Gatwick Airport Northern Runway Project

Ivy Holdco Limited Interim Financial Statements 30 June 2024

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Ivy Holdco Limited

Company Registration Number 07497036

Report and unaudited condensed interim consolidated financial statements for the period ended 30 June 2024

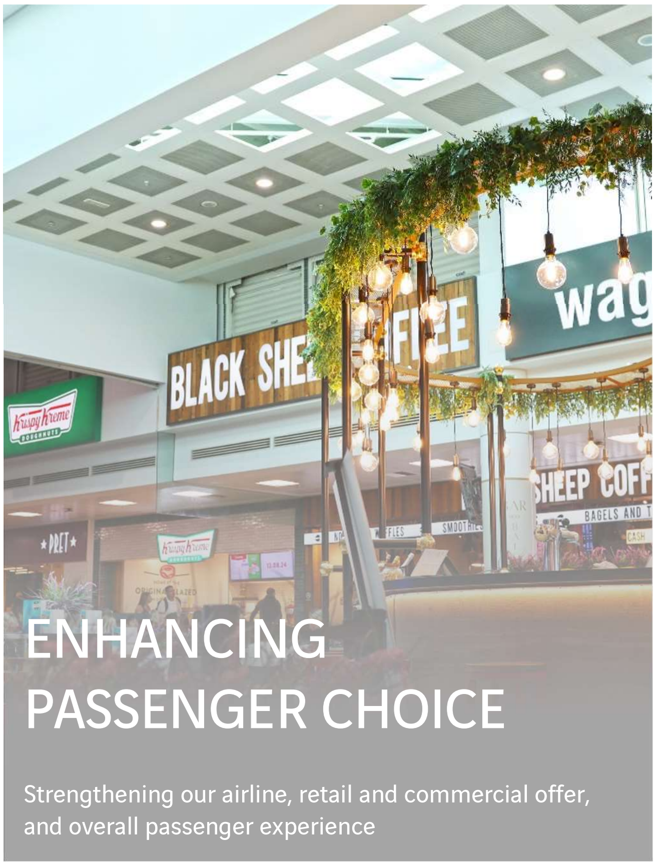
LONDON GATWICK

BUSINESS REVIEW

FINANCIAL STATEMENTS

BUSINESS REVIEW

HIGHLIGHTS FOR THE PERIOD

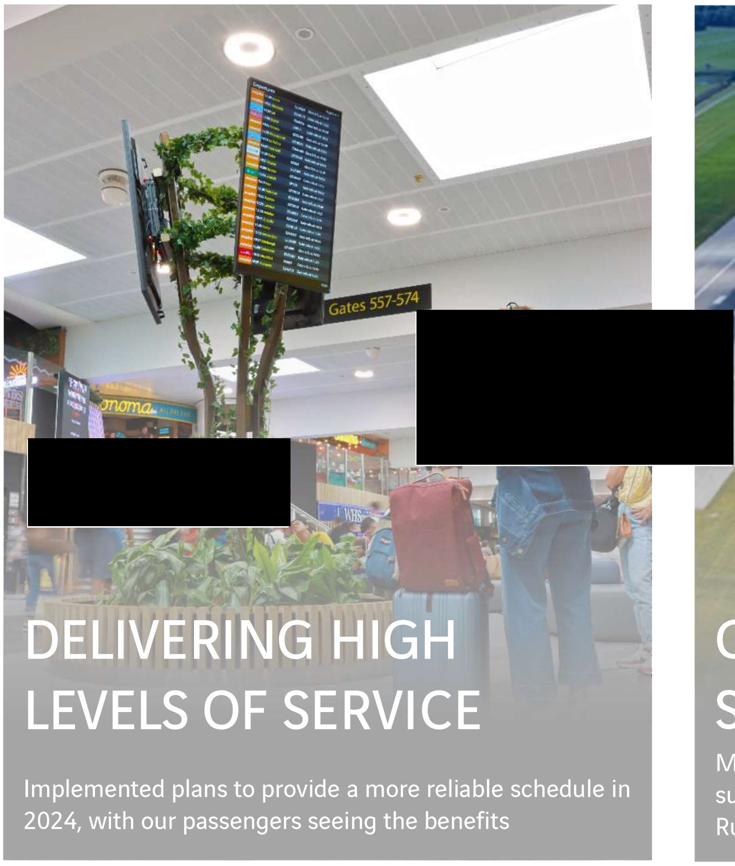


ENHANCING PASSENGER CHOICE

Strengthening our airline, retail and commercial offer, and overall passenger experience

TRAFFIC GROWTH DRIVING RESULTS

Traffic growth and careful cost management delivering increased EBITDA and strong cashflows



DELIVERING HIGH LEVELS OF SERVICE

Implemented plans to provide a more reliable schedule in 2024, with our passengers seeing the benefits

GROWING SUSTAINABLY

Making strong progress on our Decade of Change sustainability commitments with plans to utilise Northern Runway entering final examination stage

Strong start to 2024

LONDON GATWICK

Operational:

Passengers
19.9m ▲
from 18.5m in 2023

Air traffic movements
122,725 ▲
from 117,158 in 2023

Service:

68.0% ▲
On time departures
from 62.3% in 2023

96.6% ▼
Of passengers passed through security in 5 minutes or less
from 97.5% in 2023

42% ▼
Net promoter score
from 46% 2023

Sustainability:

0.67kg ▼
Carbon intensity (Scope 1 & 2) per passenger
from 0.75kg in 2022

59% ▲
Of airport waste reused or recycled
from 56% in 2022

0.32 ▼
Lost time injuries per 100k hours worked
from 0.26 in 2023

22.9% ▲
Women in leadership roles*
from 22.3% in 2023

Financial:

£268.4m ▲
EBITDA
from £235.7m in 2023

£105.8m ▲
Profit for the period
from £79.1m in 2023

0.47x ▼
Senior RAR
from 0.52x in 2023

3.74x ▼
Senior ICR
from 3.76x in 2023

*Definition of leadership redefined, 2023 comparative updated

OPERATIONAL REVIEW

“We’re experiencing one of our busiest summers, as strong demand for travel continues.

Rigorous preparation and planning in partnership with key airport stakeholders started in 2023. This has helped us provide a reliable and enjoyable experience for the 19.9 million passengers that used our airport during the first six months of the year.

We’ve met strong passenger demand head on by strengthening our already considerable choice of destinations. When growing our network, we focused on developing new long-haul routes across the Middle East, Asia and North America. Notable new services include regular Singapore Airlines flights, plus new routes by flag carriers to key cities across China and India.

We’re committed to ensuring all areas of our business meet the expectations of our passengers and partners. I’m pleased we have once again provided good levels of service, as shown by hitting 100% of our agreed service measures. These results are thanks to the hard work, dedication and resilience of our teams.

Sustainability of course remains at the heart of our operation and investment plans. Our accelerated £250 million net zero programme is progressing, and we’re now running all airport vehicles on hydrotreated vegetable oil to reduce emissions. A new partnership with Airbus, easyJet and Air Products is also exploring how we might provide hydrogen fuelling infrastructure to potentially reduce aircraft emissions at our airport, in line with government targets.

Our Northern Runway plans are a major contributor to our airport’s long-term, sustainable pathway for growth. The six-month public examination is due to close at the end of August. The Planning Inspectorate will then make a recommendation to Government before the end of this year. A final Government decision on this important project is due in the first quarter of 2025.”

Stewart Wingate
Chief Executive Officer

OPERATIONAL REVIEW

PREPARED FOR A SUCCESSFUL SUMMER

Work started in 2023 to ensure we had effective planning, adequate resources and robust processes in place for our busy summer season. This close partnership with our airlines, ground handlers and air traffic controllers has been central to the fast start to the summer season experienced to date. It also ensured everything necessary was in place to facilitate a smooth and efficient airport operation in the first half of 2024.

As a result, passenger numbers over the first half of the year reached 19.9 million – 90% of 2019 levels.

Our airport's key asset, the Main Runway, performed strongly in the first half of the year, reaching up to 58 movements an hour – a rate exceeding that of any single runway airport by some way. Our new Rapid Exit Taxiway opened at the end of 2023, providing an additional route for aircraft to vacate our Main Runway. This has reduced aircraft occupancy time on this vital asset and helped to manage the extremely efficient airfield operation.

Working in partnership with National Air Traffic Services (NATS), the resilience of our airport's control tower was strong over the first half of 2024. Close working with NATS also delivered a more consistent supply of aircraft to the runway during the vital first wave of departures early in the morning and an average of four extra aircraft movements in the first core hour of the day, compared to last summer. The 'ready to go' performance of aircraft also improved during the first wave in the first half of the year.

Good, reliable levels of service

Thorough planning and preparation, along with the hard work of our airport's frontline colleagues, helped to ensure our passengers experienced good service levels and more reliable journeys in the first half of the year. This was evidenced by our airport hitting all of its agreed service measures during the period.

There was limited impact to the business as a result of the global IT outage in July. Our airport was very busy, but our operational teams supported our passengers well and very few flights were cancelled. Our IT team worked incredibly hard to quickly get our systems up and running.

Passengers also experienced our airport's new look and feel as previous investments came to fruition. This included a new train station concourse, a fully refurbished North Terminal departure lounge, new seating, and many new retail and food and beverage outlets. In addition, our new brand, first unveiled in April 2023, has been rolled out across the airport campus.

Investing for a sustainable future

Our Capital Investment Plan (CIP) sets out our ambition to invest over £2 billion in facilities and improvements for passengers through to 2029. With safety and security a priority, a significant investment in the plan includes the upgrading of security screening technology in our passenger search areas, due to complete in the first quarter of 2025. The plan also includes a £140 million project to extend Pier 6 in the North Terminal. This will provide eight new pier-served stands, a rolling programme of taxiway rehabilitation, and improvements to existing piers, gaterooms, toilets, car parks and baggage reclaim halls.

Our ambitious £250 million plan to be a net zero (Scope 1 and 2) airport by 2030 is progressing. All diesel vehicles now use Hydrotreated Vegetable Oil, a move which cuts carbon emissions from diesel vehicles by 90%. Our focus is to continue decarbonising our heating system and transitioning from gas to electrical power supplies, including onsite generation.

OPERATIONAL REVIEW

Passenger traffic trends

In the six months to 30 June 2024, passenger numbers continued to recover and increased by 7.7% to 19.9 million (90% of 2019 levels) compared with 18.5 million over the same period in 2023.

The first quarter, traditionally the quietest period of the year, saw passenger traffic increase by 12% compared to the same period in 2023. This was driven by the annualisation of new services launched last year, the early Easter and the additional day due to the leap year.

