitalised during the year has increased substantially in comparison to prior year due to the next phase of the Manchester Transformation Programme, and increases in underlying interest rates. The cumulative balance of interest capitalised at 31 March 2024 is £54.9m (2023: £47.5m). At 31 March 2024, the net book value of the capitalised interest is £42.8m (2023: £42.3m).

Notes to the financial statements continued
for the year ended 31 March 2024

14. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Specific impairment review and review of useful economic lives

During the year ended 31 March 2024, management have carried out an impairment review of the fixed assets, including the useful economic lives of assets. A total charge of £2.3m has been recognised in the year, within adjusted items, relating to design costs capitalised in relation to the Stansted Transformation Programme. The decision in the prior year to mothball T1 and consequently revise the useful economic lives (UEL) of these assets has resulted in a change of accounting estimate to bring the UEL in line with the expected closure of T1. The impact of this change of estimate in future periods is expected to be additional depreciation of £16.6m following an additional accelerated depreciation of £12.7m in the prior year

Assets in the course of construction

Assets in the course of construction is £360.2m at 31 March 2024 (2023: £251.9m). The increase in the year is primarily due to continuation of the second phase of the Manchester Transformation Programme and implementation of next generation security requirements, with balances of £152.2m for the Manchester Transformation Programme (2023: £103.5m) and £65.5m for implementation of next generation security requirements (2023: £28.5m).

Reclassification to intangible assets

During the year ended 31 March 2024, management have carried out a detailed review of the classification of fixed assets and identified assets with net book value of £9.9m that are intangible in nature. These assets have therefore been reclassified to intangible assets within note 18.

Useful Economic Life (UEL)

MAG has reviewed the UEL’s of its assets in line with its forecast development spend in the FY25 business plan and concluded that there are no changes to the UEL’s of affected assets

Assets pledged as security

The bonds and bank loans are secured by a fixed and floating charge over substantially all of the Group’s property, plant and equipment.

15. RIGHT-OF-USE ASSETS

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
Cost				
At 1 April 2023	246.6	218.8	18.4	483.8
Additions	7.5	–	5.3	12.8
Remeasurement*	13.3	27.4	0.1	40.8
Foreign exchange	(0.3)	–	–	(0.3)
At 31 March 2024	267.1	246.2	23.8	537.1
Depreciation				
At 1 April 2023	23.4	12.8	10.6	46.8
Charge for the period	8.7	3.9	3.5	16.1
At 31 March 2024	32.1	16.7	14.1	62.9
Carrying amount				
At 31 March 2024	235.0	229.5	9.7	474.2
At 31 March 2023	223.2	206.0	7.8	437.0

*Remeasurement

During the year, the right-of-use asset and lease liability were subject to a remeasurement of £40.8m, as a result of minimum rent amounts due on remaining lease terms increasing significantly across the Group’s lease portfolio. Key lease terms are described in note 31 to the financial statements.

15. RIGHT-OF-USE ASSETS CONTINUED

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
Cost				
At 1 April 2022	230.4	203.5	13.7	447.6
Reclassification from property, plant and equipment (note 14) ⁴	–	–	3.7	3.7
Additions	6.5	–	0.7	7.2
Remeasurement	9.7	15.3	0.2	25.2
Modification ¹	(0.1)	–	–	(0.1)
Disposals ²	(0.2)	–	–	(0.2)
Foreign exchange	0.3	–	0.1	0.4
At 31 March 2023	246.6	218.8	18.4	483.8
Depreciation				
At 1 April 2022	16.6	9.4	3.9	29.9
Reclassification from property, plant and equipment (note 14) ⁴	–	–	2.2	2.2
Charge for the period	6.8	3.4	3.1	13.3
Impairment ³	–	–	1.4	1.4
At 31 March 2023	23.4	12.8	10.6	46.8
Carrying amount				
At 31 March 2023	223.2	206.0	7.8	437.0
At 31 March 2022	213.8	194.1	9.8	417.7

- 1 Modifications: Relating to rent relief given on lounges leased and operated by MAG in the US, under the American Rescue Plan Act.
- 2 Disposals: Disposal of lease asset due to lease termination at Manchester by landlord at break date.
- 3 Impairment review: In the prior year, leased plant fixtures and equipment were identified to have no future value in use and therefore the remaining net book value of £1.4m was charged to adjusted items – operating costs.
- 4 Transfer from PPE: During the prior period certain assets were transferred from property, plant and equipment into right-of-use assets (note 14).

Key lease arrangements

Key lease arrangements are detailed in note 31.

Income from subleasing right-of-use assets

During the year to 31 March 2024, the income generated from subleasing right-of-use assets was £0.4m (2023: £1.0m), generated solely from sublets of land and buildings

Long-term lease receivable

As a result of the sale of the non-core portfolio on 7 August 2020, a rent review was triggered on an existing lease between MAG and Manchester City Council (MCC). The rent increased from £nil to £0.6m per annum from this date, and the lease is in place until 31 August 2088.

The £0.6m per annum rental charge is passed on to the purchasers of the non-core property portfolio under identical terms to the arrangement with MCC. This represents a sale of the right of use asset arising from the rent review. Therefore, management have ceased to recognise the right of use asset and replaced it with a long-term lease receivable. The present value of amounts receivable as at 31 March 2024 is £11.2m (2023: £11.2m). The closing asset would be £9.5m if the discount rate were to increase by 1% and £13.7m if the discount rate decreased by 1%. The pass through of rental income is recognised as interest income on the long-term lease receivable.

Notes to the financial statements continued

for the year ended 31 March 2024

15. RIGHT-OF-USE ASSETS CONTINUED

The amounts receivable under this agreement are as follows:

	Undiscounted cash flows £m	Discounted (relating to principal balances) £m
Within 1 year	0.6	–
1 to 2 years	0.6	–
2 to 5 years	1.8	–
Over 5 years	155.8	11.2
Total	158.8	11.2

16. INVESTMENT PROPERTIES

	Investment properties £m
2024	
Valuation	
At 1 April 2023	155.1
Transfer to property, plant and equipment (note 14)	(1.7)
Disposals	(0.3)
Revaluation	13.0
At 31 March 2024	166.1
Carrying amount	
At 31 March 2024	166.1
At 31 March 2023	155.1

	Investment properties £m
2023	
Valuation	
At 1 April 2022	188.9
Transfer to property, plant and equipment (note 14)	(8.5)
Transfer from assets held for sale	2.1
Disposals	(0.7)
Revaluation	(26.7)
At 31 March 2023	155.1
Carrying amount	
At 31 March 2023	155.1
At 31 March 2022	188.9

16. INVESTMENT PROPERTIES CONTINUED

Investment properties

The fair value of the Group's commercial investment property at 31 March 2024 has been arrived at on the basis of a valuation carried out by JLL Ltd and the residential portfolio was valued by Fisher German LLP. The valuers are independent and have appropriate recognised professional qualifications, they have recent experience in the locations and categories of the properties being valued. The valuations, which conform to International Valuation Standards, were arrived at by reference to market evidence of transaction prices for similar properties, land valuations and analysis of demand within the vicinity of the relevant properties. During the year certain investment properties became occupied by the Group. The owner occupied proportion of these properties were transferred into property, plant and equipment (note 14). Under IAS 40 a fair value method has been adopted to revalue investment properties that become occupied by the Group and are transferred to property, plant and equipment.

The fair value measurement for all of MAG's investment properties has been categorised as a Level 3 fair value based upon the inputs to the valuation technique used. The valuers have used the following bases of valuation:

Commercial Property

Valuation Technique	Significant Unobservable Inputs Investment property	Inter-relationship between key unobservable inputs and fair value measurements
- Investment property – the investment property valuations have been carried out using the comparative and investment methods. The valuation of the commercial property has been assessed using analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the property and taking into account size, location, terms and other factors. - Other Development land – valuation was based upon the net price per acre in the current market.	- Yields - Enterprise rental values	The estimated fair value would increase if: - Yields were lower - Enterprise rental values were higher Management have deemed enterprise rental values and yields to be key inputs into the investment property valuation. Sensitivity analysis on these inputs has determined the following: - A 5% increase/decrease in enterprise rental value gives rise to an increase/decrease of £2.6m and £2.6m respectively; and - A 0.25% increase/decrease in yield gives rise to a decrease/increase of £2.2m and £2.0m respectively.

Residential Property

Valuation Technique	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurements
Valuation is completed on a comparable basis of similar properties in the vicinity.	Where comparable evidence is hard to obtain, adjusted information is used to reflect differences in location, size, aspect and condition.	The estimated fair value would increase if the property was: - larger - in a preferred location - in a better condition

The rental income earned by the Group from its investment property amounted to £7.3m (2023: £6.5m), of which £nil was attributable to discontinued operations (2023: £nil). Direct operating expenses arising on the investment property in the year amounted to £1.6m (2023: £1.5m), all relating to income generating investment property.

The Group disposed of two properties from the investment property portfolio in the year, the combined value of which was £0.3m (2023: £0.7m).

Gains and losses on sale and valuation of investment properties reported in the consolidated income statement of £13.1m in the year (2023: loss of £26.3m) includes £13.0m of valuation gains on investment property (2023: loss of £26.7m) and £0.1m of gains on sale of properties (2023: £0.4m).

Notes to the financial statements continued
for the year ended 31 March 2024

17. ACQUISITION

Acquisition of ParkCloud Holdings Limited

On 31 May 2023, MAG acquired 100% of the share capital of ParkCloud Holdings Limited, trading as ‘ParkVia’, a Manchester based ecommerce airport parking aggregator in the UK and EU market. Initial cash consideration of £8.4m was paid, with further contingent payments depending on continued performance of key management, and financial performance in the first year following acquisition.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of ParkCloud Holdings Limited as at the date of acquisition were:

Fair value recognised on acquisition

	31 March 2024
Assets	
Operator relationships (note 18)	3.4
Technology internally developed (note 18)	1.5
Trade and other receivables	1.4
Cash at bank and in hand	2.7
Total identifiable assets on acquisition	9.0
Liabilities	
Trade and other payables	(5.7)
Deferred tax liability	(1.2)
Total identifiable net liabilities on acquisition	(6.9)
Net assets acquired on acquisition	2.1
Goodwill arising on acquisition	6.3
Purchase consideration transferred	8.4
Purchase consideration	
Shares issued at fair value	8.4
Total	8.4

The acquisition date fair value of the trade receivables amounted to £1.4m and the full contractual amounts have been collected.

The deferred tax liability comprises the tax effect of temporary differences between the fair value of acquired operator relationships and technology and their tax base.

From the date of acquisition, ParkCloud Holdings Limited contributed £1.2m of revenue and £0.3m to profit before tax from continuing operations of the Group. These results are included within the CAVU operating segment.

The goodwill of £6.3m comprises the synergies expected to be generated from future operator relationships, route to market growth opportunities, brand, the value of the workforce and expected synergies expected from the acquisition. Due to the nature of the industry, brand is not considered material to recognise as a separable intangible asset. None of the goodwill recognised is expected to be deductible for income tax purposes.

Analysis of cash flows on acquisition

	31 March 2024 £m
Transaction costs of the acquisition (included in cash flows from operating activities)	(0.6)
Consideration paid to acquire the subsidiary, net of cash acquired (included in cash flows from investing activities)	(5.7)
Net cash flow on acquisition	(6.3)

17. ACQUISITION CONTINUED

Net cash flow on acquisition

Transaction costs of £0.6m were expensed and are included in adjusted operating expenditure, and do not form part of the consideration of £8.4m paid. The £5.7m shown above is comprised of the £8.4m of paid consideration, less the £2.7m of cash held by ParkVia and acquired by the Group at the point of acquisition.

Contingent payments based on future performance

As part of the purchase agreement of ParkCloud Holdings Limited, a contingent payment has been agreed. This has been considered in line with the requirements of IFRS 3 and has been assessed to be remuneration. The cost of the payment is being recognised in operating expense over the period to which the earn out relates.

18. INTANGIBLE ASSETS

	Goodwill £m	Software costs £m	Other intangible assets £m	Total £m
Cost				
At 1 April 2023	210.1	74.4	76.6	361.1
Additions in relation to acquisition in the year	6.3	1.5	3.4	11.2
Additions in the year	–	20.3	2.2	22.5
Reclassification from property, plant and equipment (note 14)	–	18.5	1.6	20.1
Foreign exchange	(0.9)	–	–	(0.9)
Disposals	–	(16.3)	–	(16.3)
At 31 March 2024	215.5	98.4	83.8	397.7
Amortisation				
At 1 April 2023	–	32.3	30.4	62.7
Reclassification from property, plant and equipment (note 14)	–	9.3	0.9	10.2
Charge for the year	–	22.3	0.5	22.8
Amortisation on disposals	–	(16.3)	–	(16.3)
At 31 March 2024	–	47.6	31.8	79.4
Carrying amount				
At 31 March 2024	215.5	50.8	52.0	318.3
At 31 March 2023	210.1	42.1	46.2	298.4

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for the year ended 31 March 2024

18. INTANGIBLE ASSETS CONTINUED

	Goodwill £m	Software costs £m	Other intangible assets £m	Total £m
Cost				
At 1 April 2022	207.7	74.8	74.6	357.1
Additions in the year	–	7.2	1.0	8.2
Reclassification from property, plant and equipment (note 14)	–	5.0	–	5.0
Foreign exchange	2.4	0.1	1.0	3.5
Disposals	–	(12.7)	–	(12.7)
At 31 March 2023	210.1	74.4	76.6	361.1
Amortisation				
At 1 April 2023	–	35.3	25.6	60.9
Reclassification from property, plant and equipment (note 14)	–	0.7	–	0.7
Charge for the year	–	9.0	4.5	13.5
Foreign exchange	–	–	0.3	0.3
Depreciation on disposals	–	(12.7)	–	(12.7)
At 31 March 2023	–	32.3	30.4	62.7
Carrying amount				
At 31 March 2023	210.1	42.1	46.2	298.4
At 31 March 2022	207.7	39.5	49.0	296.2

Goodwill

Goodwill is allocated to cash generating units based on the benefits to the Group that arise from each business combination. For the purposes of impairment testing goodwill is allocated to the lowest cash generating unit (CGU) at which management monitor goodwill. The lowest level of cash generating unit is considered to be: Manchester Airport; London Stansted Airport; East Midlands Airport; MAG US’s lounge and car parking business and each of the three US based online car-parking aggregator businesses. Finally, there are three CGUs for the UK distribution companies at 31 March 2024 – Looking4parking.com, SkyParkSecure, and ParkVia, the newly acquired entity.