At the start of the summer season we experienced a higher than normal level of cancellations due to congestion in the EU which put pressure on our traffic. This is expected to continue through to the end of the summer season.

In our short haul market, traffic increased by 5% in the six months to 30 June compared to 2023, reaching 94% of 2019 levels. This recovery continues to be stronger during peak months, reflecting the more seasonal operation. Important achievements include:

- In the six months to 30 June 2024, easyJet carried 8.7 million passengers, up 0.2% compared to 2023, exceeding 2019 levels in quarter two and peaking at 105% of 2019 levels in June.
- British Airways capacity increased by 15% compared with 2023, with the Euroflyer fleet growing by three aircraft in the summer period. During the first half of the year, British Airways movements contributed to 11% of the total short haul passengers.
- Wizz Air traffic reached 1.4 million for the first half of the year, growing by 16% compared to 2023.
- Vueling passenger numbers increased across their network of destinations with volumes growing by 9% compared to the first half of 2023, significantly ahead of 2019 levels.
- During the first half of 2024, airlines serving London Gatwick for the first time added new direct short haul services. These include: Azerbaijan Airlines, ITA Airways, Azores Airlines, Atlantic Airways and SkyAlps. As of June 2024, our short haul network consists of 158 destinations operated by 37 airlines.

Meanwhile, long haul continued to grow strongly, with traffic reaching 3.0 million. This was an increase of 23% compared to the same period in 2023, but still 29% lower than the 2019 level. The Asian market experienced the strongest growth, enhancing connectivity between London Gatwick and India, Central and East Asia. Growth was driven by both new and existing airlines to London Gatwick adding services to their networks:

- Chinese carriers also increased their operations at our airport with traffic over 6 times up compared to 2023. Air China started a daily service to Beijing in addition to its Shanghai service. China Southern introduced a new route to Guangzhou to complement the existing operation to Zhengzhou. In fact, 2024 saw London Gatwick served by all three major Chinese carriers for the first time.
- We also improved services to South East Asia and Australasia and Canada. Singapore Airlines launched five services a week between London Gatwick and Singapore Changi airport. The timings of these flights allow passengers to seamlessly transfer onto flights to South East Asia, Australia and New Zealand. The new flights offer the fastest connecting service from the UK to Sydney, Australia.
- WestJet added two destinations connecting London Gatwick with Halifax and St. John's, Canada.
- Turkmenistan Airlines commenced a service to Ashgabat, while Uzbekistan Airways is now serving Tashkent, boosting connectivity between London and Central Asia.

	Six months ended 30 June		
	2024	2023	2019
	m	m	m
Short haul			
Europe (including UK and Channel Islands)	**16.0**	15.3	17.4
Northern Africa	**0.9**	0.6	0.5
Total short haul	**16.9**	15.9	17.9
Long haul			
North America	**0.9**	0.8	2.0
Caribbean and Central America	**0.7**	0.7	1.1
South America	**-**	-	0.1
Sub-Sahara Africa	**0.3**	0.2	0.2
Middle East and Central Asia	**0.7**	0.8	0.6
Far East and South Asia	**0.4**	0.1	0.3
Total long haul	**3.0**	2.6	4.3
Total passengers	**19.9**	18.5	22.2

Percentages calculated using unrounded passenger figures.

Outlook for rest of 2024

We will continue to expand our route portfolio in 2024 with additional airlines and new services expected to begin operations throughout the year. In total, 2024 will see almost 60 airlines connecting London Gatwick to more than 220 destinations across the world.

Several new long haul services are due to start in the third quarter of 2024. These include Bangalore and Las Vegas, operated by Air India and Norse respectively. In the fourth quarter, new routes to Bangkok, Islamabad, Ivalo and Larnaca will be added to the British Airways Gatwick network.

Furthermore, we have seen a strong start to the peak summer season with short haul traffic continuing to recover, reaching 2019 levels in July.

OPERATIONAL REVIEW

OUR PEOPLE

Our ambition to become the local employer of choice is at the core of everything we do, from demonstrating that we are an inclusive employer to attract the right people, to supporting our existing colleagues to thrive in their career.

Recruitment

In line with growing passenger numbers, we recruited an additional 174 new colleagues in the first half of the year to help ensure good levels of passenger and customer service.

Given the continued tight labour market conditions, particularly impacting our ability to hire in our construction function, our Talent Experience Team is developing an Employee Value Proposition (EVP). This will support the attraction and recruitment of the best candidates. At the same time, we'll continue to develop internal talent. We expect to start rolling out the EVP in the second half of 2024.

As part of our early careers programme, we continue to recruit new engineering apprentices and new graduates who will join in September as part of our 2024 cohort. Graduates are assigned to a function relevant to their degree and have rotational placements within the function. This year's functions include engineering, construction and sustainability. We also offered summer intern placements giving 9 students the opportunity to gain work experience while working on projects across various airport departments.

Reward

We have rewarded our colleagues in several ways throughout the first half of 2024. Through close working with our unions, a new year-long pay agreement was accepted by staff on negotiated salaries. The agreement takes us through to April 2025 and will help attract and retain core airport staff. Our salaried colleagues also received a pay award.

We have also confirmed that all eligible staff will share in the success of the business through our annual bonus scheme. The scheme is designed to align, motivate and reward individual performance across a balanced scorecard of business performance measures.

Diversity, Equality and Inclusion (DE&I)

We want to be recognised by our colleagues, passengers and stakeholders as a business that places DE&I at its heart. Therefore, we aim to create and maintain an environment where everyone belongs, has a voice and feels valued for the significant role they play in our success. A diverse group of colleagues with different backgrounds and experiences helps us to better understand our customers' needs and improve decision making.

We are making good progress against our publicly stated ambitions. This included enhancing key policies on maternity, adoption and paternity to help attract and retain staff who are, or who wish to be, parents. We also track our governance and performance in this area and benchmark against external accreditations.

Developing our people

Investing in the development of our leadership teams and managers is a continued priority. An enhanced event programme brings our senior leadership and executive teams together regularly to discuss and develop strategic aims and priorities, while improving collaborative working. New, quarterly sessions also provide all line managers with relevant updates and support to help manage their teams.

Key management changes

Senior appointments to our airport's executive team during the period include Mark Johnston as the new Chief Operating Officer. Mark is an experienced airport leader having served as the COO of AGS Airports, owners of Aberdeen, Glasgow and Southampton airports.

Belén Llamas started as London Gatwick's new General Counsel and Company Secretary in May, having previously worked for Cambodia Airports, part of the VINCI Airports network. Sam Fulton, joined as Director of Communications and External Affairs, having previously held roles in international organisations including Apple, Unilever, McDonald's and Nestlé.

FINANCIAL REVIEW

BASIS OF PREPARATION

Ivy Holdco Limited (the "Company") is a holding company of a group of companies (the "Group" or "Ivy Holdco Limited Group") that owns London Gatwick ("Gatwick"). These are the unaudited condensed interim consolidated financial statements of the Group for the period ended 30 June 2024; the comparative period is the period ended 30 June 2023. The financial statements of the Group have been prepared in accordance with UK adopted International Accounting Standard 34 and with the requirements of the Companies Act 2006.

The financial information presented within these financial statements has been prepared on a going concern basis. See page **17** and note 1 for further details.

REVIEW OF 2024

Throughout the first half of 2024, passenger numbers continued to grow accompanied by strong financial performance. Revenue increased 15.2%, from £423.3 million for the six months to 30 June 2023 to £487.9 million for the same period in 2024. We continued our focus on recruiting staff to ensure we had appropriate levels while carefully managing costs. As a result, total operating costs (excluding depreciation, amortisation and exceptional items) increased by 17.0% from £187.6 million for the six months ended 30 June 2023 to £219.5 million for the same period in 2024.

REVENUE

Total revenue was £487.9 million for the six months ended 30 June 2024, an overall increase of £64.6 million (15.3%) compared to the same period in 2023 and with double digit percentage growth across each category. This was achieved through a 7.7% increase in passenger numbers, new and enhanced product offerings, and revised contract terms.

Meanwhile, revenue mix has remained relatively consistent between periods. Airport and other traffic charges income represent around half of total revenue, with the next largest category being retail.

	Six months ended 30 June			
	2024 £m	**2024 mix**	2023 £m	2023 mix
Airport and other traffic charges	**238.6**	**49%**	212.7	50%
Retail	**112.2**	**23%**	89.7	21%
Car parking	**67.3**	**14%**	59.5	14%
Property income	**18.0**	**4%**	15.8	4%
Operational facilities and utilities income	**21.4**	**4%**	21.5	5%
Other income	**30.4**	**6%**	24.1	6%
Total revenue	**487.9**		423.3	

Airport and other traffic charges

Airport and other traffic charges income is driven by passenger and aircraft traffic volume, the level of airport charges and the terms of bilateral contracts with airlines. Charges are set in line with our Contracts and Commitments Framework. This currently allows for a maximum annual price increase of RPI+0%, with a reference date of 2019. This is effective from 1 April each year following consultation with the airline community. This existing arrangement runs until 31 March 2025.

For the six months ended 30 June 2024, airport and other traffic charges income increased £25.9 million (12.2%) compared with the same period in 2023. This was against a backdrop of a 7.7% increase in passengers. Aeronautical income per passenger (which includes the impact of bilateral pricing agreements) was £11.93 for the 2024 period, up 3.8% from the same period in 2023. Driving this increase in income per passenger was:

- continued growth and breadth in airline mix giving greater choice for passengers in terms of airlines, price points and destinations. Carriers such as Air India, Saudia and Delta who were new last year, have now successfully completed a full year of operations. New carriers continue to arrive such as Uzbekistan and Sky Alps, while existing carriers such as easyJet, British Airways, WestJet and Swiss Air have extended their networks to new destinations;
- increases to the planned gross yield in relation to the year commencing 1 April 2024 (ie, the planned aeronautical revenue per passenger excluding the terms of bilateral contracts) in accordance with our Contracts and Commitments Framework; and
- a decrease from 1 April 2024 in the permitted security cost adjustment associated with a hold baggage-screening project.

FINANCIAL REVIEW

Retail

Compared with the same period in 2023, net retail income for the six months to 30 June 2024 rose by £22.0 million to £110.3 million. This is an increase of 24.9% compared to a 7.7% increase in passenger numbers. Within retail income, Duty and tax-free experienced the highest growth through a combination of passenger mix (helped by greater numbers of passengers from China and India), strong performance from the beauty sub-category and new contract terms (an element of which was back-dated). Catering also saw significant growth (nearly 14%) with several more outlets open in this period compared to last year. We welcomed Pizza Express as well as Black Sheep Coffee, and various other units had refits during the period.