Of the goodwill total of £215.5m that has been allocated to each of the Group’s CGUs, £166.3m is attributable to the acquisition of London Stansted Airport, £4.5m is attributable to the acquisition of the UK distribution companies, with the remaining £38.4m attributable to goodwill from the acquisitions of airportparkingreservations.com LLC, ParkSleepFly.com and its subsidiary shuttlefinder.net. The goodwill relating to the acquisitions of the three US based entities is denominated in US dollars and as a consequence of the USD:GBP exchange rate at the year end, the goodwill attributable to these entities in the year end accounts has decreased from £39.3m to £38.4m. Goodwill of £6.3m was generated in FY24 due to the acquisition of ParkVia, see note 17 for details.

Other intangible assets

Other intangible assets with carrying value of £52.0m are attributable to Metrolink £29.2m, (discussed in more detail below), airspace redesign £9.0m, acquired intangibles from the acquisition of the UK distribution companies £1.7m, the acquisition of ParkVia at £1.0m, and the remaining £11.1m relates to the customer and operator relationships and trade names acquired in FY21 from airportparkingreservations.com LLC (APR), ParkSleepFly.com (PSF) and shuttlefinder.net (SF).

In 2014 the Group secured rights to ensure that the Greater Manchester Metrolink light rail system was extended to Manchester Airport, connecting the airport to the wider Metrolink network. The cost of securing the rights has been capitalised and is being amortised over 30 years in line with the contractual agreement, which commenced from November 2014, leaving 20 years remaining at the year end. Management have assessed the recoverable amount of the carrying value of the Metrolink contribution as part of the impairment assessment of the Manchester Airport (CGU), as the cashflows relating to the Metrolink asset are not independent from those of the airport, which is detailed on the next page.

Software costs

£50.8m of capitalised computer software costs relate to operating systems throughout the airports £26.6m, ERP systems £8.5m and car parking booking systems £8.5m, and the acquisition of ParkVia £7.2m During the year, assets with cost and accumulated amortisation of £16.3m were disposed of, of which £1.6m relating to legacy ERP systems assets and the remaining £14.7m relating to software and licences no longer in use.

18. INTANGIBLE ASSETS CONTINUED

	2024					2023		
	Discount rate pre-tax %	Discount rate post-tax %	Long-term growth Rate %	Carrying value £m	Headroom £m	Discount rate pre-tax %	Discount rate post-tax %	Long-term growth rate %
CGU								
Manchester Airport	17.4	9.0	2.0	2,019.9	1,024.7	16.9	8.9	2.0
London Stansted Airport	17.5	9.0	2.0	1,632.6	1,061.9	17.0	8.9	2.0
East Midlands International Airport	18.1	9.0	2.0	230.5	342.6	17.9	8.9	2.0
CAVU AMER	24.1	16.0	3.0	34.4	26.0 ¹	21.5	13.0	3.0
SkyParkSecure	25.5	15.9	2.0	2.4	20.1	22.1	13.0	2.0
Looking4parking.com	25.3	15.9	2.0	8.7	15.0	22.0	13.0	2.0
ParkVia	25.2	15.9	2.0	10.3	5.4	n/a ²	n/a ²	n/a ²
Airportparkingreservations.com	24.3	16.0	2.0	28.3	15.5	21.5	13.0	2.0
Parksleepfly.com	23.9	16.0	2.0	20.2	5.7	21.5	13.0	2.0
Shuttlefinder.net	24.0	16.0	2.0	0.3	0.5	21.5	13.0	2.0

1 Each lounge individually had headroom.

2 No comparative, as ParkVia was acquired in May 2023.

The impairment testing calculated the recoverable amount of the goodwill, intangible assets, PPE and right-of-use asset in each cash generating unit by comparing the carrying value to the calculated value-in-use. Key assumptions for these calculations are those regarding discount rates, terminal value growth rates, expected changes to passenger and revenue growth rates, EBITDA margin and the level of capital expenditure required to maintain the assets.

The Group prepared cash flow forecasts derived from the most recent financial budgets approved by the Board in March 2024 covering five years.

These projections and downside sensitivities for the timing and rate of passenger volume recoveries are in line with the projections used for going concern. For the purposes of the impairment assessment the business reflected the budget for the first five years and considered a terminal value for each CGU based upon a long-term growth reflecting estimated rates of inflation of 2% (US: 3% for year 6 until end of lounge term). The business has used a period of five years as recommended under IAS 36.

The discount rates used in the cash flow forecasts have been estimated based on pre-tax rates that reflect the market participant’s assessment of the time value of money and the risks specific to the cash generating unit. In determining the discount rates, the Group has sought to arrive at a Weighted Average Cost of Capital (WACC) using the capital asset pricing model for a market participant.

Reflecting climate change

In the preparation of these financial statements the Directors have adopted a ‘Paris aligned’ set of assumptions and estimates based upon a 1.5 degree global warming scenario. This has been reflected in MAG’s impairment assessment by reflecting the risks and opportunities detailed in the Group’s TCFD disclosures on page 36 and estimating the quantum and timing in the cashflows of the Group’s approved business plan upon which the impairment assessment is based. Given the longer-term impact of climate change, most of cashflow impacts are beyond the 5 year forecast period and have been reflected by management in the terminal value estimates. The Directors will continue to re-assess the evolving climate change risk and refine its judgements and estimates in the preparation of the Group’s financial statements.

The other areas in the financial statements where the impact of the TCFD risks and opportunities have been considered are:

- Going Concern and Viability assessment which uses the approved business plan (see page 93 to 94); and
- The impact on the useful economic lives of the Group’s property, plant and equipment (see note 14 on page 124)

Notes to the financial statements continued
for the year ended 31 March 2024

19. INVENTORIES

	2024 £m	2023 £m
Consumables	2.2	4.1
	2.2	4.1

The amount of inventory charged to operating costs in the year amounted to £17.7m (2023: £12.1m)

20. TRADE AND OTHER RECEIVABLES

	2024 £m	2023 £m
Trade receivables	80.9	53.7
Other receivables	12.5	13.3
Prepayments	12.4	9.9
Accrued income	44.3	40.4
Trade and other receivables (excluding corporation tax recoverable)	150.1	117.3
Corporation tax recoverable	12.6	–
Trade and other receivables (including corporation tax recoverable)	162.7	117.3

The average credit period taken on sales is 24 days (2023: 19 days). Provisions for expected credit losses within trade receivables have been made, totalling £6.7m (2023: £6.0m). This includes reserves against specific debts estimated as irrecoverable, and an additional provision of £0.6m (2023: £0.5m).

The directors consider that the carrying amount of trade and other receivables approximates to fair value. Trade receivables are non-interest bearing and are generally on 30-day terms. The level of past due debt over 90 days old based on due date:

	2024 £m	2023 £m
Debt due over 90 days	13.5	5.9
Total	13.5	5.9

Movement in the provision for impairment of trade receivables is as follows:

	£m
Balance at 1 April 2023	6.0
Decrease in allowance for impaired receivables	(1.2)
Additional provision during the year	1.9
Balance at 31 March 2024	6.7
Balance at 1 April 2022	5.8
Decrease in allowance for impaired receivables	(1.2)
Additional provision during the year	1.4
Balance at 31 March 2024	6.0

The creation and release of provisions for impaired receivables have been included in ‘operating expenses’ in the consolidated income statement.

20. TRADE AND OTHER RECEIVABLES CONTINUED

Amounts charged to the provision account are generally written off when there is no expectation of recovery. The ageing of these receivables is as follows:

	2024 £m	2023 £m
30 to 60 days	2.6	1.7
60 to 90 days	0.1	0.3
Over 90 days	4.0	4.0
Total	6.7	6.0

The Group has limited exposure to foreign currency exchange risk with trade and other receivables including £13.0m held in US dollars by the MAG US business. All other receivables amounts are denominated in pounds sterling. Additional disclosure on financial risk is included in note 26.

21. AMOUNTS OWED BY GROUP UNDERTAKINGS

	2024 £m	2023 £m
Amounts owed by group undertakings – interest free	118.8	121.2
Amounts owed by group undertakings – interest bearing	545.7	552.2
Total held in non-current assets	664.5	673.4

Amounts owed by group undertakings are balances receivable from entities within the group headed by Manchester Airport Holdings Limited, but not part of the entities consolidated within this annual report and accounts.

Interest bearing balances of £545.7m (2023: £552.2m) include balances held with Manchester Airports Holdings Limited (2024: £230.2m, 2023: £216.9m), Manchester Airports Finance Holdings Limited (2024: £279.4m, 2023: £301.1m), and Manchester Airport Group Overseas Investments Limited (2024: £36.1m, 2023: £34.2m). Finance income on these interest bearing balances accrues at 1.5% over the Bank of England interest rate, and is disclosed within note 7 to the consolidated financial statements.

Settlement terms on all amounts due to subsidiaries are at a date mutually agreed by both parties to the balance. At 31 March 2024 the directors do not consider it probable that receipt will be within 12 months and as such the full balance due from subsidiaries is classified as non-current, as was the case for the full balance of £673.4m in the prior year.

22. CASH AND CASH EQUIVALENTS

	2024 £m	2023 £m
Cash at bank and in hand	523.0	159.7
Total	523.0	159.7

Balances above exclude overdraft balances, and the Consolidated Statement of Cash Flows presents the movement in net cash, inclusive of overdrafts. Overdraft balances can be found in note 24 to the financial statements.

Notes to the financial statements continued
for the year ended 31 March 2024

23. BORROWINGS

	Note	2024 £m	2023 £m
Bank loans and overdrafts	24	188.3	105.2
Bonds	25	360.0	–
Current borrowings		548.3	105.2
Bank loans	24	(3.4)	(3.7)
Bonds	25	1,437.6	1,439.8
Non-current borrowings		1,434.2	1,436.1
Total borrowings		1,982.5	1,541.3

Borrowings are repayable as follows:

	Note	2024 £m	2023 £m
In one year or less, or on demand			
Overdrafts	24	188.3	105.2
Bonds	25	360.0	–
		548.3	105.2
In more than one year, but no more than two years			
Bonds	25	–	359.0
		–	359.0
In more than two years, but no more than five years			
Bank loans	24	(3.4)	(3.7)
Bonds	25	–	–
		(3.4)	(3.7)
In more than five years – due other than by instalments			
Bonds	25	1,437.6	1,080.8
		1,437.6	1,080.8
Non-current borrowings		1,434.2	1,436.1
Total borrowings		1,982.5	1,541.3

The Group is party to a Common Terms Agreement (CTA) where bank and bond creditors benefit from the same suite of representations, warranties and covenants. The CTA was signed on 14 February 2014.

23. BORROWINGS CONTINUED

The CTA together with a Master Definitions Agreement covers, inter alia, The Amended and Restated Initial Authorised Credit Facility Agreement (ACF), The Amended and Restated Liquidity Facility Agreement (LF), and the Group’s issue of publicly listed fixed rate secured bonds in February 2014 and April 2014 respectively.

The Amended and Restated LF Agreement has total facilities of £90.0m and is sized to cover 12 months interest on secured debt. The LF Agreement is a 364-day revolving facility with a five year term on each annual renewal. The LF, along with the RCF, were refinanced in May 2022 with a maturity date of May 2027. Following the execution of an extension option in May 2024, the facilities have a revised maturity date of May 2029.

The Group issued a £450.0m publicly listed fixed rate secured bond on 14 February 2014 with a scheduled and legal maturity of 2034¹.

The Group issued a £360.0m publicly listed fixed rate secured bond on 16 April 2014 with a scheduled and legal maturity of 2024. All proceeds from the issue of the bonds (net of certain issuance fees) were used to repay a large portion of the Secured Senior Term Facility¹.

The Group issued a £300.0m publicly listed fixed rate secured bond on 15 November 2017 with a scheduled and legal maturity of 2039. All proceeds from the issue of the bonds (net of certain issuance fees) were used to repay the Revolving Credit Facility¹.

The Group issued a £350.0m publicly listed fixed rate secured bond on 9 May 2019 with a scheduled and legal maturity of 31 March 2044. All proceeds from the issue of the bonds (net of certain issuance fees) were used to repay the Revolving Credit Facility¹.