The refurbishment of the North Terminal international departure lounge, which started towards the end of 2023, was completed during the first half of 2024. This, together with the additional new operators across both terminals, has helped to enhance the passenger experience and positively impact retail revenue.

Net income per passenger increased by 16.1% from £4.77 for the six months to 30 June 2023 to £5.52 for the equivalent period in 2024.

The largest increase here came from Duty and tax-free, while Catering also continued to perform well with income per passenger growth of 5.2%. Net retail income per passenger for Specialist shops was flat year on year, reflecting that this is typically a more discretionary spend, set against a challenging cost of living backdrop.

	Six months ended 30 June	
	2024	2023
	£m	£m
Duty and tax-free	**45.7**	30.0
Specialist shops	**19.7**	18.5
Catering	**29.5**	26.0
Other retail	**17.3**	15.2
Retail revenue	**112.2**	89.7
Less: retail expenditure	**(1.9)**	(1.4)
Net retail income	**110.3**	88.3
Passengers (millions)	**19.9**	18.5
Net retail income per passenger	**£5.54**	£4.77

Car parking

Car parking revenue comprises revenue from various parking products available across our airport. These include short stay, long stay and valet operations, and revenue from forecourt charges for passenger drop-offs. For the six months ended 30 June 2024, car parking revenue was £67.3 million, an increase of £7.8 million on the same period In 2023. This represents revenue growth of 13.1% compared with passenger growth of 7.7% and reflects a different product mix with valet performing much stronger than last year.

Net car parking income per passenger for the six months ended 30 June 2024 was £2.60, a decrease of less than 1% compared with the same period in 2023. This stems from a combination of competitive pricing across the market, greater pressure on costs given the labour-intensive resources required to run this operation, and higher sales costs.

	Six months ended 30 June	
	2024	2023
	£m	£m
Car parking revenue	**67.3**	59.5
Less: car parking expenditure	**(15.5)**	(11.1)
Net car parking income	**51.8**	48.4
Passengers (millions)	**19.9**	18.5
Net car parking income per passenger	**£2.60**	£2.62

Other income

For the six months ended 30 June 2024, total other income increased by £8.4 million (13.7%) compared with the same period in 2023. Categories include recharges to the airline community for services, for example, check-in facilities, hold-baggage screening and services for special assistance passengers. In addition, we received insurance proceeds for a claim relating to COVID-19 business interruption during 2020–21.

	Six months ended 30 June	
	2024	2023
	£m	£m
Property income	**18.0**	15.8
Operational facilities and utilities income	**21.4**	21.5
Other income	**30.4**	24.1
Other income	**69.8**	61.4

FINANCIAL REVIEW

OPERATING COSTS

With passenger numbers increasing by 7.7% in the first six months of 2024 compared with the same period in 2023, total operating costs (pre-exceptional items) rose by 13.2% to £297.0 million. We remain committed to balancing good passenger service and operational requirements alongside tight cost management. We acknowledge the pressure that an inflationary environment has on our cost base, in particular on labour costs.

Staff costs

Our largest cost category is staff. This makes up over 30% of total operating costs and amounted to £91.6 million for the six months to 30 June 2024. This represents an increase of 15.8% compared with the same period in 2023. This is partly due to growing passenger numbers, as we work hard to ensure appropriate staffing levels. We also recruited additional security staff to operate the more labour intensive UK Government-mandated Next Generation Security Screening process. As a result, average full-time equivalent (FTE) employees increased by 14.7% from 2,217 for the six months to 30 June 2023 to 2,544 FTEs for the same period in 2024. Furthermore, having worked closely with the relevant Trade Unions, all staff received a pay award with effect from 1 April 2024.

Retail expenditure and car parking expenditure

Both retail and car parking expenditure also increased in the six-month period ended 30 June 2024 compared with 2023 levels. This follows higher revenues across both categories but is primarily driven by car park costs. These include the costs of operating the car parks themselves, but also sales costs from operating our website and booking engine.

Maintenance and IT expenditure

Maintenance and IT costs were £3.7 million higher in 2024 compared with 2023. This reflects greater levels of activity and inflationary pressures.

Utility costs

Utility costs rose by £1.8 million (11.3%) in the six months to 30 June 2024 compared with 2023. This was mitigated by focusing on improving energy efficiency.

Rent and rates

Another contributing factor to rising operating costs in this period was the Valuations Office Agency increasing the rateable value by nearly 25% on 1 April 2023. In the first six months of 2024, this increase fully annualised but was partly offset by refunds relating to prior years.

Other operating expenses

This category includes a range of costs that are largely fixed in nature (such as police, air traffic control and insurance) while other costs have both fixed and variable elements (including special-assistance, cleaning, logistics and hold baggage screening). We continue to see the impact of wage inflation on our labour-intensive contracts. Expenditure on professional fees for compliance, regulation and to further develop and embed our environment, social and governance (ESG) agenda (including our Second Decade of Change), are also included here. In line with prior years, we are focused on identifying areas to generate efficiencies, alongside delivering operational requirements and a good passenger experience.

Overall, for the six months ended 30 June 2024, other operating costs increased by £8.1 million (20.1%) compared with the same period in 2023. This is in part due to increasing numbers of special assistance passengers (with some routes now seeing exceptionally high volumes per flight), higher professional fees related to the Development Consent Order (DCO) for our Northern Runway plans and the current examination period and marketing, as we continue to roll out the new brand we launched in 2023.

Depreciation and amortisation

Finally, depreciation and amortisation increased by £2.7 million or 3.6% due to a reinvigorated CIP following the impact of COVID-19.

	Six months ended 30 June	
	2024	2023
	£m	£m
Staff costs	**91.6**	79.1
Retail expenditure	**1.9**	1.4
Car parking expenditure	**15.5**	11.1
Maintenance and IT expenditure	**25.7**	22.0
Utility costs	**17.8**	16.0
Rent and rates	**18.6**	17.7
Other operating expenses	**48.4**	40.3
Depreciation and amortisation	**77.5**	74.8
Total operating costs (pre-exceptional items)	**297.0**	262.4

FINANCIAL REVIEW

EBITDA AND OPERATING PROFIT

EBITDA increased to £268.4 million for the period ended 30 June 2024 compared with £235.7 million for the same period in 2023. This resulted in an EBITDA margin of 55.0% for 2024 compared with 55.7% in 2023.

For the period ended 30 June 2024, the Group recorded an operating profit of £190.9 million compared with £160.9 million for the same period in 2023. This increase was mainly driven by the continued increase in passenger numbers during 2024.

	Six months ended 30 June	
	2024	2023
	£m	£m
Operating profit	**190.9**	160.9
Depreciation and amortisation	**77.5**	74.8
EBITDA (pre-exceptional items)	**268.4**	235.7

PROFIT FOR PERIOD

For the period ended 30 June 2024, the Group recorded a profit before tax of £136.3 million (2023: £100.2 million) and a profit after tax of £105.8 million (2023: £79.1 million).

Fair value of investment property continued to see a recovery in 2024. This resulted in a non-cash fair value adjustment of £11.0 million.

Net finance costs increased by £0.2 million in the first half of 2024. This was due to higher interest payable on the Group's interest rate swaps and lower capitalised borrowing costs offset by a decrease in interest on bank borrowings and an increase in interest receivable due to a higher cash balance throughout the period.

Fair value loss on derivative financial instruments for the six months ended 30 June 2024 was £6.8 million (2023: £30.0 million). This was a result of negative fair value movements on both our fixed to floating rate SWAP and our inflation-linked SWAP portfolios.

	Six months ended 30 June	
	2024	2023
	£m	£m
Operating profit	**190.9**	160.9
Investment property revaluation gain	**11.0**	27.0
Gain on disposal of fixed assets	**-**	0.9
Net finance costs	**(58.8)**	(58.6)
Fair value loss on derivative financial instruments	**(6.8)**	(30.0)
Income tax charge	**(30.5)**	(21.1)
Profit for the period	**105.8**	79.1

TAX

The tax charge for the six months ended 30 June 2024 was £30.5 million (2023: £21.1 million). This is based on an effective tax rate of 22.4% (2023: 21.1%) applied to profit before tax of £136.3 million (2023: £100.2 million). The effective tax rate for the period is below the statutory rate of 25.0% primarily due to group relief. During the period, the Group paid corporation tax of £29.7 million (2023: £28.0 million).

CASH POSITION AND CASH FLOW

On 30 June 2024, the Group had £95.5 million (2023: £32.8 million) of cash and cash equivalents, an increase of £62.7 million compared to the previous year. This was primarily driven by strong cash generated from operations and a net increase in borrowings offset by the purchase of fixed assets and dividends paid.

In the six months ended 30 June 2024, cash generated from operations increased to £208.4 million (2023: £174.4 million). The following table reconciles EBITDA to cash generated from operations.

	Six months ended 30 June	
	2024	2023
	£m	£m
EBITDA	**268.4**	235.7
Increase in inventories, trade and other receivables	**(54.1)**	(20.8)
Increase/(decrease) in trade and other payables	**23.5**	(4.9)
Difference between pension charge and cash contributions	**0.3**	(7.6)
Corporation tax paid	**(29.7)**	(28.0)
Cash generated from operations	**208.4**	174.4

FINANCIAL REVIEW

CAPITAL EXPENDITURE

We continued to grow our CIP in the first half of 2024. We invested £84.3 million in the six months ended 30 June 2024 compared with £49.4 million in same period in 2023. During the period, we initiated a number of projects in which we expect to invest a significant amount during the second half of 2024 and into 2025.

Key projects and areas of investment during the period were:

Asset stewardship and resilience

At the beginning of the year, we opened a new Rapid Exit Taxiway (RET), a project which was paused in 2020. The RET provides a fast exit route off the runway for arriving aircraft, in a location optimised for Code C, narrow-bodied aircraft. This will improve the resilience of runway operations and aid on-time performance.

In addition, work on our airport's rolling programme of taxiway rehabilitation continued through the first half of this year with several taxiway 'blocks' adjacent to Pier 2 and 3 rehabilitated ahead of the summer. Meanwhile, we also completed projects to replace the Pier 4 roof and upgrade the controls system for all the baggage belts in Zone J check-in.

Capacity and service

Ahead of the summer, we completed an £11 million refurbishment of the North Terminal Departure Lounge. New flooring, wall finishes and refreshed wayfinding gives a brighter, lighter feeling to the space. Meanwhile, a wider range of modern seating styles, with a convenient charge point at each seat, offers passengers more choice. Completing the transformation ahead of the busy summer season are reconfigured retail island units, a new airline information desk, additional flight information, and the incorporation of planters and green walls. In particular, the new 'quiet zone' is proving very popular with passengers looking for a more tranquil experience, away from the busier, more vibrant, main lounge.

We also completed work in May on a £6 million project to replace the triple height ceiling in South Terminal check-in Zone J and K. With the scaffolding now down, the zone feels modern, bright and spacious and provides a great welcome to our airport for over 40% of our passengers who arrive from the new rail station.

Following the launch of London Gatwick's revitalised brand in 2023, we've continued to replace all branded signage around our airport during the period. In the first quarter of the year, we spent £1.5 million on replacing old passenger seating in the North and South Terminal departure lounges, baggage reclaim halls and gate-rooms with new, modern seats.

Technology plays a key role in making our passengers' journeys through our airport easy and efficient. Work with IAG and easyJet continued in the period on two trial 'smart stands' to develop insights into the potential benefits a range of ground-handling innovations might bring. We are continuing to investigate improving aircraft turn times and drive better on-time performance through remote jet bridge operation, automated detection and clearance of foreign object debris on the stand, automated activation of Stand Entry Guidance Systems and computer vision turn-performance monitoring. This will offer accurate, unbiased and real-time reporting of events.

During this period, detailed design for a £140 million project to extend Pier 6 in the North Terminal to provide eight new pier-served stands continued and groundworks commenced, in parallel, in May. This project will showcase sustainability best practice in its design, construction and operation.

Sustainability

In the first half of the year, we continued with a programme of replacing conventional lighting with low-energy LEDs. We completed the project to update all the lighting in our five multi-storey car parks, alongside the replacement of all the streetlamps across the landside campus. LED installation also continued along Pier 4 and Pier 6 and is expected to complete later in the year. In addition, fulfilling passenger requests for more water bottle refill points to reduce single use plastic bottle usage, we completed work on the installation of 18 new units across both terminals ahead of the summer.

Furthermore, we continued with design on a range of projects to decarbonise heat and replace chillers which have high fugitive emissions. Design also continued on our proposed water treatment solution using reed bed technology to improve the quality of water discharged to our rivers. We'll also determine if it can be re-used for flushing toilets which would reduce our potable water consumption.

Safety, security and compliance

We continued installation of new security-screening technology, mandated by the Department for Transport (DfT), for passengers and their cabin baggage, during the first half of 2024, having started in October 2023. Six lanes are now operational, four in North Terminal and two in South Terminal. As well as enhancing security screening capability, the new technology offers significant passenger service benefits as it will allow liquids and electrical items to be left in bags once the rollout is complete. Work to upgrade the remaining lanes will continue through 2024 and into the first quarter of 2025.

FINANCIAL REVIEW

Commercial revenue

Work continued on the construction of a new multi-storey car park in North Terminal, which will provide over 3,200 extra mid-stay car parking spaces directly linked to this terminal. Construction is on track to be completed in the autumn with spaces already on sale for the first quarter of 2025.

We also enhanced our retail and dining portfolios in the first half of the year with the opening of TAG Heuer and Tudor boutique watch stores along with Pizza Express, Big Smoke and Black Sheep Coffee. A £1.4 million programme to replace a range of media screens with modern, higher specification models was also completed, aimed at driving advertising income as well as boosting the appearance of terminal spaces.

Growth

Last year we finalised our plans to bring the existing Northern Runway into routine use and submitted our DCO application to the Planning Inspectorate. A period of detailed and rigorous examination of the proposals by a panel of independent Inspectors started in February 2024. So far, the examination has held nine Issue Specific Hearings on topics such as traffic forecasts, noise and climate change, and three open floor hearings where a wide range of stakeholders including local authorities and other statutory bodies, local residents, local businesses and several of our airline customers have shared their views on our proposals.

The Examination will run through until the end of August 2024 with a decision from the Secretary of State for Transport expected in February 2025.

Details about our Northern Runway plans are set out in the Sustainable Growth section on page 25.

FINANCIAL REVIEW

FINANCING

Financing structure

Gatwick Airport Limited (GAL) has a Revolving Credit Facility (RCF) under the Authorised Credit Facility (ACF) of £300.0 million, with a termination date of 21 June 2025.

To provide additional liquidity in February 2023, the Group entered into a new RCF under an ACF of £100.0 million. This facility expired on 25 July 2024.

The Group also has access to a committed £150.0 million Liquidity Facility (LF) to ensure interest payment obligations can be kept current for over 12 months. This gives extra assurance to bondholders and bank lenders.

The RCF, ACF and LF remain fully undrawn as of 30 June 2024.

Further details of the Group's financing structure can be found in the Group's Annual Report and Consolidated Financial Statements for the year ended 31 December 2023.

Between 2011 and 2019, Gatwick Funding Limited (GFL) issued £3,100.0 million of publicly listed fixed-rate secured bonds with scheduled and legal maturities ranging from 2024 and 2026 to 2049 and 2051 respectively. The Class A 5.25 per cent. bond was fully repaid on 23 January 2024.

On 4 April 2024 GFL issued a £250.0 million 5.5 per cent. Class A bond with scheduled and legal maturities of 2040 and 2042 respectively.

Details and current outstanding balances, following repayments, are shown below.

	Scheduled maturity	Legal maturity	Issue date	**As of 30 June 2024 £m**	As of 30 June 2023 £m	Borrower
Class A 5.25 per cent.	2024	2026	20 Jan 2012	**-**	150.0	Gatwick Airport Ltd
Class A 6.125 per cent.	2026	2028	2 Mar 2011	**300.0**	300.0	Gatwick Airport Ltd
Class A 2.5 per cent.	2030	2032	15 Apr 2021	**300.0**	300.0	Gatwick Airport Ltd
Class A 4.625 per cent.	2034	2036	27 Mar 2014	**350.0**	350.0	Gatwick Airport Ltd
Class A 5.75 per cent.	2037	2039	20 Jan 2012	**300.0**	300.0	Gatwick Airport Ltd
Class A 3.125 per cent.	2039	2041	28 Sep 2017	**350.0**	350.0	Gatwick Airport Ltd
Class A 5.5 per cent.	2040	2042	4 Apr 2024	**250.0**	-	Gatwick Airport Ltd
Class A 6.5 per cent.	2041	2043	2 Mar 2011	**300.0**	300.0	Gatwick Airport Ltd
Class A 2.625 per cent.	2046	2048	7 Oct 2016	**180.1**	180.1	Gatwick Airport Ltd
Class A 3.25 per cent.	2048	2050	26 Feb 2018	**203.3**	203.3	Ivy Holdco Ltd
Class A 2.875 per cent.	2049	2051	5 July 2019	**204.0**	204.0	Gatwick Airport Ltd
				2,737.4	2,637.4	

The Group regularly prepares long-term cash flow forecasts to test the sufficiency of its financing facilities to meet its funding requirements. The Directors consider that the current level of credit facilities is sufficient to meet its present forecast funding requirements and provides the Group with appropriate headroom.

During 2021, the Group was granted covenant waivers and an amendment of certain terms under the financing documents from Qualifying Borrower Secured Creditors. This includes: a) that any default relating to Senior ICR and Senior RAR (Regulatory Asset Base) levels are waived in respect of the calculation dates falling on December 2021 and June 2022; and b) a temporary amendment (until June 2024) to the calculation of the Senior RAR to replace both the April 2020 to March 2021 EBITDA and the April 2021 to March 2022, in such calculation with the average of the 2017, 2018 and 2019 financial years, corresponding to each relevant calendar quarter, to prevent results in this exceptional period continuing to impact the Senior RAR.

On 30 June 2024, the Group's consolidated senior net debt was £2,795.7 million. It comprised:

	As of 30 June **2024 £m**	2023 £m
Class A bonds	**2,737.4**	2,637.4
Index-linked derivative accretion	**153.8**	119.4
Revolving credit facilities	**-**	20.0
Cash and cash equivalents	**(95.5)**	(32.8)
Senior net debt	**2,795.7**	2,744.0

For the six months ended 30 June 2024, the average interest rate payable on borrowings was 6.0% (six months ended 30 June 2023: 6.64%).

FINANCIAL REVIEW

Financial covenant ratios

The maximum net indebtedness to the total Senior RAR and minimum Senior ICR are the Group's financial covenants that govern its ability to raise incremental debt under the ACF Agreement. The Group's financial covenants on 30 June 2024 and 31 December 2023 under the CTA are shown below.

A higher Senior ICR for the 12 months ended 30 June 2024 has occurred due to an increase in net cash inflows from operating activities. Senior RAR at June 2024 has remained relatively similar to December 2023 due to the increase in senior net debt being mostly offset by an increase in Transfer RAB driven by the improved operating performance of the business (Transfer RAB linked to EBITDA multiple).

	12 mths ended 30 Jun 2024	Year ended 31 Dec 2023 audited	Trigger	Default
Minimum interest cover ratio (Senior ICR)	3.74	3.48	<1.50	<1.10
Maximum net indebtedness to the total regulatory asset base (Senior RAR)	0.47	0.45	>0.70	>0.85

PENSION SCHEME

London Gatwick operates a defined benefit pension scheme, which closed to new members in June 2010. On 30 June 2024, the defined benefit pension scheme, as measured under IAS 19, was funded at 125% (31 December 2023: 119%). This translated into an accounting surplus of £82.4 million (31 December 2023: £68.2 million).

The £12.9 million increase in surplus is primarily driven by the changes in financial markets over the period. Increases in bond yields led to decreases in the value placed on plan liabilities over the year. These gains were partly offset by losses on the plan assets.

The Directors believe the scheme has no significant plan-specific or concentration risks.

DIVIDENDS

On 2 May 2024 the Directors declared and paid a dividend of 50.2 pence per share, amounting to £300.8 million (period ended 30 June 2023: £nil).

GROUP STRUCTURE

There have been no changes to the Group structure during the period ended 30 June 2024. Further details of the Group structure can be found in the Group's Annual Report and Consolidated Financial Statements for the year ended 31 December 2023.

GOING CONCERN

The Directors have prepared the financial statements on a going concern basis. In assessing the going concern position of the Group, the Directors have considered a number of scenarios and potential impact on the cash flow and liquidity of the Group over the next 12 months. They have also considered the corresponding impact on the covenants associated with the Group's financing arrangements.

In forming this view, the Directors have noted that the impact of COVID-19 was an unprecedented period in the aviation sector. However, it did demonstrate the swift actions that can be taken to manage the impact of such an event on the Group's cash flow and liquidity. Given the ongoing global political and economic situation, there remains short-term uncertainty in passenger forecasts.

See Note 1 for further details.