The Group successfully issued a £360.0m fixed rate secured bond in September 2023 with a legal maturity of 30 September 2041 in order to refinance a £360.0m bond which was repaid on 2 April 2024 as it matured.

The Group’s borrowings are all secured via a fixed and floating charge over substantially all of the assets of the Group.

¹ Issue costs arising in relation to obtaining finance are amortised over the duration of the financing as part of the effective interest rate.

24. BANK LOANS AND OVERDRAFTS

	2024 £m	2023 £m
Bank loans and overdrafts	188.3	105.2
Bank loans and overdrafts – current	188.3	105.2
Secured Revolving Credit Facility	–	–
Less: unamortised debt issue costs ¹	(3.4)	(3.7)
Bank loans and overdrafts – non-current	(3.4)	(3.7)
Bank loans and overdrafts – total	184.9	101.5

¹ Issue costs arising in relation to obtaining finance are amortised over the duration of the financing as part of the effective interest rate.

At 31 March 2024 the Group had £484.0m (2023: £484.0m) undrawn committed borrowing facilities in respect of which all conditions precedent had been met at that date. The undrawn committed borrowing facilities consist of a £500.0m Secured Revolving Credit Facility, less certain carve-outs in respect of ancillary facilities of £16.0m. The Group also had access to £10.0m of overdraft facilities.

Interest on the Secured Revolving Credit Facility is linked to SONIA plus a margin.

See note 26 for further information on financial liabilities, including maturity analysis.

Notes to the financial statements continued
for the year ended 31 March 2024

25. BONDS

	2024 £m	2023 £m
Repayable other than by instalments:		
MAG bond 4.125% £360.0m due 2024	360.0	360.0
MAG bond 4.75% £450.0m due 2034	450.0	450.0
MAG bond 2.875% £300.0m due 2039	300.0	300.0
MAG bond 6.125% £360m due 2041	360.0	–
MAG bond 2.875% £350m due 2044	350.0	350.0
Less: discount on issue	(10.4)	(9.3)
Less: unamortised debt issue costs	(12.0)	(10.9)
	1,797.6	1,439.8

See note 26 for further information on financial liabilities, including maturity analysis.

All bonds are listed on the London Stock Exchange (LSE).

26. FINANCIAL INSTRUMENTS

Risk management

The Group’s activities expose it to a variety of financial risks. The Group’s funding, liquidity and exposure to interest rate risks are managed by the Group’s treasury function.

Treasury operations are conducted within a framework of policies, which are approved and subsequently monitored by the Board. These include guidelines on funding, interest rate risk management and counterparty risk management.

Interest rate risk

The Group actively manages its exposure to interest rate risk through determining the optimum profile and mix of funding between fixed and floating rates that is most appropriate to the Group’s cashflows, up to a maximum of 90% fixed. Where necessary, the Group uses derivative financial instruments such as interest rate swaps to generate the desired interest rate profile and to manage the Group’s exposure to interest rate fluctuations, but based on the current debt profile there are no instruments in place at the year end. The cash balances attract interest at floating rates.

Liquidity risk

The principal sources of the Group’s liquidity risk are the ability to refinance debt facilities as they fall due, ensuring cash and cash equivalents are accessible as when required and borrowing facilities are sufficient for the future needs of the Group. Although there can be no certainty that financing markets will remain open for issuance at all times, debt maturities are spread over a range of dates, thereby ensuring that the Group is not exposed to excessive refinancing risk in any one year. The Group’s key guideline in managing liquidity risk is to limit the amount of borrowings maturing within 12 months to 35% of gross borrowings less cash and cash equivalents (this was the case for the £360m bond that was due on 2 April and was repaid as it matured). All cash and cash equivalents are held on short-term deposit within term limits set by the Board. Moreover, debt facilities are maintained at a level that is sufficient to provide a reasonable surplus beyond the future needs of the Group.

At the year ended 31 March 2024, MAG had £2,304.0m (2023 £1,944.0m) of committed facilities (excluding the Initial LF Agreement) and a net debt position of £1,459.5m (2023 £1,381.6m). MAG had financial headroom of £828.7m (2023 £548.5m) at the year end, a level comfortably in excess of the internal compliance target. Under existing facilities and based on the board approved business plan MAG is forecast to have financial headroom in excess of the minimum Treasury Policy target of £100m throughout 2024-25.

Foreign exchange risk

The Group is not materially exposed to foreign exchange risk as all material transactions and financial instruments are in pounds sterling. As we look to grow operations in the USA in the future, where the income and expenditure do not naturally offset, we may consider the use of currency hedges to manage any exposure to foreign exchange.

26. FINANCIAL INSTRUMENTS CONTINUED

Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure.

Credit risk

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

The Group maintains a prudent split of cash and cash equivalents across a range of market counterparties in order to mitigate counterparty credit risk. Board approved investment policies provide counterparty investment limits, based on credit ratings. Investment activity is reviewed on a regular basis and no cash or cash equivalents are placed with counterparties with short-term credit ratings lower than the prescribed limits. The Group monitors the credit rating of market counterparties on a regular basis.

The Group’s exposure to credit risk on trade receivables is mitigated by limiting exposure to any one counterparty. Risk reports and available aviation and financial information updates used by the Group provide valuable information in relation to any changes in the credit risk profile of its customers, or within the market, and allow the Group to take a flexible approach to the management of risk. Credit exposures in relation to ad hoc customers are mitigated, where necessary, using prepayments or the request of deposits.

An analysis of trade receivables, including the value of those past their due dates and the provision for impairment, is included in note 20 Trade and Other Receivables.

Financial liabilities

(a) Interest rate profile of financial liabilities

The interest rate profile of the Group’s financial liabilities as at 31 March 2024 was as follows:

	2024 £m	2023 £m
Fixed rate financial liabilities	1,797.6	1,439.8
Floating rate financial liabilities	184.9	101.5
	1,982.5	1,541.3

The Revolving Credit Facility bears an interest rate based on Sterling Overnight Index Average (SONIA) at the Group’s discretion, between one week and six months, plus a credit margin. The overdrafts bear interest at Bank of England Base Rate plus a credit margin.

The Group has prepared an analysis on the impact of potential, likely changes in interest rates.

The result of an increase in interest rates of 1% per annum would be to increase income and equity for the year by the following amounts:

	2024 £m	2023 £m
Impact on income statement	3.3	0.6
	3.3	0.6

(b) Fixed rate and non-interest bearing financial liabilities

	2024 £m	2023 £m
Weighted average annual interest rate	4.23%	6.36%
Weighted average period for which interest rate is fixed	12yrs 4m	20yrs 5m

The weighted average period for non-interest bearing liabilities as at 31 March 2024 was one year (2023: one year).

Notes to the financial statements continued

for the year ended 31 March 2024

26. FINANCIAL INSTRUMENTS CONTINUED

(c) Maturity analysis of financial liabilities

The table below shows the gross undiscounted contractual cash outflows in relation to the Group's financial liabilities as at 31 March 2024 to the contract maturity date.

	2024 £m	2023 £m
In one year or less, or on demand	422.1	54.9
In more than one year but not more than two years	62.1	400.1
In more than two years but not more than five years	186.3	120.2
In more than five years	2,084.7	1,489.2
	2,755.2	2,064.4

This maturity profile represents the fair value of all financial liabilities, as denoted in table (d) below.

Undrawn committed borrowing facilities

As at 31 March 2024, the Group had an undrawn committed borrowing facility available amounting to £484.0 (2023: £484.0m).

	2024 Floating rate £m	2023 Floating rate £m
Expiring in more than two years	484.0	484.0
	484.0	484.0

(d) Fair values versus carrying amounts of financial statements

The following table provides a comparison, by category, of the carrying amounts and the fair values of the Group's financial instruments as at 31 March 2024 and 2023. Fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than in a forced or liquidation sale, and excludes accrued interest. Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest rates.

	Note	2024 Carrying amount £m	2024 Fair value £m	2023 Carrying amount £m	2023 Fair value £m
Financial liabilities:					
Instruments held at amortised cost					
Bank loans and overdrafts	24	(184.9)	(184.9)	3.7	3.7
Trade payables	27	(67.3)	(67.3)	(53.9)	(53.9)
Bonds	25	(1,797.6)	–	(1,439.8)	(1,237.1)
		(2,049.8)	(252.2)	(1,490.0)	(1,287.3)
Financial assets:					
Instruments held at amortised cost					
Cash at bank and in hand	22	523.0	523.0	159.7	159.7
Trade receivables	20	80.9	80.9	53.7	53.7
Other assets held at fair value					
Investment properties	16	166.1	166.1	155.1	155.1
		770.0	770.0	368.5	368.5
Net financial liabilities		(1,279.8)	517.8	(1,121.5)	(918.8)

26. FINANCIAL INSTRUMENTS CONTINUED

Fair value hierarchy

Financial instruments carried at fair value are required to be measured by reference to the following levels:

- **Level 1** – quoted prices in active markets for identical assets or liabilities;
- **Level 2** – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value have been measured by a Level 2 valuation method.

Investment properties carried at fair value have been measured by a Level 3 valuation method.

Summary of methods and assumptions used for determining fair values

Bonds	The fair value of publicly listed bonds is based on market prices or, if not available, brokers' quotes. The carrying value is net of unamortised issue costs.
Bank loans	The fair value of the bank loans approximates to the carrying value given their floating rate basis and interest setting frequency. The carrying value is net of unamortised issue costs.
Other borrowings	The fair value of other borrowings is based on a discounted cash flow methodology that reflects movements in underlying market rates.
Cash at bank and in hand	The fair value of cash at bank and in hand approximates to the carrying value as all deposits have same-day access.
Trade receivables and payables	The fair value of trade receivables and trade payables approximates to the carrying value given their short-term nature.
Investment properties	The methodology for calculating fair values of investment properties are discussed in note 16.

(e) Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2024 Carrying amount £m	2023 Carrying amount £m
Trade receivables	20	80.9	53.7
Cash at bank and in hand	22	523.0	159.7
Credit exposure		603.9	213.4

Further analysis on the credit risk, ageing and impairment of trade receivables can be found in note 20.

Notes to the financial statements continued
for the year ended 31 March 2024

27. TRADE AND OTHER PAYABLES

	2024 £m	2023 £m
Trade payables	67.3	53.9
Other taxation and social security	11.2	1.2
Other payables	14.5	4.4
Accruals	215.3	193.8
Capital-based grants	1.6	0.8
Total trade and other payables (excluding amounts owed to group undertakings)	309.9	254.1
Amounts owed to group undertakings	21.2	10.0
Total trade and other payables (including amounts owed to group undertakings)	331.1	264.1

The directors consider that the carrying value of trade and other payables approximates to their fair value.

As part of the purchase agreement of ParkCloud Holdings Limited (ParkCloud), a contingent payment has been agreed. This has been considered in line with the requirements of IFRS 3 and has been assessed to be remuneration. The cost of the payment has been recognised over the period to which the earn out relates, within adjusted operating costs.

Included within the accruals balance of £215.3m comprises capital accruals of £60.2m and operational expenditure accruals of £155.1m.

The contingent payment is due after May 2024 following measurement of the financial performance of ParkCloud 12 months after acquisition and is held here in other payables.

The amounts owed to group undertakings of £21.2m (2023: £10.0m) reflect amounts owed to entities that fall outside of this Group and are held with entities in the wider MAG group. Settlement terms on all amounts due to group undertakings are at a date mutually agreed by both parties to the balance.

28. DEFERRED INCOME

	2024 £m	2023 £m
Deferred income	43.0	35.6
Total	43.0	35.6

Deferred income primarily relates to cash receipts for car park bookings dated after the year end, and cash receipts on property income billed in advance.

The increase in deferred income versus 2023 is primarily driven by increased car park booking volumes, following a significant increase in passenger volumes.

29. PROVISIONS

	Post sale commitments £m	Other provisions £m	Total £m
1 April 2023	2.1	20.0	22.1
Arising during the year	2.7	3.5	6.2
Utilised	–	(6.0)	(6.0)
31 March 2024	4.8	17.5	22.3
Current	–	17.5	17.5
Non-current	4.8	–	4.8
31 March 2024	4.8	17.5	22.3

Post sale commitments

As part of the Group’s disposal of its non core property portfolio in August 2020, the Group entered into commitments to third parties as a result of the sale, relating to post completion under the sale and purchase agreement. Management has estimated the cost of providing these services to be £4.8m. Management anticipate that the satisfaction of the provision will be achieved within the next two to four years, as such the provision has been disclosed as being non-current. The estimated cashflows have been discounted based upon initial estimated cash outlay less future income stream discounted at 10%, based on the Group cost of capital.

Other provisions

The other provisions balance includes a provision in relation to insurance claims liabilities from incidents which have occurred at either Manchester Airport, Stansted Airport or East Midlands Airport, and provisions relating to potential litigation across the Group including legal fees. Management anticipate that the satisfaction of the provision will be achieved within the next 12 months, as such the provision has been disclosed as being current. Management has estimated the cost of satisfying the provisions within this category to be £17.5m.

None of the provisions are materially sensitive.

Notes to the financial statements continued
for the year ended 31 March 2024

30. RETIREMENT BENEFITS

The accounting position is calculated by the Directors and supported by independent actuaries, PwC, who incorporate data taken from a number of sources in calculating the closing position at the year-end across the defined benefit schemes. The net surplus included in the financial statements under IAS 19 decreased from £86.6m at 31 March 2023 to £77.8m at 31 March 2024.