OUR PRINCIPAL RISKS

The principal corporate risks, as identified by the Board of Directors, have not changed since 31 December 2023. The Group has undertaken an annual comprehensive review in line with the risk management framework. The principal corporate risks are explained in more detail in the Group's Annual Report and Consolidated Financial Statements for the year ended 31 December 2023, and relate to the following key areas:

Strategy risks

- Recovery from COVID-19
- Growth
- Climate change

Business risks

- Stable and resilient operations
- Health, safety and security
- Information security
- Capital investment
- People and industrial relations

Financial risks

- Cash flow interest rate risk
- Funding and liquidity risk
- Counterparty credit risk

Regulatory and compliance risks

- CAA economic regulation
- Business ethics and compliance

Climate-related Financial Disclosures

The Group's most recent Climate-related Financial Disclosures (CFD) are provided in the Annual Report and Consolidated Financial Statements for the year ended 31 December 2023.

We've continued to assess our resilience under different climate transition risk scenarios. For both transition and physical risks, this is done by considering the short-term to 2030, medium-term to 2040, and long-term to 2050. The assessments determine the potential impact over these time horizons to support the relevant mitigation plans and actions.

STRATEGIC DEVELOPMENTS

REGULATION AT LONDON GATWICK

London Gatwick is subject to economic regulation by the Civil Aviation Authority (CAA) under the Civil Aviation Act 2012. This takes the form of legally enforceable undertakings ("commitments") made by London Gatwick to airlines, covering price, service, transparency, financial resilience, operational resilience and dispute resolution. These undertakings put commercial agreements between airports and airlines at the very centre of our business, delivering improved outcomes for passengers. They're backed by a licence issued by the CAA.

The first generation of commitments expired on 31 March 2021. These commitments consistently delivered for passengers and airlines, with service levels and overall investment significantly exceeding what was committed. Having consulted with stakeholders, in January 2020 we proposed an extension to the arrangement with an improved set of commitments to run from 1 April 2021 to 31 March 2025. The CAA confirmed the final licence conditions in a notice in May 2021 (CAP 2144).

Following extensive engagement with airlines and passenger representatives, we have proposed an extension to the current commitments until 31 March 2029, while incorporating several important enhancements. This extension will deliver significant benefits for our passengers and airlines, as well as underpin investment in sustainable growth. Over this period, we will give confidence to both airlines and passengers by striving for outstanding service, continuing to invest in facilities, and providing this at a price to airlines which London Gatwick has committed to decline, on average, in real terms. We will actively strive to get consent to start the work needed to bring our Northern Runway into routine use, adding capacity and additional resilience to the airfield.

The CAA issued a consultation in August 2024 setting out its initial view that the proposal is likely to be in the interests of consumers. We expect the CAA to reach its final decision on the regulatory framework by the end of 2024, which would be applied from April 2025. The proposal's key features are as follows:

- Service: London Gatwick commits to maintain excellent service delivery for its passengers and airlines and will remain financially incentivised to do so. We are engaging with the airline community as the package of Core Service Standards ("CSS") is reviewed. We're also proposing to reintroduce a CSS metric focused on ATC performance at our airport and strengthening the special assistance metric.

- Investment: Our CIP reflects a substantially enhanced capital programme with over £80 million added to deliver sustainability objectives, an additional £100 million investment in the international departure lounges and nearly £600 million to start the Northern Runway programme. Over the 10-year period from 2019, our planned investment is £2.6 billion – substantially higher than the minimum investment commitment of £1.5 billion and delivered under a lower price ceiling.

- Price: Recognising cost pressures and economic uncertainty and underlining our commitment to sharing commercial risk, we propose to switch to CPI and to limit airport charges with a ceiling and a maximum annual rate increase of CPI-1% for the first two years of the extension (but not to reduce below 0% nominal) with a trajectory of CPI+0% thereafter.

- Vision: As part of the current CIP process, we published our vision, which is underpinned by the following statement: "To be the airport for everyone, whatever your journey". This vision recognises the breadth of airline customers and passengers, and is built on three core foundations – ease, efficiency and experience. This will flow through investment plans and operations.

- Capacity growth: We commit to increase the resilience and efficiency of our airfield infrastructure, and to continue, for the present, to bear the cost of developing these plans, securing the necessary statutory and planning approvals, and implementing the projects. This includes potential projects to maximise the use of the existing Main Runway and to bring into routine use the existing Northern Runway (sometimes referred to as the 'stand-by' or 'emergency' runway). We are also committed to delivering greater passenger choice with routes and airlines, as well as retail growth.

All airport operators are also subject to aerodrome licensing under the Air Navigation Order 2009, which requires an airport operator to demonstrate its competence for conducting aerodrome operations safely. That licensing requirement is not affected by the Civil Aviation Act 2012.

STRATEGIC DEVELOPMENTS

CAPITAL INVESTMENT AT LONDON GATWICK

Each year we publish our CIP – a rolling five-year investment view. This is part of our Contracts and Commitments regulatory framework. When developing this programme we consult with our airline customers and London Gatwick Consultative Committee's Passenger Advisory Group (PAG). A continuous and extensive range of passenger feedback and research also informs its conclusions.

Our CIP sets out our ambition to invest over £2 billion in facilities and services for our passengers and airline customers through to 31 March 2029.

The CIP considers seven key investment drivers:

- Safety, security and compliance
- Asset stewardship and resilience
- Sustainability
- Capacity and service
- Efficiency
- Future growth
- Commercial revenue

Safety, security and compliance

Our number one priority is providing a safe and secure environment for our passengers and staff. To this goal, we continually invest to comply with requirements from a range of authorities. The most significant project we're working on is the upgrade to security-screening technology, mandated by the Department for Transport (DfT), in our passenger search areas. This is progressing well and is expected to complete in the first quarter of 2025. Other investment includes improving road safety at a pedestrian crossing point near North Terminal.

Asset stewardship and resilience

Effective maintenance of our asset base underpins our ability to offer consistently high levels of operational performance for our passengers and airline customers. We've an extensive programme of routine asset renewal that covers lifts, escalators, passenger boarding bridges, roofs, plumbing, and IT hardware and software that supports core operational systems. Asset stewardship investment will also play a crucial role in the achievement of our net zero and other sustainability goals. For example, gas boilers at the end of their economic lives will be replaced by zero emission alternatives.

To further our operational performance, in the coming years we will invest in several major maintenance programmes. For example, the rolling programme of taxiway rehabilitation, the replacement and upgrade of several key air-traffic systems, including our airport's instrument landing system, and the replacement of the North Terminal fire alarm system.

Several buildings, such as the standby control tower and the police station, require modernisation to meet operational needs. Meanwhile, our 300-strong diesel vehicle fleet, which includes specialist vehicles for snow clearance, firefighting and car park bus operations, will be replaced with electric, hydrogen or other zero emission alternatives.

Another key element in our asset replacement investment portfolio is updating the look and feel of certain areas of our airport. Driven by our passenger research, and in consultation with our airlines and our Passenger Advisory Group, we have developed a programme of work covering piers, gaterooms, toilets, car parks and baggage reclaim halls. During the first half of the year, we initiated a range of individual projects that will commence on site after the summer peak, including the refurbishment of North Terminal gaterooms 53 and 54, the redevelopment of 11 North Terminal coaching gates, and the upgrade of several sets of toilets on Pier 4.

Sustainability

We aim to lead the way in sustainable aviation. To this aim, our Second Decade of Change policy sets out ambitious goals for 10 sustainability topics over 10 years. Our CIP sets out substantial investment to support each of these goals. Our plans include extensive work to replace over 100 gas boilers and 300 diesel vehicles to meet our ambition to be net zero for Scope 1 and 2 emissions by 2030. We will also explore opportunities for onsite or near site renewable energy sources. In addition, we plan to invest in a nature-based, reed bed solution to improve the quality of surface water discharged to our rivers and, potentially, re-use the treated water for flushing toilets, thus reducing our potable water consumption.

Furthermore, we will finance active travel initiatives such as improving National Cycleway 21 which runs through our airport, and upgrading staff shower facilities and storage facilities for cyclists. We will also play our part in the CAA's Airspace Modernisation programme which involves a complete redesign of London Gatwick's airspace as part of a national programme to deliver "quicker, quieter and cleaner journeys". Finally, building on the success of the STEM Centre we developed last year to support local schools in engaging students in STEM subjects, we have started a project to aid our engineering apprentices with improved study facilities and practical learning space and equipment.

STRATEGIC DEVELOPMENTS

Capacity and service

We regularly undertake high-level traffic assessments to help inform our medium to long-term capital investment forecast. We have taken a broadly positive assessment over the medium-term period, while recognising the volatility in demand forecasting in the current environment. Based on the forecasts, we've conducted a high-level demand assessment, and included capital projects designed to address the emerging capacity and any service shortfalls in our investment plans. The extension of Pier 6 to add eight new Code 4 pier served stands is an example of how we are investing to address a capacity gap and maintain the high level of pier service our passengers experience.

Investment in service will be key to delivering our vision "To be the airport for everyone, whatever your journey" and strengthening the three core foundations – ease, efficiency and experience – that underpin it. Examples include the expansion of both the North and South Terminal Departure Lounges, continued investment in the automation of check-in and bag drop processes, and further exploration of boarding gate automation. In addition, we' are planning upgrades to terminal and pier environments, a rolling programme of toilet upgrades and additional facilities to aid passengers who require special assistance. Following the successful refurbishment of the North Terminal Departure Lounge, we will start work on a similar project in the South Terminal Departure Lounge this winter. This will include refreshing wall finishes and wayfinding, adding plants and greenery, relocating the children's play area and reconfiguring island retail unts. Meanwhile, plans for our car parks include new technology to guide passengers to spaces in both long and short stay facilities and new bus-shelters with real-time waiting time information.

Efficiency

We aim to initiate projects targeted at improving operational efficiency and reducing costs, both for our airline and ground-handling communities, and for our airport. Examples include the automation of check-in and bag drop, technology to improve the aircraft boarding process and greater automation of baggage handling processes to reduce reliance on resource. We are continuing our exploration of 'smart stand' technologies to aid more efficient aircraft turnaround. In addition, we are looking at installing next-generation stand entry guidance systems. This will give pilots more information to help them optimise taxi times, saving time, fuel and emissions.

Commercial revenue

We seek to maximise revenue through commercially returning projects. This benefits passengers through the provision of a wide choice of quality restaurants, shops, car parking, car rental and other services which enhance their experience. It also helps us to maintain competitive airport charges and thereby incentivise further growth in airline services and destinations. Examples of commercial projects in the CIP include the continued updating and revitalising of our shops and restaurants and the provision of on-airport hotel beds and office facilities. Additionally, construction of a new multi-storey car park in North Terminal to serve mid-stay passengers is progressing well and on track to complete in the autumn. Finally, a pilot scheme using robots to park cars that was paused during the pandemic is expected to recommence later this year.

Future growth

In July 2023 we finalised our plans to bring the existing Northern Runway into routine use and submitted our DCO application to the Planning Inspectorate (PINS). The DCO application was accepted for detailed examination by PINS in August 2023. A period of detailed and rigorous examination of the proposals by a panel of independent Inspectors started in February 2024 with a decision from the Secretary of State for Transport expected in February 2025.

We're confident that this project represents an affordable, sustainable and responsible solution to meeting future travel demand.. Making best use of existing infrastructure is in line with Government policy and delivers sustainable, incremental growth to meet future demand in London and the South East. This will allow us to serve around 75 million passengers a year by 2038. The additional capacity will bring material benefits to passengers, with a broader choice of routes, competitive prices and greater resilience in the London system. At the same time, it will benefit the local and national economy by creating thousands of new jobs and injecting over £1 billion into the local economy each year.

STRATEGIC DEVELOPMENTS

Building resilience with a new Rapid Exit Taxiway

On 21 February 2024 we successfully put the new Rapid Exit Taxiway (RET) "Echo Romeo" into operation. This project has been long anticipated to improve resilience at London Gatwick, generating more consistency for runway occupancy time for aircraft arriving from the East. Over 50% of all arrivals used the taxiway in its first four days of operation and after four months of service just over 60% of arrivals were using the taxiway.

Before the RET was operational, some landing aircraft would narrowly miss the first taxiway to exit the runway. For example, if they landed later than anticipated, weather conditions made braking more challenging, or they were flying with a heavier load than normal. This meant the aircraft travelled slowly along the runway to the next taxiway exit, taking an extra 20 seconds or more.

With a more efficient exit, our airport's runway will perform more consistently, supporting all pilots but particularly those less familiar with London Gatwick. More pilots are now able to take the first exit, and if they miss the first exit then the time to the second exit is much lower, meaning they are less likely to impact other aircraft.

Due to the RET, Air Traffic Controllers can be more confident in the performance of landing aircraft. This reduces delays, the likelihood of "go-arounds" and holding times for aircraft waiting to depart – all helping to limit emissions and noise.

The project began in 2018 with construction starting in 2019, but work was paused in early 2020 due to the COVID-19 pandemic. In May 2022 we decided to restart the project, which enabled time for the construction team to review the design principles, assumptions and constraints.

During this phase the teams identified opportunities to reduce the construction phase carbon by over 10%. This was due to reviewing the pavement area and profile, redesigning the drainage and exploring alternative materials. We'll apply these learnings from delivering a new taxiway while working alongside our main runway to future projects in this location.

In addition, we're constantly reviewing the utilisation of the RET and the impact to the operation. Use of the taxiway is on an upward trend, and we've also seen greater consistency in arrival times and a reduction in go-arounds due to runway occupancy since the taxiway was opened.

STRATEGIC DEVELOPMENTS

DECADE OF CHANGE – OUR SUSTAINABILITY POLICY

Our sustainability policy, the Second Decade of Change, looks ahead to 2030, setting out 10 goals across three themes: People and Communities, Net Zero, and Local Environment. In 2024, we published our 2023 Performance Summary alongside our Annual Results for the first time. This reflects our effort and focus on timely, accurate and transparent sustainability reporting. Specifically, the Performance Summary provides an update on each of the Key Performance Indicators that were set out in the Decade of Change Roadmaps published in August 2023.

In order to deliver the Decade of Change commitments, we are encouraging all colleagues to contribute. At the end of January, we hosted our first ever Sustainability Roadshow featuring 27 events around the campus over five days. These ranged from an inaugural sustainability conference to localised sustainability sessions with operational teams including engineering, security and the airfield.

People and Communities

Our People and Communities theme is formed of five goals: Local Economy, Opportunity and Accessibility, Workplace Safety, Local Communities, and Noise. Our Accessibility Strategy, which supports our Decade of Change Goal 2: Opportunity and Accessibility, sets out how we will remove barriers that make travelling through our airport most challenging. We have conducted an independent review of the accessibility of all our passenger-facing areas to ensure that accessibility is considered in future developments. In addition, this year we launched a campaign focusing on assisted travel and the accessibility of our airport. We have also partnered with AccessAble to produce detailed access guides of the terminals so that passengers know what to expect in our airport before arrival.

This year we launched a revamped disability equality and awareness training programme to all our colleagues. This focuses on raising awareness of the broad range of disabilities and different scenarios that our staff may encounter with disabled passengers. For our frontline colleagues, additional training is being developed to address everyday situations, such as security searches and first aid incidents.

We are also looking at innovative ways to boost our traditional assistance service to better meet passengers' needs. Partnering with the Future of Air Mobility Accelerator, we trialled WeASSIST, a remote sighted guide app for blind and partially sighted passengers. The app connects passengers to the RNIB helpline team who can provide directions and sighted assistance, allowing blind and partially sighted passengers to navigate our airport without the traditional special assistance service. Finally, we are trialling autonomous solutions which can improve the efficiency of the special assistance service and give passengers more freedom to personalise their journey.

Net Zero

Two goals sit under our Net Zero theme: Airport Emissions (Goal 6) and Aircraft and Surface Access Emissions (Goal 7). Last year, we committed to be Net Zero (scope 1 and 2) by 2030. Key to delivering this target is the decarbonisation of heat. This year, we've commissioned a site-wide heating infrastructure study, aiming to produce a RIBA 2 design and report. The study is due to complete later this year and will inform the next steps in the decarbonisation of heat.

In February, we completed the rollout of hydrotreated vegetable oil (HVO) – a low-carbon biofuel made from plant waste, oils and fats – across our full diesel vehicle fleet. 300 vehicles ranging from fire engines, to snowploughs and airside ops vehicles, are now powered by HVO. This change will cut future carbon emissions from diesel vehicles by around 90%.

This year, we also became the first international airport to open an Electric Forecourt – a dedicated electric vehicle charging station, in partnership with GRIDSERVE. All 30 charging bays are powered by 100% net zero energy, with the fastest chargers capable of adding up to 100 miles of range in 10 minutes. This project, alongside our airport helping to fund new hydrogen buses on the local Metrobus network and investing in doubling the Gatwick-Reading train service, contribute towards our Decade of Change Surface Access (Goal 7) ambition for 60% of journeys to and from our airport to be zero or ultra-low emissions, by 2030.

STRATEGIC DEVELOPMENTS

Local Environment

The Local Environment theme consists of three goals: Water, Waste and Biodiversity. Our Waste goal (Goal 9) is to recover 100% of our operational, commercial and construction waste for beneficial use by 2030, where beneficial use is defined as repair, reuse, donation, recycling, composting or converting to fuel. Approximately 20% of our total annual material generation comes from airside passenger areas. Therefore, this year we have started the rollout of new recycling banks across our departure lounges. These banks mean our passengers can segregate materials across four waste streams: plastic bottles, coffee cups, mixed recycling and other waste. In the initial trials at the outset of the project, we recorded a greater than 30% increase in non-contaminated recycling.

We have also focused during 2024 on the implementation of separate waste streams for Category 1 waste from airline cabins, which is a further 20% of our total annual material generation. Under the current regulation, all International Cabin Waste (known as Category 1 waste) is subject to strict handling, storage and disposal controls, and goes for high-temperature incineration. We have been working with airlines, airline cleaning operators, government bodies and other industry stakeholders to pioneer a new process. This process aims to divert aircraft cabin waste recyclate away from incineration, while still meeting the stringent requirements set out by the Animal and Plant Health Agency.

Working with airport partners

We recognise that collaboration and working with our on-airport partners is key to achieving our shared sustainability goals. To help this collaboration, we have created the London Gatwick Sustainability Forum (LGSF). The inaugural meeting of the LGSF took place in March, with over 70 on-airport organisations invited, including airlines, ground handlers and retailers. Three working groups for the LGSF have been defined: social value, environmental issues, and climate action. The areas of focus for the working groups will be developed by the participants over summer.

STRATEGIC DEVELOPMENTS

SUSTAINABLE GROWTH

We have an important economic relationship with the region we serve. At the same time, we have a responsibility to protect the environment and grow in a sustainable way. By balancing these priorities, we can provide improved employment opportunities while supporting the government's commitment to reach net zero emissions by 2050.

Supporting local and regional economic growth

In the first half of the year, our airport published new research by leading economists Oxera that showed London Gatwick generated £5.5 billion for the UK economy and supported over 76,000 jobs in 2023. The majority of this vital economic activity took place in six local authority areas across the South East, as below.

Local authority	Jobs supported	Gross Value Added £m
West Sussex	22,047	£1,598.7
Surrey	11,908	£855.0
Kent	7,220	£515.2
Croydon	3,680	£265.2
Brighton and Hove	3,432	£246.1
East Sussex	3,415	£245.4

Limiting and reducing impacts

Our airport is fully committed to protecting the environment. Therefore, we will grow in a way that limits and, where possible, reduces our impact on the environment and on local residents directly impacted by airport operations.

As part of our sustainability policy set out above and recognising the urgent need to make net zero a reality, we have also accelerated our commitment to reach net zero for emissions under our direct control (Scope 1 and 2 emissions) by 10 years to 2030. To achieve this, we'll invest £250 million in zero or low-carbon technologies.

In terms of Scope 3 emissions, London Gatwick is a Council Member of the cross-industry body, Sustainable Aviation, and fully supports its updated Net Zero Carbon Roadmap. This Roadmap confirms that UK aviation can continue to grow while meeting a commitment to reach net zero emissions by 2050.

We have also just announced a partnership with Airbus, easyJet and Air Products to explore providing hydrogen infrastructure at London Gatwick to potentially fuel zero-emission hydrogen powered aircraft.

Taking forward the 2019 Masterplan

The 2019 Masterplan sets out how our airport could grow to sustainably meet demand by 2030. It sets out three scenarios:

1. Continuing to make best use of our airport's Main Runway through the use of new technology.
2. Preparing a planning application to bring the Northern Runway into routine use.
3. Continuing to seek that national and local planning policy safeguards land for an additional runway in the future.

Our airport's Main Runway (point 1) was resurfaced in 2022 and a new Rapid Exit Taxiway opened late 2023, which has improved resilience and runway performance. We are also exploring a number of further opportunities to adopt new technology and process initiatives, to further improve this key piece of national infrastructure.