Summary of changes in aggregate pension scheme deficit	£m
Net surplus as at 31 March 2023	86.6
Administration expenses	(1.2)
Other financial incomes	4.1
Contributions	0.4
Actuarial gain loss	(12.1)
Net surplus as at 31 March 2024	77.8

Pensions

The Stansted and East Midlands scheme surpluses decreased from a combined £90.7m to £81.8m over the period. The surplus has decreased over the period predominantly due to actual return less expected return on the pension scheme assets being lower than expected. Based on the Group’s understanding of the scheme rules for the two schemes, it is the Group’s view that MAG is provided a right to a refund of any surplus in the schemes and consequently the surplus has been recognised in the financial statements.

MAG’s obligations to the GMPF ceased in FY23 other than the ongoing commitment of unfunded liabilities of £3.6m as at 31 March 2024 (2023: £3.9m).

The net surplus of £77.8m in the accounts reflects a net liability of £4.0m in the AVPS and GMPF schemes and a net surplus of £81.8m in the EMIA and STAL schemes. The total of £77.8m shows the net position across the Group, however the net surplus in the EMIA and STAL schemes cannot be offset against the net liability of the AVPS and GMPF schemes, so these are presented separately in the consolidated statement of financial position.

Defined contribution schemes

The Group operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. Where there are employees who leave the scheme prior to vesting fully, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The total cost charged to income of £13.3m (2023: £12.5m) represents contributions payable to the scheme by the Group at rates in the pension scheme’s contribution schedule. As at 31 March 2024, there was £nil (2023: £nil) of contributions due in respect of the current reporting period that had not been paid over to the scheme.

Defined benefit schemes

During the year, the Group operated four defined benefit pension schemes as follows:

- M.A.G (STAL) Pension Scheme (STAL).
- E.M.I.A. Pension Scheme (EMIA).
- Airport Ventures Pension Scheme (AVPS).
- The Greater Manchester Pension Fund (GMPF).

Collectively these are known as the ‘Schemes’.

In these disclosures, AVPS and GMPF are collectively shown on the ground of materiality and labelled as ‘Other’.

Under the Schemes, the employees are entitled to retirement benefits based on salary and length of service at the time of leaving the Schemes, payable on attainment of retirement age (or earlier withdrawal or death). No other post-retirement benefits are provided. All Schemes are closed to new entrants. AVPS was previously closed to the future accrual of benefits, and the GMPF, STAL and EMIA were closed to the future accrual of benefits during the year to 31 March 2022.

30. RETIREMENT BENEFITS CONTINUED

Defined benefit schemes continued

The Group operates the Schemes under the UK regulatory framework. Benefits are paid to members from trustee-administered funds, and the trustees of each scheme are responsible for ensuring that each respective scheme is sufficiently funded to meet current and future benefit payments. Scheme assets are held in trusts separate to the Group. If investment experience is worse than expected, the Group’s obligations are increased.

The nature of the relationship between the Group and the trustees of each scheme is also governed by UK regulation. The trustees must agree a funding plan with the Group such that any funding shortfall is expected to be met by additional contributions and investment performance. In order to assess the level of contributions required, triennial valuations are carried out, with each scheme’s obligations being measured using prudent assumptions (relative to those used to measure accounting liabilities).

The trustees’ other duties included managing the investment of scheme assets, administration of scheme benefits and exercising of discretionary benefits. The Group works closely with the trustees to manage each scheme.

We are not aware of any evidence of issues relating to the High Court’s June 2023 judgement in the case of Virgin Media Limited vs NTL Pension Trustees II Limited in respect of the Schemes. The trustees have not completed the investigation into the impact of the judgement, and note there is an appeal currently in progress. A full assessment will be completed after the outcome of the appeal if required. The Company is not aware of any evidence suggesting a material impact due to the judgement at this time.

Total regular employer’s pension contributions for the Schemes across the Group during the year ended 31 March 2024 amounted to £0.4m (2023: £7.4m) and there were no one-off contributions during this period (2023: £nil).

Total employees’ pension contributions for the Schemes across the Group during the year ended 31 March 2024 amounted to £nil (2023: £nil) and there were no one-off contributions during this period (2023: £nil).

Actuarial gains or losses are recognised immediately in the statement of comprehensive income, included within remeasurements.

M.A.G (STAL) Pension Scheme (STAL)

On 28 February 2013, the Group acquired the entire share capital of Stansted Airport Limited. A condition of the purchase was that a new defined benefit pension scheme was set up to provide comparable benefits to those employees who had previously participated in the BAA pension scheme prior to the acquisition. Current employees transferred their accrued benefits to STAL, but no liability for pensioners or deferred members was transferred. STAL was closed to future accrual during FY22.

The last full actuarial valuation of STAL was carried out by the Scheme Actuary on 30 September 2022. The aggregate market value of the assets was updated by a full valuation and at the date of that actuarial valuation was £197.9m (previous valuation £198.8m), which represented approximately 124% (previous valuation 89.3%) of the present value of the liabilities. STAL was valued using the projected unit method. There are no expected future contributions for the year ending 31 March 2025.

Other schemes

Full actuarial valuations were carried out on the other defined benefit schemes as follows:

- E.M.I.A. Pension Scheme (EMIA) – 6 April 2023;
- Airport Ventures Pension Scheme – 1 August 2022; and
- Greater Manchester Pension Fund – 31 March 2022.

The aggregate market value of the assets in EMIA at the date of the actuarial valuation was £68.8m (previous valuation £60.6m), which represented approximately 107% (previous valuation 67%) of the present value of the liabilities. EMIA was valued using the projected unit method. There are no expected future contributions for the year ending 31 March 2025.

The other schemes are not significant to the Group and details of their valuation are included in the relevant entity’s financial statements.

The numerical disclosure provided below for the Schemes is based on the most recent actuarial valuations disclosed above, which have been updated by independent qualified actuaries to take account of the requirements of IAS 19.

Notes to the financial statements continued
for the year ended 31 March 2024

30. RETIREMENT BENEFITS CONTINUED

The key assumptions used are as follows:

	MAG (STAL)		EMIA		AVPS	
	2024	2023	2024	2023	2024	2023
Discount rate	4.90%	4.80%	4.90%	4.85%	4.90%	4.85%
RPI inflation	3.15%	3.20%	3.20%	3.25%	3.20%	3.25%
CPI inflation	2.55%	2.60%	2.50%	2.50%	2.70%	2.70%
Increases to pensions in payment						
RPI (max 5%)	3.05%	3.10%	3.10%	3.15%	n/a	n/a
RPI (max 2.5%)	2.15%	2.20%	2.20%	2.20%	n/a	n/a
CPI	n/a	n/a	n/a	n/a	2.70%	2.70%
CPI (max 3%)	2.15%	2.20%	2.15%	2.15%	2.20%	2.20%
RPI	3.15%	3.20%	n/a	n/a	3.25%	3.25%
Life expectancy from 65						
Longevity at age 65 for current pensioners						
Males	21.2 years	21.6 years	21.9 years	22.2 years	20.0 years	20.6 years
Females	23.3 years	23.7 years	23.9 years	24.0 years	23.0 years	23.4 years
Longevity at age 45 for current members						
Males	22.5 years	23.0 years	23.2 years	23.6 years	21.1 years	21.7 years
Females	24.7 years	25.2 years	25.4 years	25.4 years	24.6 years	25.0 years

The RPI inflation assumption is set by extrapolating the Bank of England implied inflation curve out to longer terms and using the same projected cashflows to derive a single equivalent RPI inflation assumption. CPI inflation is set by reference to RPI inflation as no CPI-linked bonds exist. Management have continued to use the revised basis for the estimation of the inflation assumptions following the Government’s announcement in 2020 to align RPI and CPI-H from February 2030.

Risk and risk management

Through its defined benefit pension schemes the Group is exposed to a number of risks, the most significant of which are detailed below.

Asset volatility	For the purpose of setting the contribution requirements, the calculation uses a discount rate set with reference to government bond yields, with allowance for additional return to be generated from the investment portfolio – whereas under IAS 19, the defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields. Each of the Schemes’ assets are invested in a range of asset classes, including government bonds and indirect lending.
Changes in bond yields	A fall in bond yields increases the value placed on the liabilities for reporting purposes and for setting the Group’s contribution requirements. However, in this scenario, the value of the Schemes’ investment in government bonds is expected to increase and therefore offset some of the increase in the value placed on the liabilities.
Inflation risk	The majority of the Schemes’ benefit obligations are linked to inflation and higher out-turn inflation will lead to a higher benefit obligation (although in most cases caps on the level of inflationary increases are in place to protect the plan against extreme inflation). A high proportion of the Schemes’ assets provide a direct hedge against changes in inflation as they are index-linked in nature e.g. index-linked government bonds.
Life expectancy	The majority of the Schemes’ obligations are to provide a pension for the life of the member, so increases in life expectancy will result in an increase in the Schemes’ liabilities. This is particularly significant where the longer duration and inflation-linked nature of the payments result in higher sensitivity to changes in life expectancy. The Schemes do not contain a hedge against increases in future life expectancy.

30. RETIREMENT BENEFITS CONTINUED

Details of the net pension liability by scheme are as follows:

	Fair value of scheme assets £m	Present value of defined benefit obligation £m	(Deficit)/ Surplus in the scheme £m		Fair value of scheme assets £m	Present value of defined benefit obligation £m	(Deficit)/ Surplus in the scheme £m
MAG (STAL) ¹				Other ^{2,3,4}			
2024	206.3	(133.0)	73.3	2024	2.0	(6.0)	(4.0)
2023	214.1	(134.3)	79.8	2023	2.2	(6.3)	(4.1)
2022	228.9	(200.6)	28.3	2022	469.6	(471.2)	(1.6)
2021	217.5	(218.8)	(1.3)	2021	488.7	(529.8)	(41.1)
2020	184.8	(182.1)	2.7	2020	412.3	(444.7)	(32.4)
2019	185.0	(209.8)	(24.8)	2019	469.4	(507.6)	(38.2)
2018	172.5	(195.0)	(22.5)	2018	441.4	(487.4)	(46.0)
EMIA ¹				Total ^{5,6}			
2024	65.2	(56.7)	8.5	2024	273.5	(195.6)	77.8
2023	69.0	(58.1)	10.9	2023	285.3	(198.7)	86.6
2022	73.3	(77.9)	(4.6)	2022	771.8	(749.7)	22.1
2021	69.7	(82.2)	(12.5)	2021	775.9	(830.8)	(54.9)
2020	60.7	(77.2)	(16.5)	2020	657.8	(704.0)	(46.2)
2019	61.9	(82.8)	(20.9)	2019	716.3	(800.2)	(83.9)
2018	61.3	(80.1)	(18.8)	2018	675.2	(762.5)	(87.3)

NOTES

- 1 EMIA and STAL have a combined surplus of £81.8m which would be in the form of refunds. The Group’s assessment is that it has a right to a refund of surplus under the IFRIC 14 requirements based on the rules of the respective schemes. Since these schemes have closed to accrual, the surpluses can only be recognised as a right to refund.
- 2 This is a combination of both AVPS and GMPF pension schemes, grouped together on the grounds of materiality.
- 3 AVPS has a deficit of £0.4m (2023: deficit of £0.2m). In prior years, when a surplus has been present, it has not been recognised in line with IFRIC 14, as any surplus cannot be recovered by reducing future contributions.
- 4 The figures as shown up to FY22 represent the proportion of GMPF prior to settlement in FY23 that is attributable to the Group. FY23 figures onwards show the value of the liabilities that are unfunded, £3.6m (2023: £3.9m), as this has remained as an obligation to MAG in respect of the GMPF following the conclusion of the DDA on 2 September 2022.
- 5 The total of £77.8m shows the net position across the Group, however the surplus in the MAG (STAL) and EMIA schemes cannot be offset against the deficit of the other schemes, so these are presented separately.
- 6 There have been no other adjustments made in line with IFRIC 14.

Notes to the financial statements continued

for the year ended 31 March 2024

30. RETIREMENT BENEFITS CONTINUED

Plan assets

	MAG (STAL)		EMIA		Other		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Equities and other growth assets	65.6	70.6	21.3	22.9	–	–	86.9	93.5
Corporate and government bonds	116.4	118.9	33.6	35.5	1.9	2.1	151.9	156.5
Other	24.3	24.6	10.3	10.6	0.1	0.1	34.7	35.3
Fair value of assets	206.3	214.1	65.2	69.0	2.0	2.2	273.5	285.3

EMIA contains Level 3 assets where the valuation is not based upon observable market data. The valuations, which conform to International Valuation Standards, were arrived at by reference to market evidence of transaction prices for similar assets and discounted cash flow methods.

The valuation techniques applied to the Level 3 assets within the Group's pension schemes are for EMIA Annuities (to discharge liability relating to specific scheme members) – valued at the corresponding amount of the relevant scheme member's scheme obligation.