Another important aim is to ensure land south of London Gatwick is safeguarded in line with national aviation and planning policy (point 3). We continue to make representations to our local authorities in this respect.

Northern Runway planning application

London Gatwick submitted a planning application, known as a DCO, to the Planning Inspectorate on 6 July 2023. This sets out the project to bring our airport's existing Northern Runway into routine use (point 2).

This project aims to use our airport's existing infrastructure to unlock new capacity and improve airport resilience. In addition, it will also enhance the crucial economic role our airport plays in the South East by creating around 14,000 new jobs and injecting £1 billion into the region's economy every year.

The DCO application was accepted for detailed examination by the Planning Inspectorate in August 2023. A six-month period of detailed examination of the proposals by a panel of independent inspectors is due to complete on 27 August 2024. The Planning Inspectorate will make a recommendation to Government toward the end of this year. A final decision on our airport's sustainable growth plan is expected from Government in February 2025.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

	Note	**Unaudited six months ended 30 June 2024 £m**	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Revenue	3	**487.9**	423.3	1,015.1
Operating costs	4	**(297.0)**	(262.4)	(551.5)
Operating profit		**190.9**	160.9	463.6
Investment property revaluation	10	**11.0**	27.0	72.7
Gain/(loss) on disposal of fixed assets	5	**-**	0.9	(1.0)
Financing				
Fair value loss on derivative financial instruments		**(6.8)**	(30.0)	(18.8)
Finance income [(a)]	6	**13.1**	10.7	25.9
Finance costs [(a)]	7	**(71.9)**	(69.3)	(139.2)
Profit before tax		**136.3**	100.2	403.2
Income tax charge	8	**(30.5)**	(21.1)	(88.4)
Profit for the period		**105.8**	79.1	314.8

The notes on pages 31 to 48 form an integral part of these unaudited condensed interim consolidated financial statements.

All income and expenses recognised during the current and prior periods are from continuing operations.

(a) See note 2 for explanation of a presentational restatement of the comparatives.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Profit for the period	**105.8**	79.1	314.8
Other comprehensive income			
Items that will not be reclassified to the consolidated income statement			
Remeasurement of retirement benefit asset	**12.9**	12.3	(27.9)
Tax charge	**(3.2)**	(3.1)	7.0
Other comprehensive income for the period	**9.7**	9.2	(20.9)
Total comprehensive income for the period	**115.5**	88.3	293.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital £m	Merger reserve £m	Retained earnings £m	Total £m
Balance at 1 January 2023 (audited)	599.4	(260.8)	(272.9)	65.7
Total comprehensive income	-	-	88.3	88.3
Balance at 30 June 2023 (unaudited)	599.4	(260.8)	(184.6)	154.0
Balance at 1 January 2024 (audited)	599.4	(260.8)	21.0	359.6
Total comprehensive income	-	-	115.5	115.5
Transactions with owners of the company				
Dividends			(300.8)	(300.8)
Balance at 30 June 2024 (unaudited)	599.4	(260.8)	(164.3)	174.3

The notes on pages 31 to 48 form an integral part of these unaudited condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Assets				
Non-current assets				
Property, plant and equipment	9	**2,047.4**	2,046.8	2,086.8
Investment properties	10	**1,265.4**	1,162.0	1,201.3
Intangible assets	11	**8.7**	13.0	10.0
Finance lease receivables	15	**16.8**	16.8	16.8
Other non-current assets	14	**300.1**	300.1	300.1
Retirement benefit asset	17	**82.4**	106.2	68.2
		3,720.8	3,644.9	3,683.2
Current assets				
Inventories		**7.6**	7.3	7.5
Trade and other receivables		**174.8**	118.1	130.0
Corporation tax receivable		**13.3**	17.4	1.2
Cash and cash equivalents		**95.5**	32.8	259.9
		291.2	175.6	398.6
Total assets		**4,012.0**	3,820.5	4,081.8
Liabilities				
Non-current liabilities				
Non-current borrowings	16	**(2,696.2)**	(2,468.9)	(2,450.4)
Derivative financial instruments	12	**(392.7)**	(397.1)	(385.9)
Lease liabilities	15	**(74.5)**	(74.3)	(75.3)
Deferred tax liabilities		**(403.1)**	(356.7)	(387.0)
		(3,566.5)	(3,297.0)	(3,298.6)
Current liabilities				
Current borrowings	16	**-**	(149.7)	(149.8)
Lease liabilities	15	**(3.2)**	(3.0)	(3.1)
Trade and other payables	18	**(243.8)**	(197.1)	(255.3)
Deferred income		**(24.2)**	(19.7)	(15.4)
		(271.2)	(369.5)	(423.6)
Total liabilities		**(3,837.7)**	(3,666.5)	(3,722.2)
Net assets		**174.3**	154.0	359.6
Equity				
Share capital		**599.4**	599.4	599.4
Retained earnings		**(164.3)**	(184.6)	21.0
Merger reserve		**(260.8)**	(260.8)	(260.8)
Total equity		**174.3**	154.0	359.6

The notes on pages 31 to 48 form an integral part of these unaudited condensed interim consolidated financial statements.

These condensed interim consolidated financial statements of Ivy Holdco Limited (Company registration number: 07497036) were approved by the Board of Directors on 14 August 2024 and were signed on its behalf by:

Marten Soderbom
Director

Rémi Maumon de Longevialle
Director

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Cash flows from operating activities			
Profit before tax	**136.3**	100.2	403.2
Adjustments for:			
Investment property revaluation	**(11.0)**	(27.0)	(72.7)
(Gain)/loss on disposal of fixed assets	**-**	(0.9)	1.0
Fair value loss on financial instruments	**6.8**	30.0	18.8
Finance income	**(13.1)**	(10.7)	(25.9)
Finance costs	**71.9**	69.3	139.2
Depreciation and amortisation	**77.5**	74.8	154.1
Impairment of fixed assets	**-**	-	1.7
Increase in inventories, trade and other receivables	**(54.1)**	(20.8)	(19.0)
Increase/(decrease) in trade and other payables	**23.8**	(4.9)	9.3
Defined benefit pension contributions	**-**	(7.6)	(7.3)
Cash generated from operations	**238.1**	202.4	602.4
Corporation tax paid	**(29.7)**	(28.0)	(38.7)
Net cash from operating activities	**208.4**	174.4	563.7
Cash flows from investing activities			
Interest received	**4.5**	0.6	3.9
Sale of tangible fixed assets	**-**	0.9	0.9
Purchase of fixed assets	**(76.5)**	(44.6)	(130.7)
Net cash from investing activities	**(72.0)**	(43.1)	(125.9)
Cash flows from financing activities			
Interest paid	**(93.2)**	(91.3)	(149.6)
Payment of lease liabilities	**(1.1)**	(0.8)	(1.6)
Increase in fixed rate borrowings	**244.3**	-	-
Repayment of fixed rate borrowings	**(150.0)**	-	-
Decrease in revolving credit facility	**-**	(40.0)	(60.0)
Equity dividends paid	**(300.8)**	-	-
Issue costs for revolving credit facility	**-**	(0.4)	(0.7)
Net cash from financing activities	**(300.8)**	(132.5)	(211.9)
Net (decrease)/increase in cash and cash equivalents	**(164.4)**	(1.2)	225.9
Cash and cash equivalents at the beginning of the period	**259.9**	34.0	34.0
Cash and cash equivalents at the end of the period	**95.5**	32.8	259.9

The notes on pages 31 to 48 form an integral part of these unaudited condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

Ivy Holdco Limited ("the Company") is a private company, limited by shares, and is registered and incorporated in England, United Kingdom. These condensed interim consolidated financial statements are prepared in order to comply with the requirements contained within the Group's secured financing structure.

These financial statements are the condensed interim consolidated financial statements of Ivy Holdco Limited and its subsidiaries ("the Group") for the six months ended 30 June 2024. The comparative periods are the six months ended 30 June 2023 and the year ended 31 December 2023; comparatives for the year ended 31 December 2023 are derived from the audited consolidated financial statements for the year ended 31 December 2023. They are presented in sterling and rounded to the nearest £0.1 million. These condensed interim consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34"). The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: certain financial assets and financial liabilities (including derivatives) measured at fair value, investment property and liabilities for cash-settled share-based payments. The Group has taken advantage of the exemption under DTR 4.4.2 from preparation in accordance with the Disclosure Guidance and Transparency rules (DTR) of the United Kingdom's Financial Conduct authority.

The interim financial information does not include all the notes of the type normally included in the annual financial statements. The financial information for the six-month period ended 30 June 2024 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. It should be read in conjunction with the statutory accounts for the year ended 31 December 2023, which were prepared in accordance with UK-adopted international accounting standards.

Where financial information in the notes to the condensed consolidated financial statements for year ended 31 December 2023 is labelled audited, the amounts have been derived from the Group's audited financial statements for the year ended 31 December 2023.

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied by the Group in its audited consolidated financial statements for the year ended 31 December 2023 except for the estimations of income tax (see note 8) which are prepared in accordance with UK adopted international accounting standards and in conformity with the requirements of the Companies Act 2006.

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Going Concern

The Directors have prepared the financial statements on a going concern basis. In assessing the going concern position of the Group, the Directors have considered the potential impact of ongoing political and economic situations on the cash flow and liquidity of the Group over the next 12 months, and the corresponding impact on the covenants associated with the Group's financing arrangements.

In forming this view, the directors have noted that the impact of COVID-19 was an unprecedented period in the aviation sector. However, it did demonstrate the swift actions that can be taken to manage the impact of such an event on the Group's cash flow and liquidity. Given the ongoing global political and economic situation, there remains short-term uncertainty in passenger forecasts for 2024.

The Group's financing arrangements are cross guaranteed by each company within the Ivy Holdco Group. This results in each company being interdependent on the overall results and cash flows of the Group as a whole. This arrangement is further disclosed within note 16.

As at 30 June 2024 the Group had net current liabilities of £20.0 million, held cash of £95.5 million and the £300.0 million RCF was undrawn. The Group also has access to a committed £150.0 million Liquidity Facility with a termination date of 19 June 2028 to ensure interest payment obligations can be kept current for over 12 months. The Group does not currently expect to utilise the Liquidity Facility. The Group's forecasts demonstrate that the Group continues to have liquidity headroom for at least the next 12 months.

During 2021, the Group was granted covenant waivers and an amendment of certain terms under the financing documents from Qualifying Borrower Secured Creditors. This includes:

a) that any default relating to Senior ICR and Senior RAR levels are waived in respect of the calculation dates falling on December 2021 and June 2022; and
b) a temporary amendment (until June 2024) to the calculation of the Senior RAR to replace both the April 2020 to March 2021 EBITDA and the April 2021 to March 2022 EBITDA, in such calculation with the average of the 2017, 2018 and 2019 financial years, corresponding to each relevant calendar quarter, to prevent results in this exceptional period continuing to impact the Senior RAR.