Movement in net defined benefit liability – all schemes

	Defined benefit obligation		Fair value of scheme assets		Net defined benefit liability	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Opening position as at 1 April*	(198.7)	(749.7)	285.3	771.8	86.6	22.1
Included in the income statement						
Current service cost of defined benefit scheme/administration expenses	–	–	(1.2)	(1.1)	(1.2)	(1.1)
Settlements	–	368.9	–	(488.6)	–	(119.7)
Interest (cost)/income	(9.5)	(12.5)	13.6	13.3	4.1	0.8
Net interest on asset ceiling	–	–	–	(0.3)	–	(0.3)
	(9.5)	356.4	12.4	(476.7)	2.9	(120.3)
Amount recognised in the statement of comprehensive income (SOCi)						
Actual return less expected return on pension scheme assets	–	–	(18.0)	(28.1)	(18.0)	(28.1)
Experience loss arising on scheme liabilities	(0.6)	(29.5)	–	–	(0.6)	(29.5)
Remeasurement gain due to financial assumption changes	4.3	208.4	–	–	4.3	208.4
Remeasurement gain/(loss) due to demographic assumption changes	2.2	(0.8)	–	–	2.2	(0.8)
Impact of change in the asset ceiling	–	–	–	27.4	–	27.4
	5.9	178.1	(18.0)	(0.7)	(12.1)	177.4
Cash flows						
Contributions	–	–	0.4	7.4	0.4	7.4
Benefits paid	6.6	16.5	(6.6)	(16.5)	–	–
Closing position as at 31 March	(195.7)	(198.7)	273.5	285.3	77.8	86.6

* The FY23 opening position includes the impact of the asset ceiling of £27.1m.

The total of £77.8m shows the net position across the Group, however the surplus in MAG (STAL) and EMIA cannot be offset against the deficit of the other schemes, so these are presented separately.

30. RETIREMENT BENEFITS CONTINUED

Movement in net defined benefit liability – MAG (STAL) scheme

	Defined benefit obligation		Fair value of scheme assets		Net defined benefit liability	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Opening position as at 1 April	(134.3)	(200.6)	214.1	228.9	79.8	28.3
Included in the income statement						
Current service cost of defined benefit scheme/administration expenses	–	–	(0.7)	(0.8)	(0.7)	(0.8)
Interest (cost)/income	(6.4)	(5.2)	10.2	5.9	3.8	0.7
	(6.4)	(5.2)	9.5	5.1	3.1	(0.1)
Amount recognised in the statement of comprehensive income (SOCi)						
Actual return less expected return on pension scheme assets	–	–	(13.7)	(19.4)	(13.7)	(19.4)
Experience loss arising on scheme liabilities	(1.1)	(2.5)	–	–	(1.1)	(2.5)
Remeasurement gain due to financial assumption changes	3.6	70.5	–	–	3.6	70.5
Remeasurement gain/(loss) due to demographic assumption changes	1.6	(0.5)	–	–	1.6	(0.5)
	4.1	67.5	(13.7)	(19.4)	(9.6)	48.1
Cash flows						
Contributions	–	–	–	3.5	–	3.5
Benefits paid	3.6	4.0	(3.6)	(4.0)	–	–
Closing position as at 31 March	(133.0)	(134.3)	206.3	214.1	73.3	79.8

STAL liabilities have a duration of approximately 17 years (2023: 18 years).

Movement in net defined benefit liability – EMIA scheme

	Defined benefit obligation		Fair value of scheme assets		Net defined benefit liability	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Opening position as at 1 April	(58.1)	(77.9)	69.0	73.3	10.9	(4.6)
Included in the income statement						
Current service cost of defined benefit scheme/administration expenses	–	–	(0.4)	(0.3)	(0.4)	(0.3)
Interest (cost)/income	(2.8)	(2.0)	3.3	1.9	0.5	(0.1)
	(2.8)	(2.0)	2.9	1.6	0.1	(0.4)
Amount recognised in the statement of comprehensive income (SOCi)						
Actual return less expected return on pension scheme assets	–	–	(4.2)	(5.7)	(4.2)	(5.7)
Experience gain/(loss) arising on scheme liabilities	0.5	(3.4)	–	–	0.5	(3.4)
Remeasurement gain/(loss) due to financial assumption changes	0.7	22.5	–	–	0.7	22.5
Remeasurement gain/(loss) due to demographic assumption changes	0.5	(0.3)	–	–	0.5	(0.3)
	1.7	18.8	(4.2)	(5.7)	(2.5)	13.1
Cash flows						
Contributions	–	–	–	2.8	–	2.8
Benefits paid	2.5	3.0	(2.5)	(3.0)	–	–
Closing position as at 31 March	(56.7)	(58.1)	65.2	69.0	8.5	10.9

EMIA liabilities have a duration of approximately 14 years (2023: 14 years).

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for the year ended 31 March 2024

30. RETIREMENT BENEFITS CONTINUED

Movement in net defined benefit liability – Other

	Defined benefit obligation		Fair value of scheme assets		Net defined benefit liability	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Opening unrestricted position as at 1 April	(6.3)	(471.2)	2.2	496.7	(4.1)	25.5
Asset restriction **	–	–	–	(27.1)	–	(27.1)
Opening restricted position as at 1 April	(6.3)	(471.2)	2.2	469.6	(4.1)	(1.6)
Included in the income statement						
Current service cost of defined benefit scheme/administration expenses	–	–	(0.1)	–	(0.1)	–
Settlements *	–	368.9	–	(488.6)	–	(119.7)
Interest (cost)/income	(0.3)	(5.3)	0.1	5.5	(0.2)	0.2
Interest on asset ceiling	–	–	–	(0.3)	–	(0.3)
	(0.3)	363.6	–	(483.4)	(0.3)	(119.8)
Amount recognised in the statement of comprehensive income (SOCI)						
Actual return less expected return on pension scheme assets	–	–	(0.1)	(3.0)	(0.1)	(3.0)
Experience loss arising on scheme liabilities **	–	(23.6)	–	–	–	(23.6)
Remeasurement gain due to financial assumption changes **	–	115.4	–	–	–	115.4
Remeasurement gain due to demographic assumption changes	0.1	0.0	–	–	0.1	–
Impact of change in the asset ceiling	–	–	–	27.4	–	27.4
	0.1	91.8	(0.1)	24.4	–	116.2
Cash flows						
Contributions	–	–	0.4	1.1	0.4	1.1
Benefits paid	0.5	9.5	(0.5)	(9.5)	–	–
Closing position as at 31 March	(6.0)	(6.3)	2.0	2.2	(4.0)	(4.1)

* There was a material settlement item in FY23. On 2 September 2022, MAG was discharged from its obligations and liabilities to the GMPF in line with the Deferred Debt Agreement (DDA) signed on 22 March 2022. The impact of this has been recognised as a settlement. This has resulted in a net settlement loss of £119.7m. This will be offset by an OCI credit equal to the value of the surplus restriction as at 2 September 2022 (£120.6m). The difference in the two numbers (£0.9m) represents the value of the future deficit contributions that were expected at the point immediately prior to the settlement.

** The split between AVPS and GMPF on these material items are as follows:

- Asset restriction – n/a (AVPS), £27.1m (GMPF);
- Experience gain/(loss) arising on scheme liabilities – (£0.5m) (AVPS), (£23.1m) (GMPF); and
- Remeasurement loss due to financial assumption changes – £0.8m (AVPS), £114.6m (GMPF).

Other liabilities have a duration of approximately 13 years (2023: 13 years).

History of experience gains and losses

	MAG (STAL)		EMIA		Other	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Difference between actual and expected returns on assets	(13.7)	(19.4)	(4.2)	(5.7)	(0.1)	(3.0)
% of scheme assets	(6.6)%	(9.1)%	(6.4)%	(8.3)%	(5.0)%	n/a*
Experience (loss)/gain on liabilities amount	(1.1)	(2.5)	0.5	(3.4)	–	(23.6)
% of scheme liabilities	(0.8)%	(1.9)%	0.9%	(5.9)%	–	n/a*
Total amount recognised in SOCI	(9.6)	48.1	(2.5)	13.1	–	116.2
% of scheme liabilities	7.2%	(35.8)%	4.4%	(22.5)%	–	n/a*

* MAG is choosing not to present these here as the settlement means that these movements in FY23 would give exaggerated percentage values.

30. RETIREMENT BENEFITS CONTINUED

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	MAG (STAL) 2024 £m	EMIA 2024 £m	Other 2024 £m	Total 2024 £m
0.5% p.a. increase in real discount rate	(10.2)	(3.5)	(0.3)	(14.0)
0.5% p.a. decrease in real discount rate	11.5	3.9	0.3	15.7
0.5% p.a. increase in RPI inflation *	10.2	3.0	0.3	13.5
0.5% p.a. decrease in RPI inflation *	(8.9)	(2.9)	(0.3)	(12.1)
1 yr increase in life expectancy	2.9	1.8	0.3	5.0
1 yr decrease in life expectancy	(2.9)	(1.8)	(0.3)	(5.0)

* Including other inflation linked assumptions such as CPI inflation and pension increases. Please note that a 0.1% p.a. increase in RPI may have a lower impact due to rounding and the effect of the caps and floors on pension increases.

For the Schemes, for the future improvements to life expectancy under the mortality assumptions, the actuaries have used the CMI 2022 projections model, a 1.25% p.a. long-term trend rate, an initial addition parameter of 0.25% and a w2022 parameter of 25% alongside w2021 and w2020 parameters of 0%.

Mortality base tables have been set as follows: GMPF: Fund-specific Club Vita curves; STAL: 104%/110% of the SAPS Series 3 tables (males/females); EMIA: 94%/101% of the SAPS Series 3 tables (males/females); AVPS: 100%/100% of the SAPS Series 3 tables (males/females).

31. LEASE LIABILITIES

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
At 1 April 2023	234.7	216.5	7.0	458.2
Additions	7.4	–	3.1	10.5
Remeasurement*	13.3	27.4	0.1	40.8
Foreign exchange	(0.3)	–	–	(0.3)
Interest charge for the period	13.4	12.5	0.4	26.3
Payments of liabilities	(22.0)	(13.2)	(3.3)	(38.5)
At 31 March 2024	246.5	243.2	7.3	497.0

*Remeasurement

During the year, the right-of-use asset and lease liability were subject to a remeasurement of £40.8m, as a result of minimum rent amounts due on remaining lease terms increasing significantly across the Group’s lease portfolio. Key lease terms are described in this note on page 151.

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for the year ended 31 March 2024

31. LEASE LIABILITIES CONTINUED

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
At 1 April 2022	225.2	201.9	8.7	435.8
Additions	6.5	–	0.4	6.9
Remeasurement	9.7	15.3	0.2	25.2
Modification	(0.1)	–	–	(0.1)
Disposals	(0.2)	–	–	(0.2)
Foreign exchange	0.3	–	–	0.3
Interest charge for the period	12.4	11.1	0.3	23.8
Payments of liabilities	(19.1)	(11.8)	(2.6)	(33.5)
At 31 March 2023	234.7	216.5	7.0	458.2

Maturity analysis of principal balances on lease liabilities

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
Within one year	9.6	0.7	2.8	13.1
Within two to five years	32.4	3.0	4.5	39.9
After five years	204.5	239.5	–	444.0
Total	246.5	243.2	7.3	497.0

Undiscounted maturity analysis of lease liabilities

The table below shows the gross undiscounted contractual cash outflows in relation to the Group’s lease liabilities at 31 March 2024 to the contract maturity date.

	Land and buildings £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Total £m
In one year or less, or on demand	22.8	13.1	3.2	39.1
In more than one year, but not more than two years	21.9	13.1	2.1	37.1
In more than two years but not more than five years	57.4	39.4	2.6	99.4
In more than five years	718.7	708.8	–	1,427.5
Total	820.8	774.4	7.9	1,603.1

The expense relating to variable lease payments not included in the measurement of lease liabilities is £1.3m (2023: £2.7m). Expenses relating to both short-term leases and low-value leases is £nil (2023: £nil).

31. LEASE LIABILITIES CONTINUED

Key lease arrangements

Manchester City Council (held within land and buildings):

The Group has a commitment in respect of a land lease with Manchester City Council (MCC), a related party as described in note 37. Ground rent leases are a base fee of £2.8m, and this element of the lease contributed £52.1m to the closing lease liability in land and buildings.

Further minimum amounts are payable under the main lease agreement with MCC, one element variable based on turnover, and one element based on rental value of a number of properties at Manchester Airport. The minimum amounts due on the turnover element are based on a percentage of the prior rent paid. Management have concluded that these minimum percentage payments qualify as an in-substance fixed lease payment, contributing £53.7m to the closing lease liability. The payments based on rental value of properties are variable depending on an index or rate and contribute £85.9m to the closing lease liability. The discount rate implicit in the lease is 5.29%.

In 2021, the sale of the non-core property portfolio represented a trigger event on additional supplementary lease to the main agreements. As at the year end this contributes £11.2m (2023: £11.2m) to the closing lease liability.

In total, all arrangements with MCC contributes £202.9m of the closing lease liability in land and buildings, and no element of the annual rent is excluded from the measurement of the lease liability.

UK Power Networks (held within airport infrastructure):

A significant portion of the airport infrastructure lease liability relates to an electricity distribution agreement with UK Power Networks. Included in the measurement of the lease liability are minimum amounts payable under the agreement, relating to a base fee of £10.6m, and £2.6m for capital investment in the network, contributing £243.2m to the closing lease liability. Remaining amounts of £0.6m are due, relating to a volume and recharge element. These are variable in nature with no minimum commitment, and therefore excluded in measurement of the lease liability.

Aberdeen Standard (held within land and buildings):

The Group has a commitment in relation to a lease of office property at Manchester Airport with Aberdeen Standard. Included in the measurement of the lease liability is fixed rent due under the lease, currently £1.1m and reviewed five-yearly to reflect prevailing market rates. The obligations under this lease have contributed £13.4m to the closing lease liability.

32. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised by the Group and movements in relation to them during the current and prior years.

	Accelerated capital allowances £m	Investment properties £m	Retirement benefit obligations £m	Tax losses £m	Fair value acquisition adjustment £m	Short-term timing differences £m	Total £m
At 1 April 2023	130.5	38.6	21.7	(6.6)	36.9	14.1	235.2
Charge/(credit) to income	1.6	3.5	0.7	1.0	(3.1)	(1.7)	2.0
Charge to equity	–	–	(2.9)	–	(0.1)	–	(3.0)
Deferred tax on acquisitions	–	–	–	–	1.2	–	1.2
Other reclassifications	0.4	(0.4)	–	–	–	–	–
At 31 March 2024	132.5	41.7	19.5	(5.6)	34.9	12.4	235.4
At 1 April 2022	168.3	47.6	5.3	(35.4)	40.8	6.9	233.5
Charge/(credit) to income	(40.0)	(7.3)	(30.1)	28.8	(4.2)	7.2	(45.6)
Charge to equity	–	–	46.5	–	0.3	–	46.8
Reclassifications from liabilities associated with assets held for sale	–	0.5	–	–	–	–	0.5
Other reclassifications	2.2	(2.2)	–	–	–	–	–
At 31 March 2023	130.5	38.6	21.7	(6.6)	36.9	14.1	235.2

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for the year ended 31 March 2024

32. DEFERRED TAXATION CONTINUED

Deferred tax assets and liabilities have been offset in the disclosure above. The following is the analysis of the deferred tax balance for financial reporting purposes:

	2024 £m	2023 £m
Deferred tax liabilities	(245.0)	(246.7)
Deferred tax assets	9.6	11.5
	(235.4)	(235.2)

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning 1 April 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment performed, the Group should qualify for safe harbour exemptions should apply, and management is not currently aware of any circumstances under which this might change. Therefore the Group does not expect a potential exposure to Pillar Two top-up taxes. In line with the amendments to IAS 12, the exemption from accounting and corresponding disclosures in relation to deferred tax for the Pillar 2 rules has been applied.

33. OTHER NON-CURRENT LIABILITIES

	2024 £m	2023 £m
Accruals and deferred income	3.4	3.4
Capital-based grants	15.0	16.9
	18.4	20.3

Capital based grants relate to funding provided towards airport infrastructure and airspace research at Manchester and Stansted Airports. Amortisation of these grants begins when the underlying asset they relate to is brought into use, with the amortisation period aligning to the useful life of the asset. At 31 March 2024, the remaining amortisation period for the amortising capital based grants, as a weighted average, is approximately 25 years (2023: 25 years).

34. SHARE CAPITAL AND SHARE PREMIUM

	Ordinary shares of £1 each		
	Number of shares ¹ m	Share capital £m	Share premium £m
Issued, called up and fully paid			
At 1 April 2023	175.3	175.3	–
At 31 March 2024	175.3	175.3	–

¹ The shares have a nominal value of £1.

In the prior year the Company undertook a capital reduction, cancelling the share premium account in full and crediting retained earnings by the amount of the reduction.

Details of classes of shares in issue and their particulars can be found in note 9 to the MAGIL Company accounts.

35. RESERVES

	Foreign currency reserve ¹ £m	Other reserve ² £m	Retained earnings £m	Total ⁴ £m
At 1 April 2023	4.0	(1,249.6)	3,494.9	2,249.3
Result for the year	–	–	139.2	139.2
Foreign exchange movement	(3.1)	–	–	(3.1)
Remeasurement of retirement benefit liabilities, net of tax	–	–	(9.2)	(9.2)
Dividends paid to equity holders ³	–	–	(125.2)	(125.2)
As at 31 March 2024	0.9	(1,249.6)	3,499.7	2,251.0

	2024 £m	2023 £m
Reconciliation of movements in shareholders' funds		
Opening shareholders' funds	2,424.6	2,393.1
Total recognised income for the year	126.9	81.6
Dividends paid to equity holders ³	(125.2)	(50.1)
Equity shareholders' funds as at 31 March	2,426.3	2,424.6

¹ The foreign currency reserve reflects exchange rate differences arising when converting the Group's US operations results into the reporting presentation currency using the average rate to translate the income statement and the spot rate to translate the statement of financial position.

² Relates to acquisition of Stansted Airport in February 2013.

³ A dividend of £125.2m was declared and paid to parent company Manchester Airport Finance Holdings Limited in the year.

⁴ Total reserves attributable to equity holders of the Group.

Notes to the financial statements continued
for the year ended 31 March 2024

36. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2024 £m	2023 £m
Capital expenditure that has been contracted for but has not been provided for in the financial statements	164.8	132.3

The Group has performance bonds and other items arising in the normal course of business amounting to £3.7m at 31 March 2024 (2024: £3.0m). As part of its investment in Airport City, the Group has agreed to pay a further equity contribution up to a maximum of £12.0m if required.

Additionally, as part of the Group’s net zero 2038 commitment, the Group has committed to provide £10.0m of funding for a sustainable transport fund.

We are not aware of any evidence of issues relating to the High Court’s June 2023 judgement in the case of Virgin Media Limited vs NTL Pension Trustees II Limited in respect of the Schemes. The trustees have not completed the investigation into the impact of the judgement, and note there is an appeal currently in progress. A full assessment will be completed after the outcome of the appeal if required. The Company is not aware of any evidence suggesting a material impact due to the judgement at this time.

37. RELATED PARTY TRANSACTIONS

The ultimate parent entity is Manchester Airports Holdings Limited, a company registered in England and Wales. The ultimate controlling entity is Manchester Airports Holdings Limited.

Transactions involving The Council of the City of Manchester and the other council shareholders

The Council of the City of Manchester (MCC) is a related party to Manchester Airports Holdings Limited as MCC owns 35.5% of the share capital of the Company.

Included in external charges are charges for rent and rates amounting to £17.2m (2023: £37.3m) and other sundry charges of £0.2m (2023: £0.1m). The majority of these amounts are due to MCC. The remainder are collected by MCC and distributed to other local authorities.

Transactions involving Manchester Airports Holdings Limited

Manchester Airports Holdings Limited (MAHL) is the ultimate parent company of Manchester Airport Group Investments Limited.

As at 31 March 2024 the amount of loans outstanding owed by MAHL was £226.9m (2023: £214.1m), relating to historical transactions and interest on the unpaid balance. Included within finance income is interest on loans outstanding owed by MAHL of £14.2m (2023: £9.5m).

Transactions involving Manchester Airport Finance Holdings Limited (MAFHL)

Manchester Airport Finance Holdings Limited (MAFHL) is the parent company of Manchester Airport Group Investments Limited.

As at 31 March 2024 the amount of loans outstanding owed by MAFHL was £345.9m (2023: £378.7m), relating to historical payments of shareholder loan interest by the MAGIL Group on behalf of MAFHL. In addition, included within finance income, is interest on loans outstanding owed by MAFHL of £19.7m (2023: £6.1m). During the year ended 31 March 2024, dividends of £125.2m were declared and paid to MAFHL (2023: £50.1m).

Transactions involving Airport City (Manchester) Limited

Airport City (Manchester) Limited is a fellow Group company of the MAHL Group. As at 31 March 2024 the balance outstanding owed by Airport City (Manchester) Limited was £34.5m (2023: £36.4m), relating to the transfer of assets and funding. During the year funds provided to Airport City (Manchester) Limited increased by £1.9m (2023: decreased by £4.9m).

Transactions involving MAG Overseas Investments Limited

MAG Overseas Investments Limited (MOIL) is a fellow Group company of the MAHL Group. As at 31 March 2024 the net balance owed by MOIL was £36.1m (2023: £34.2m), relating to funding provided by the MAGIL Group. Included within finance income is interest on loans outstanding owed by MOIL of £2.0m (2023: £1.1m).

Transactions involving other related parties

As at 31 March 2024 the amounts owing to Manchester Central Convention Complex Ltd were £nil (2023: £nil), amounts owed were £nil (2023: £nil) and transactions during the year amounted to £0.4m in purchases and £0.9m in sales (2023: £1.0m).

The Directors’ emoluments note on page 117 states that within the LTIP amounts there is an Executive Incentive Plan (EIP) which delivers a return on LTIP amounts retained by MAG dependent upon achieving performance criteria. The amount of the Directors and key management LTIP that has been retained by MAG as part of the EIP at 31 March 2024 amounts to £1.9m.

38. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2023 £m	Cash flow £m	Other non-cash movements £m	2024 £m
Cash at bank and in hand	159.7	363.3	–	523.0
Cash and cash equivalents disclosed on the statement of financial position	159.7	363.3	–	523.0
Overdrafts	(105.2)	(83.1)	–	(188.3)
Total cash and cash equivalents (including overdrafts)	54.5	280.2	–	334.7
Current debt	–	–	(360.0)	(360.0)
Non-current debt	(1,436.1)	60.0	(58.1)	(1,434.2)
Net debt	(1,381.6)	340.2	(418.1)	(1,459.5)
IFRS 16				
Current debt	(9.4)	38.5	(42.2)	(13.1)
Non-current debt	(448.8)	–	(35.1)	(483.9)
	(458.2)	38.5	(77.3)	(497.0)
Total Net Debt including IFRS 16	(1,839.8)	378.7	(495.4)	(1,956.5)

39. POST BALANCE SHEET EVENTS

On 2 April 2024, MAG repaid a £360m bond, initially issued in April 2014, as it matured.

On 22 April 2024, the Group announced the successful issue of a £300m bond in the UK capital markets (London Stock Exchange), with a term of 18 years, at a rate of 5.75%.

The Group also executed an extension option to the RCF and LF facilities in May 2024, extending the legal maturity on both to May 2029.

Other information

for the year ended 31 March 2024

Overview

The Annual Report contains certain alternative performance measures (APMs) that are not required under International Financial Reporting Standards (IFRS) which represents the GAAP under which MAG presents its Group Financial Statements. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information and enable an alternative comparison of performance over time. APMs may not be considered comparable to other similarly titled measures used by other companies.

These APMs are primarily used to:

- Provide management with a basis of planning and assessing Group performance;
- Set levels of management performance based remuneration;
- Calculate covenant compliance; and
- Explain Group performance to MAG’s investor base.

Adjusted items

Many of the Group’s APMs are measures prior to the impact of adjusted items.

Applied consistently over time, adjusted items are items of income and expense that, because of their size, unusual nature, or frequency of the events giving rise to them, merit separate presentation, as these are incremental, and to allow an understanding of the Group’s underlying financial performance from its trading activities. Such items include:

Impairment of assets

Impairment charges related to non-current assets are non-cash items and tend to be significant in size. The presentation of these as adjusted items further enhances the understanding of the ongoing performance of the Group. Impairments of property, intangible assets and other tangible fixed assets are included in adjusted items if related to a fundamental transformation project or if significant in size. Other impairments are included in underlying results.

Major reorganisation of businesses, transformation and costs associated with acquisitions

Restructuring costs are classified as adjusted items if they relate to a fundamental change in the organisational structure of the Group or a transformational change in the operating model of a business within the Group. Costs may include redundancy, property closure costs and consultancy costs, which are significant in size and will not be incurred under the ongoing structure or operating model of the Group. All costs related to the acquisition of businesses will be classified as adjusted.

Costs associated with the modification of financial instruments, close out of previous financing arrangements upon refinancing

Costs associated with the refinancing and changes to debt facility agreements during the current and prior year are included within adjusted items as they are significant in size, and do not form part of the underlying trading activities.

Curtailment gain or loss

Curtailment gain or loss are recorded in adjusted items where they do not form part of the underlying trading activities of the Group or are infrequent in occurrence in order to enhance the understanding of the underlying financial performance of the Group. Such examples would include early termination of a lease and the curtailment gain due to the closure of the pension schemes and offsetting costs associated with this.

Multi-year projects

Where the impact of adjusted items span multiple years, MAG considers the overall quantum of incremental costs of the project, in comparison to the going forward recurring cost base, and disclose the cumulative adjusted costs relating to the project and the expected timeline for future costs to be incurred. MAG identifies the scope and budget of such projects at their inception and commences recognising costs as adjusted provided that the overall project meets the Group’s definition. The call out of adjusted items will continue each year within the financial statements detailing the cumulative spend and estimated timeline to project completion. Once the project’s scope of works has been completed, the contract will be closed and any further expenditures will be regarded as unadjusted.

TABLE OF DEFINITIONS FOR ALTERNATIVE PERFORMANCE MEASURES (APMS) USED BY MAG

An explanation of the relevance of each APM, and their limitations, is presented in the table below.

APM	Closest Equivalent Statutory Measure	Purpose	Definition
Income statement measures			
Adjusted EBITDA	Operating profit	The Group’s adjusted EBITDA measure is consistent with the way that Executive Management and the Board assess the Group’s financial performance. Additionally, it is a key metric used by the investor community to assess performance of the Group’s operations.	Earnings before interest, tax, depreciation and amortisation prior to the impact of adjusted items. Reconciled to GAAP from operating profit measured in accordance with IFRS excluding: • Depreciation and amortisation (note 4); and • The impact of adjusted items (note 3).
Adjusted EBITDA on a frozen GAAP basis (Adjusted Frozen EBITDA)	Operating profit	Adjusted EBITDA on a frozen GAAP basis is a core component of the Group’s leverage and interest cover banking covenants.	Earnings before interest, tax, depreciation, amortisation and impairment prior to the impact of adjusted items and the adoption of IFRS 16. Reconciled to GAAP from Result from operations measured in accordance with IFRS excluding: • Depreciation and amortisation (note 4); • The impact of adjusted items (note 3); and • Add back lease charges excluded from operating expenses as a result of the adoption of IFRS 16 (within this section).
Adjusted operating profit	Operating profit	Adjusted result from operations is a measure of the GAAP metric whilst adjusting for adjusted items.	Operating profit measured in accordance with IFRS excluding the impact of adjusted items (note 3).
Cashflow measures			
Adjusted cash generated from operations	Net cash from operating activities	This is a measure of the Group’s cash generation from operation and working capital efficiency after adjusting for the impact of adjusted items.	Net cash from operating activities before the cash impact of adjusted items.

Other information continued
for the year ended 31 March 2024

TABLE OF DEFINITIONS FOR ALTERNATIVE PERFORMANCE MEASURES (APMS) USED BY MAG CONTINUED

APM	Closest Equivalent Statutory Measure	Purpose	Definition
Other measures			
Net debt	Borrowings	Net debt is a prominent metric used by credit rating agencies and investors to assess the strength of a company’s balance sheet.	Borrowings less cash and cash equivalents. The measure excludes financial lease liabilities calculated under IFRS 16. Where the Annual Report references ‘net debt (including IFRS 16)’ this aggregates the net debt amount and the carrying value of lease liabilities (note 31).
Net Finance Charges on net senior debt	Finance costs	Net finance charges on net senior debt is a core component of the Group’s interest cover covenant.	Net finance costs from the Group’s bonds and RCF less any finance income from cash and cash equivalents. Reconciled to GAAP measure Finance costs by excluding: interest on shareholder loans; pension interest; IFRS 16 interest (see note 31).
Net senior debt	Borrowings	Net senior debt is used in the calculation of the Group’s leverage covenant.	Comprising the Group’s Secured funding arrangements (Bonds and drawn down RCF) less cash and cash equivalents. Reconciled to GAAP measure borrowings (by excluding the carrying value of shareholder loans) less cash and cash equivalents.

The following analysis provides a reconciliation of each APM to their nearest equivalent statutory measure.

RECONCILIATION OF APMS TO STATUTORY MEASURES

	Note	2024 £m	2023 £m
Adjusted operating profit		255.4	169.3
Adjusted items deducted to arrive at APM:			
Extinguishment of the deferred debt agreement		–	(119.7)
Impairment of assets, asset write-downs and depreciation	3	(2.3)	(15.9)
Major reorganisation of businesses and transformation		(11.4)	(4.1)
Legal and other items		(0.9)	(1.5)
Adjusted items charged to operating profit		(14.6)	(141.2)
Operating profit		240.8	28.1
Adjusted operating profit	4	255.4	169.3
Add back: Depreciation and amortisation	4	251.3	241.1
Adjusted EBITDA*		506.7	410.4

* See next page for reconciliation by segment.

RECONCILIATION OF APMS TO STATUTORY MEASURES CONTINUED

	Note	2024 £m	2023 £m
Cash generated from continuing operations		491.9	453.7
Add back of non-cash adjusted items:			
Total adjusted items in results for continued operations before tax	3	13.6	141.5
Finance costs – adjusted items	8	–	(0.3)
Impairment of property, plant and equipment	14	(2.3)	(15.9)
Working capital movements, relating to adjusted items		(3.0)	(1.0)
Hedging gain		1.0	–
Non-cash pension settlement losses		–	(119.7)
Non-cash adjusted items		(4.3)	(136.9)
Cash impact of adjusted items to be added back		9.3	4.6
Adjusted cash generated from operations		501.2	458.3
Cash at bank and in hand	22	523.0	159.7
Overdraft	24	(188.3)	(105.2)
Net Cash		334.7	54.5
Bonds due within one year	23	(360.0)	–
Non-current debt	23	(1,434.2)	(1,436.1)
Net debt (excluding IFRS 16)		(1,459.5)	(1,381.6)

	Manchester Airport £m	London Stansted Airport £m	East Midlands Airport £m	CAVU £m	Group, consolidation and other £m	Consolidated – continuing operations £m
Operating profit	57.7	107.6	19.4	44.3	11.8	240.8
Adjusted items deducted to arrive at APM:						
Impairment of assets, asset write-downs and depreciation	–	2.3	–	–	–	2.3
Major reorganisation of businesses and transformation	7.0	1.4	–	3.0	–	11.4
Legal and other items	–	–	–	0.9	–	0.9
Total adjusted items	7.0	3.7	–	3.9	–	14.6
Adjusted operating profit	64.7	111.3	19.4	48.2	11.8	255.4
Add back: depreciation and amortisation	137.5	70.7	18.4	15.2	9.5	251.3
Adjusted EBITDA	202.2	182.0	37.8	63.4	21.3	506.7

Other information continued

for the year ended 31 March 2024

RECONCILIATION OF APMS TO STATUTORY MEASURES CONTINUED

	Note	2024 £m	2023 £m
Finance costs before adjusted items		(91.9)	(88.0)
Add back:			
IFRS 16 interest	8	26.3	23.8
Pension interest	8	0.2	(0.5)
Net finance charges on net senior debt		(65.4)	(64.7)
	Note	2024 £m	2023 £m
Borrowings	23	(1,982.5)	(1,541.3)
Add back:			
Cash and cash equivalents	22	523.0	159.7
Net Senior Debt		(1,459.5)	(1,381.6)

Net senior debt of £1,459.5m (2023: £1,381.6m) as a multiple of Adjusted Frozen EBITDA of £468.2m, as reconciled below (2023: £376.9m) is one of our KPIs, calculated as 3.1 for the year ended 31 March 2024 (2023: 3.7).

IMPACT OF IFRS 16 UPON PRIMARY STATEMENTS (FROZEN GAAP)

Consolidated income statement as at 31 March 2024

The purpose of these pages is to provide a reconciliation from the financial results in the accounts, to the primary statements with the previous IAS17 policies adopted by the Group (including key APMs such as adjusted EBITDA). Whilst IFRS 16 comparatives are now available, management still produce the reconciliations below to allow the reader to quantify the impact of excluding IFRS 16 (frozen GAAP), on key financial metrics. Frozen GAAP, in particular Adjusted Frozen EBITDA is used in the calculation of key banking covenants.

	Continuing operations 2024 as reported £m	Rent & finance costs £m	Depreciation £m	Continuing operations 2024 Frozen GAAP £m
Continuing Operations				
Revenue	1,237.7	–	–	1,237.7
Operating charges excluding depreciation	(731.0)	(38.5)	–	(769.5)
Adjusted Frozen EBITDA	506.7	(38.5)	–	468.2
Depreciation	(251.3)	–	16.1	(235.2)
Result from operations before adjusted items	255.4	(38.5)	16.1	233.0
Adjusted items				
Adjusted items	(14.6)	–	–	(14.6)
Result from operations	240.8	(38.5)	16.1	218.4
Gains and losses on sales and valuation of investment properties	13.1	–	–	13.1
Finance income	56.4	–	–	56.4
Finance costs after adjusted items	(91.9)	26.3	–	(65.6)
Result before taxation	218.4	(12.2)	16.1	222.3

IMPACT OF IFRS 16 UPON PRIMARY STATEMENTS (FROZEN GAAP) CONTINUED

Consolidated statement of financial position as at 31 March 2024

	Continuing operations 2024 as reported £m	Rent & Finance Costs £m	Depreciation and impairment £m	Opening Balance Offset £m	Additions, disposals and remeasure- ment £m	Deferred tax on IFRS 16 £m	Continuing Operations 2024 Frozen GAAP £m
Non-current assets							
Goodwill	215.5	–	–	–	–	–	215.5
Intangible assets	102.8	–	–	–	–	–	102.8
Property, plant and equipment	3,157.7	–	–	–	–	–	3,157.7
Right-of-use assets	474.2	–	16.1	(437.0)	(53.3)	–	–
Long-term lease receivable	11.2	–	–	(11.2)	–	–	–
Investment properties	166.1	–	–	–	–	–	166.1
Amounts owed by group undertakings > 1 year	664.5	–	–	–	–	–	664.5
Retirement benefit assets	81.8	–	–	–	–	–	81.8
	4,873.8	–	16.1	(448.2)	(53.3)	–	4,388.4
Current assets							
Inventories	2.2	–	–	–	–	–	2.2
Trade and other receivables (including corporation tax recoverable)	162.7	–	–	–	–	–	162.7
Cash and cash equivalents	523.0	–	–	–	–	–	523.0
	687.9	–	–	–	–	–	687.9
Current liabilities							
Bank loans and overdrafts	(548.3)	–	–	–	–	–	(548.3)
Trade and other payables	(309.9)	–	–	–	–	–	(309.9)
Deferred income	(43.0)	–	–	–	–	–	(43.0)
Provisions	(17.5)	–	–	–	–	–	(17.5)
Current lease liabilities	(13.1)	–	–	13.1	–	–	–
Amounts owed to group undertakings	(21.2)	–	–	–	–	–	(21.2)
	(953.0)	–	–	13.1	–	–	(939.9)
NET CURRENT LIABILITIES	(265.1)	–	–	13.1	–	–	(252.0)
Non-current liabilities							
Borrowings	(1,434.2)	–	–	–	–	–	(1,434.2)
Retirement benefit liabilities	(4.0)	–	–	–	–	–	(4.0)
Non-current lease liabilities	(483.9)	(12.2)	–	445.1	51.0	–	–
Deferred tax liabilities	(235.4)	–	–	–	–	2.9	(232.5)
Provisions	(4.8)	–	–	–	–	–	(4.8)
Other non-current liabilities	(18.4)	–	–	–	–	–	(18.4)
	(2,180.7)	(12.2)	–	445.1	51.0	2.9	(1,693.9)
NET ASSETS	2,428.0	(12.2)	16.1	10.0	(2.3)	2.9	2,442.5

Other information continued
for the year ended 31 March 2024

IMPACT OF IFRS 16 UPON PRIMARY STATEMENTS (FROZEN GAAP) CONTINUED

Consolidated statement of cash flows for the year ended 31 March 2024

	Continuing operations 2024 as reported £m	Payment recognised as operating charge £m	Interest charge £m	Lease repayment £m	Continuing Operations 2024 Frozen GAAP £m
Cash generated from continuing operations	491.9	(38.5)	–	–	453.4
Loss before taxation – discontinued operations	(0.4)	–	–	–	(0.4)
Working capital – discontinued operations	6.1	–	–	–	6.1
Interest paid	(98.8)	–	26.3	–	(72.5)
Interest income	16.2	–	–	–	16.2
Tax paid	(50.1)	–	–	–	(50.1)
Net cash from operating activities	364.9	(38.5)	26.3	–	352.7
Net cash used in investing activities	(302.6)	–	–	–	(302.6)
Net cash from financing activities	217.9	–	–	12.2	227.6
Net increase in cash and cash equivalents	280.2	(38.5)	26.3	12.2	280.2

Company Financial Statements
Accounting policies

Manchester Airport Group Investments Limited (the ‘Company’) is a company limited by shares and incorporated and domiciled in England and Wales in the UK. The address of the registered office is Olympic House, Manchester Airport, Manchester, M90 1QX.

These financial statements present information about the Company as an individual undertaking and not about its Group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (‘FRS 102’) as issued in August 2014. The amendments to FRS 102 issued in July 2018 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £million.

In these financial statements, the Company is considered to be a qualifying entity for the purposes of FRS 102, and has applied the exemptions available under this FRS in respect of the following disclosures:

- Total adjusted items recorded in result from operations;
- statement of cash flows and related notes; and
- key management personnel compensation.

Total adjusted items recorded in result are from continuing operations.

Furthermore, as the consolidated financial statements of Manchester Airports Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out, unless otherwise stated, have been applied consistently to all periods presented in these financial statements.

MEASUREMENT CONVENTION

The financial statements are prepared on the historical cost basis.

FUNCTIONAL CURRENCY

The Company’s functional and presentation currency is the pound sterling.

INVESTMENTS IN SUBSIDIARIES

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

AMOUNTS OWED TO SUBSIDIARY UNDERTAKINGS

Amounts owed to subsidiary undertakings are recognised initially at their transaction price with a loss allowance provided based upon the estimated credit loss. Subsequent measurement reflects any revisions to the estimated credit loss allowance with any gains or losses being recognised in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank deposits and short-term deposits net of bank overdrafts, which have an original maturity of three months or less.

Statement of financial position
as at 31 March 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investments	4	4,679.1	4,679.1
Trade and other receivables	5	669.9	780.6
Other long term asset	5	–	10.1
		5,349.0	5,469.8
Current assets			–
Trade and other receivables	5	6.7	–
Cash and cash equivalents		52.8	–
		59.5	–
Current Liabilities			
Trade and other payables	6	(0.4)	(0.4)
Amounts owed to group	6	–	(4.0)
		(0.4)	(4.4)
Net Current Assets		59.1	(4.4)
Total assets less current liabilities		5,408.1	5,465.4
Non-current liabilities			
Provisions	7	(4.8)	(2.1)
Deferred tax liabilities	8	(1.5)	–
		(6.3)	(2.1)
Net assets		5,401.8	5,463.3
Capital & Reserves			
Share Capital	9	175.3	175.3
Retained earnings	10	5,226.5	5,288.0
Total Equity		5,401.8	5,463.3

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 1 July 2024 and signed on its behalf by:

KEN O'TOOLE
Group Chief Executive, MAG

Statement of changes in equity
for the year ended 31 March 2024

	Note	Share capital £m	Retained earnings £m	Total £m
Balance at 1 April 2023		175.3	5,288.0	5,463.3
Total comprehensive income for the year				
Profit for the year		–	63.7	63.7
		–	63.7	63.7
Transactions with owners recorded directly in equity				
Dividends paid to equity holders ¹	3	–	(125.2)	(125.2)
Balance at 31 March 2024		175.3	5,226.5	5,401.8

1 A dividend of £125.2m was declared and paid to parent company Manchester Airport Finance Holdings Limited in the year – more detail can be found in note 3 to the financial statements.

Statement of changes in equity
for the year ended 31 March 2023

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
Balance at 1 April 2022	175.3	3,059.4	2,208.1	5,442.8
Total comprehensive income for the year				
Profit for the year	–	–	70.6	70.6
			70.6	70.6
Transactions with owners recorded directly in equity				
Capital reduction	–	(3,059.4)	3,059.4	–
Dividends paid to equity holders	–	–	(50.1)	(50.1)
Balance at 31 March 2023	175.3	–	5,288.0	5,463.3

The accompanying notes form an integral part of the financial statements.

Notes to the financial statements
for the year ended 31 March 2024

1. NOTES TO THE INCOME STATEMENT

Amounts receivable by the Company’s auditor and the auditor’s associates, in respect of services to the Company and the Company’s subsidiaries, have not been disclosed as the information has been disclosed on a consolidated basis as noted on page 119. The Directors of Manchester Airport Group Investments Limited during the year and their aggregate remuneration is disclosed on a consolidated basis in note 6 to the consolidated financial statements, on page 117. The highest paid director disclosed within this note is the highest paid director of the Company.

2. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION OF THE COMPANY

As permitted by Section 408 of the Companies Act, the Company is exempt from the requirement to present its own income statement. As shown in the statement of changes in equity, attributable to the Company is a profit of £63.7m (2023: profit of £70.6m), including dividends declared and received of £77.6m (2023: £50.1m) from Manchester Airport Group Finance Limited, and a tax charge of £13.5m (2023: tax credit of £14.6m).

The average number of employees employed by the Company in the year was nil (2023: nil).

3. DIVIDENDS

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Amounts recognised as distributions to equity holders in the year		
Final dividend for the year ended 31 March 2024 of 44.3 pence (2023: 28.6 pence) per share	77.6	50.1
Interim dividend for the year ended 31 March 2023 of 27.1 pence (2023: nil pence) per share	47.6	–
Amounts recognised as distributions to equity holders in the year	125.2	50.1
Dividends not recognised at the end of the reporting year		
In addition to the above dividends, since year end the directors have recommended that there is no payment of a further final dividend for the year ended 31 March 2024 (2023: nil) pence per share.	–	–

4. INVESTMENTS

	Subsidiary undertakings £m
Cost and net book value	
At 1 April 2023	4,679.1
At 31 March 2024	4,679.1

During the year ended 31 March 2024, management have carried out an impairment review of the carrying value of investments. The review included as assessment of the recoverable value of the investment by considering the higher of value in use and fair value less costs to sell. It was determined that the recoverable value of the investment was sufficient to support the carrying value of the investment as at the balance sheet date.

5. TRADE AND OTHER RECEIVABLES

	2024 £m	2023 £m
Amounts due from subsidiaries – non-current	669.9	780.6
Other receivables – non-current	–	10.1
Other receivables – current	6.7	–
	676.6	790.7

Settlement terms on all amounts due to subsidiaries are at a date mutually agreed by both parties to the balance.

Settlement terms on all amounts due to subsidiaries are at a date mutually agreed by both parties to the balance. All such balances are classified as non-current since receipt is not probable within 12 months.

Other receivables are deferred receivables outstanding at the year end, in relation to the sale of non-core properties in August 2020. The receivable, net of discounting, is £6.7m (2023: £10.1m). The balance is disclosed in other receivables, within current assets as all amounts fall due within 12 months (prior year classified as non-current).

6. CURRENT LIABILITIES

	2024 £m	2023 £m
Accruals and deferred income	(0.4)	(0.4)
Amounts owed to subsidiary undertakings	–	(4.0)
	(0.4)	(4.4)

Amounts owed to subsidiary undertakings is £nil at 31 March 2024 (2023: £4.0m). Settlement terms on all amounts due to subsidiaries are at a date mutually agreed by both parties to the balance.

7. PROVISIONS

	Post sale commitments £m	Total £m
Current	–	–
Non-current	(2.1)	(2.1)
1 April 2023	(2.1)	(2.1)
Charged to Income Statement	(2.7)	(2.7)
Utilised	–	–
31 March 2024	(4.8)	(4.8)
Current	–	–
Non-current	(4.8)	(4.8)
31 March 2024	(4.8)	(4.8)

Post sale commitments

As part of the Group’s disposal of its non core property portfolio in August 2020, the Group entered into commitments to third parties as a result of the sale, relating to post completion under the sale and purchase agreement. Management has estimated the cost of providing these services to be £4.8m. Management anticipate that the satisfaction of the provision will be achieved within the next two to four years, as such the provision has been disclosed as being non-current. The estimated cashflows have been discounted based upon initial estimated cash outlay less future income streams discounted at 10%, based on the Group cost of capital.

8. DEFERRED TAX LIABILITIES

	Short term timing differences £m
At 1 April 2023	–
Charge to the income statement	(1.5)
At 31 March 2024	(1.5)

Notes to the financial statements continued
for the year ended 31 March 2024

9. CALLED UP SHARE CAPITAL

	Number of shares m	Share capital £m	Total £m
Issued, called up and fully paid			
At 1 April 2023	175.3	175.3	175.3
At 31 March 2024	175.3	175.3	175.3

Details of shares are given below:

Share type	Total nominal value £	Premium £
175,300,008 Ordinary Non-Voting Shares, issued at £1 nominal value	175,300,008	–

10. RESERVES

	Retained Earnings £m
At 1 April 2023	5,288.0
Profit for the year	63.7
Dividends paid to equity holders	(125.2)
As at 31 March 2024	5,226.5

	2024 £m	2023 £m
Reconciliation of movement in shareholders’ funds		
Opening shareholders’ funds	5,463.3	5,442.8
Profit for the year	63.7	70.6
Dividends paid to equity holders	(125.2)	(50.1)
Equity shareholders’ funds as at 31 March 2024	5,401.8	5,463.3

11. SUBSIDIARY UNDERTAKINGS

Name of undertaking	Description of shares held	Group	Company	Principal activity
Agency of the North Limited ^{1,6}	Ordinary shares	100%		Non trading
Airportparkingreservations.com ^{5,*}	n/a	100%		Trading company
Airport Advertising Limited ^{1,6}	Ordinary shares	100%		Non trading
Airport Petroleum Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
Airport Services International Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
Bainsdown Limited ^{2,6}	Ordinary shares	100%		Non trading
CAVU Distribution (AMER) LLC ^{7,*}	n/a	100%		Trading company
CAVU ECommerce (EMEA) Limited ¹	Ordinary £1 shares	100%		Trading company
CAVU eCommerce (AMER) LLC ^{5,*}	n/a	100%		Trading company
CAVU Experiences (AMER) LLC ^{5,*}	n/a	100%		Trading company

11. SUBSIDIARY UNDERTAKINGS CONTINUED

Name of undertaking	Description of shares held	Group	Company	Principal activity
CAVU Experiences (Bahamas) Limited ^{8,^}	n/a	100%		Non trading
CAVU Experiences Holdings (Bahamas) Limited ^{8,^}	n/a	100%		Non trading
CAVU Experiences (EMEA) Limited ¹	Ordinary £1 shares	100%		Trading company
CAVU Holdings (AMER) Inc ^{5,*}	Ordinary \$0.01 shares	100%		Investment holding company
CAVU Holdings (APAC) Pty Ltd ^{9,-}	n/a	100%		Non trading
CAVU Group Limited ¹	Ordinary £1 shares	100%		Trading company
East Midlands Airport Core Property Investments Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
East Midlands Airport Nottingham Derby Leicester Limited ¹	Ordinary £1 shares	100%		Intermediate holding company of East Midlands International Airport Limited
East Midlands Airport Property Investments (Hotels) Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
East Midlands Airport Property Investments (Industrial) Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
East Midlands Airport Property Investments (Offices) Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
East Midlands International Airport Limited ³	Ordinary £1 shares 9% cumulative redeemable preference shares	100% 100%		Airport operator
Manchester Airport Aviation Services Limited ^{2,6}	Ordinary £1 shares	100%		Non trading
Manchester Airport Group Finance Limited ¹	Ordinary £1 shares	100%	100%	Investment holding company
Manchester Airport Group Funding Plc ¹	Ordinary £1 shares	100%		Investment holding company
Manchester Airport Group Investments Limited ¹	Ordinary £1 shares	100%		Investment holding company
Manchester Airport Group Property Developments Limited ¹	Ordinary £1 shares	100%		Property development company
Manchester Airport Group Property Services Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
MAG Airport Limited ¹	Ordinary £1 shares	100%		Trading company
Manchester Airport Car Park (1) Limited ¹	Ordinary £1 shares	100%		Trading company
Manchester Airport Group US Holdings Inc ^{5,*}	Ordinary \$0.01 shares	100%		Investment holding company
Manchester Airport Plc ²	Ordinary £1 shares	100%		Airport operator
Manchester Airport Property Investments (Hotels) Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
Manchester Airport Property Investments (Industrial) Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
Manchester Airport Property Investments (Offices) Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
Manchester Airport Ventures Limited ^{1,6}	Ordinary £1 shares	100%		Non trading
MAG Investments US Ltd ¹	Ordinary £1 shares	100%		Non trading
MAG US Terminal Management LLC ^{5,*}	n/a	100%		Non trading
MAG US (Apollo) Limited ¹	Ordinary £1 shares	100%		Holding company
MAG US (Apollo) Inc ^{5,*}	n/a	100%		Holding company

Notes to the financial statements continued
for the year ended 31 March 2024

11. SUBSIDIARY UNDERTAKINGS CONTINUED

Name of undertaking	Description of shares held	Group	Company	Principal activity
Park Cloud Ltd ¹	Ordinary £1 shares	100%		Trading company
ParkCloud Holdings Limited ¹	Ordinary £1 shares	100%		Trading company
ParkVia Limited ¹	Ordinary £1 shares	100%		Trading company
Ringway Developments Ltd ^{1,6}	Ordinary shares	100%		Non trading
Ringway Handling Limited ^{2,6}	Ordinary £1 shares	100%		Non trading
Ringway Handling Services Limited ^{2,6}	Ordinary shares	100%		Non trading
Shuttlefinder.net LLC ^{5,*}	n/a	100%		Trading company
Simmerdown Limited ^{1,6}	Ordinary shares	100%		Non trading
Stansted Airport Limited ⁴	Ordinary £1 shares	100%		Airport operator
The Escape Lounge FLL LLC ^{5,*}	n/a	75%		Trading company
Travel Parking Group Limited ¹	‘A’ Ordinary £1 shares	100%		Holding company
	Ordinary £1 shares	100%		
Worknorth Limited ^{1,6}	7% cumulative redeemable preference shares	100%		Non trading
	Ordinary shares	100%		
Worknorth II Limited ^{1,6}	‘A’ redeemable non-cumulative preference shares	100%		Non trading

The registered office addresses for each of the above companies are listed below.

- 1 Olympic House, Manchester Airport, Manchester, M90 1QX.
- 2 Level 5 Town Hall Extension, Albert Square, Manchester, England, M60 2LA.
- 3 Pathfinder House, East Midlands Airport, Castle Donington, Derby DE74 2SA.
- 4 Enterprise House, Bassingbourn Road, Stansted Airport, Essex, CM24 1QW.
- 5 251 Little Falls Drive, Wilmington, Delaware, 19808, United States of America.
- 6 Dormant and exempt from preparing and filing individual accounts by virtue of S394A of the Companies Act 2006.
- 7 1201 Hays Street, Tallahassee, Florida, 32301, United States of America.
- 8 M B & H Corporate Services Ltd., Mareva House, 4 George Street, Nassau, Bahamas.
- 9 Level 7 330 Collins Street Melbourne, VIC 3000.

All the above companies operate in their country of incorporation or registration, which is England and Wales except where indicated as follows:

- * – United States of America
- ^ – Bahamas
- ~ – Australia

IMPORTANT INFORMATION

Cautionary Statement: The Annual Report and Accounts contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast. Unless expressly stated otherwise, the ‘Group’, ‘MAG’, ‘Manchester Airports Group’, ‘MAGIL’ or ‘the Company’ means Manchester Airport Group Investments Limited and its subsidiary undertakings.



MAG

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