In the six months to 30 June 2024, passenger numbers increased by 7.7% to 19.9 million compared with 18.5 million over the same period in 2023, reaching 90% of 2019 levels in the same period. The continued recovery was a result of an increase in both short haul and long haul traffic. The Group's most recent forecast shows expected passenger numbers in 2024 of circa 93% compared to 2019.

The Directors have considered this, in addition to a number of severe but plausible downside scenarios, including the impact of ongoing economic and political situations. The Directors consider that the Group can maintain sufficient liquidity over a period of at least 12 months from the date of the approval of the financial statements. Considering amendment of certain terms under the financing documents described above, the Group anticipates compliance with all covenant tests at the relevant calculation dates over a period of at least 12 months from the date of the approval of the financial statements. Accordingly, the Directors have a reasonable expectation that the Group will continue as a going concern, and the financial statements have been prepared on that basis.

2. GENERAL INFORMATION

The comparative figures for the financial year ended 31 December 2023 are not the Company's statutory accounts for that financial year but are derived from those accounts. Those accounts have been reported on by the Company's auditor and will be delivered to the Registrar of Companies. The report of the auditor was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Alternative performance measures (APMs)

The Group presents its results in according with IFRS and also uses other financial measures not defined by IFRS as APMs. The APMs are measures of the Group's performance and are useful for management, investors, and other stakeholders. The APMs are non-IFRS measures and are not uniformly or legally defined financial measures. These are not substitutes for IFRS measures in assessing our overall financial performance. An explanation of each APM used by the Group is provided in the Annual Report and Consolidated Financial Statements for the year ended 31 December 2023 and remain unchanged.

Restatement of comparatives

In the prior period the periodic interest settlements on the pay and receive legs of the swaps were presented gross in interest expense and income respectively. To reflect the net settlements of these legs, these amounts are now shown net in either interest income or expense. The comparative income statement presented interest receivable of £20.4 million and interest payable of £29.3 million, this has been updated to a net interest payable of £8.9 million. The comparative statement of financial position presented accrued interest receivable of £12.7 million and accrued interest payable of £68.3 million, this has been updated to net accrued interest payable of £55.6 million.

3. REVENUE

The Directors consider the business has only one segment (defined as the Airport due to the nature of its regulatory environment, type of operation, geographic location, and internal management reporting framework).

Disaggregation of revenue

All of the Group's revenue arises in the United Kingdom and is from continuing operations. Additional details of the revenue generated by each of the Group's key activities are given below.

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Airport and other traffic charges	**238.6**	212.7	545.7
Duty and tax-free	**45.7**	30.0	70.3
Specialist shops	**19.7**	18.5	42.3
Catering	**29.5**	26.0	58.9
Other retail	**17.3**	15.2	36.2
Retail	**112.2**	89.7	207.7
Car parking	**67.3**	59.5	132.8
Property income	**18.0**	15.8	31.0
Operational facilities and utilities income	**21.4**	21.5	41.2
Other income	**30.4**	24.1	56.7
	487.9	423.3	1,015.1

4. OPERATING COSTS

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Wages and salaries	**74.4**	63.9	137.3
Social security costs	**8.1**	7.2	15.5
Pension costs	**4.2**	3.7	6.8
Share based payments	**1.0**	0.6	2.1
Other staff related costs	**3.9**	3.7	7.8
Staff costs	**91.6**	79.1	169.5
Retail expenditure	**1.9**	1.4	3.4
Car parking expenditure	**15.5**	11.1	25.3
Depreciation and amortisation	**77.5**	74.8	154.1
Maintenance and IT expenditure	**25.7**	22.0	47.1
Rent and rates	**18.6**	17.7	36.4
Utility costs	**17.8**	16.0	33.0
Police costs	**7.0**	6.5	12.7
Other operating expenses	**32.1**	26.4	54.3
Aerodrome navigation service costs	**9.3**	7.4	15.7
	297.0	262.4	551.5

5. GAIN/(LOSS) ON DISPOSAL OF FIXED ASSETS

Loss on disposal of fixed assets relate to assets no longer in use by the Group.

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Gain/(loss) on disposal of fixed assets	**-**	0.9	(1.0)

6. FINANCE INCOME

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Interest receivable from other group undertakings	**8.0**	8.0	16.2
Interest receivable on money markets and bank deposits	**3.1**	0.2	4.3
Finance lease income	**0.4**	0.4	0.9
Finance return on pension schemes	**1.6**	2.1	4.5
	13.1	10.7	25.9

7. FINANCE COSTS

	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Interest on fixed rate bonds	**56.7**	56.9	114.8
Interest on bank borrowings	**-**	1.7	1.8
Net interest payable on derivative financial instruments [(a)]	**11.2**	8.9	19.7
Amortisation of debt costs	**1.7**	1.6	3.5
Non-utilisation fees on bank facilities	**0.8**	0.9	1.6
Lease expense	**7.1**	7.2	14.1
Capitalised borrowings costs	**(5.6)**	(7.9)	(16.3)
	71.9	69.3	139.2

(a) See note 2 for explanation of a presentational restatement of the comparatives.

8. INCOME TAX

The tax charge for the six months ended 30 June 2024 is based on an estimated effective annual tax rate of 22.4% (30 June 2023: 21.1%, 31 December 2023: 21.9%). The standard UK corporation tax rate increased from 19% to 25% from 1 April 2023.

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges.

The calculation of the Group's total tax charge necessarily involves judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with HMRC or, as appropriate, through a formal legal process. The Group is cooperating with HMRC on the use of certain existing corporation tax losses and stamp duty land tax associated with a Group reorganisation in 2015. After assessing the risk based on external legal and tax advice, alongside the directors' judgement of the robustness of the evidence available to defend the dispute, we believe the Group has a strong position. However, due to the inherent uncertainty surrounding matters of this nature the final resolution could give rise to material difference in the tax charge and related cash flows. The directors do not consider it probable that a financial outflow will be required to settle the case and no provision has been made on the balance sheet. However, if unsuccessful, the financial outflow could be up to a maximum of £64 million (excluding interest). The resolution of matters of this nature is not always within the control of the Group and it is often dependent on the efficacy of the legal processes in the UK.

9. PROPERTY, PLANT AND EQUIPMENT

	Terminal complexes	Airfield assets	Group occupied properties	Plant, equipment & other assets	Assets in the course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost						
1 January 2024 (audited)	1,654.0	582.0	256.1	726.2	250.8	3,469.1
Additions at cost	-	-	-	-	84.3	84.3
Interest capitalised	-	-	-	-	5.6	5.6
Transfers to completed assets [(a)]	7,8	38.6	0.5	18.7	(68.4)	(2.8)
Reclassification between categories [(b)]	(12.6)	7.4	0.4	5.8	(52.0)	(51.0)
Disposals	-	(1.4)	-	(0.6)	-	(2.0)
30 June 2024 (unaudited)	**1,649.2**	**626.6**	**257.0**	**750.1**	**220.3**	**3,503.2**
Depreciation						
1 January 2024 (audited)	(707.7)	(252.2)	(60.8)	(361.5)	-	(1,382.3)
Reclassification between categories [(b)]	2.2	(1.3)	(0.1)	(1.2)	-	(0.4)
Charge for the year	(36.2)	(13.0)	(5.2)	(20.7)	-	(75.1)
Disposals	-	1.4	-	0.6	-	2.0
30 June 2024 (unaudited)	**(741.7)**	**(265.2)**	**(66.1)**	**(328.8)**	**-**	**(1,455.8)**
Net book value						
30 June 2024 (unaudited)	**907.5**	**361.4**	**190.9**	**367.3**	**220.3**	**2,047.4**
30 June 2023 (unaudited)	975.0	334.2	140.7	376.1	220.8	2,046.8
31 December 2023 (audited)	946.3	329.7	195.3	364.7	250.8	2,086.8

(a) Transfer of assets in the course of construction to other asset classes, investment property (note 10) and intangible assets (note 11).

(b) Reclassification between asset classes, investment property (note 10) and intangible assets (note 11).

Security

As part of the financing agreements outlined in note 16, the Group has granted security over its assets and share capital to the Group's secured creditors via a Security Agreement, with Deutsche Trustee Company Limited acting as the Borrower Security Trustee.

Capital commitments

Contracted commitments for capital expenditure amount to £74.0 million (31 December 2023: £68.2 million, 30 June 2023: £89.7 million).

10. INVESTMENT PROPERTIES

	Investment properties £m
Valuation	
1 January 2024 (audited)	1,201.3
Transfers to completed assets [(a)]	1.0
Reclassification between categories [(b)]	52.1
Revaluation gain	11.0
30 June 2024 (unaudited)	**1.265.4**
Net book value	
30 June 2024 (unaudited)	**1,265.4**
30 June 2023 (unaudited)	1,162.0
31 December 2023 (audited)	1,201.3

(a) Transfer of assets in the course of construction to other asset classes (note 9), investment property and intangible assets (note 11).

(b) Reclassification between asset classes (note 9), investment property and intangible assets (note 11).

Investment properties and land held for development were valued at open market value at 30 June 2024 CBRE Limited at £1,265.4 million (31 December 2023: £1,201.3 million by Jones Lang LaSalle Limited and CBRE, 30 June 2023: £1,162.0 million by Jones Lang LaSalle Limited).

Valuations were carried out having regard to comparable market evidence. Each property was valued individually.

Car parks are valued primarily on a profits method of valuation which uses an estimate of the maintainable level of trade and future profitability that a competent operator of the business would be expected to achieve. This considers income and operating costs from previous years together with estimated forecasts, assumptions around future growth rates and varying discount rates depending on the attributes of each individual car park.

Other properties are valued using current and potential future income (after deduction of non-recoverable outgoings), capitalised using yields derived from market evidence.

As a result of the valuation, a gain of £11.0 million is recognised in the income statement (31 December 2023: £72.7 million, 30 June 2023: £27.0 million).

The Group's car parking assets are held as investment properties.

The fair value measurement for all of the investment properties has been categorised as a level 3 fair value based on the inputs to the valuation technique used (refer to note 13). Valuations were carried out having regard to comparable market evidence. In assessing fair value, current and potential future income (after deduction of non-recoverable outgoings) has been capitalised using yields derived from market evidence. When considering future income, the valuations have had regard to the Group's assessment of the impact of climate change on forecasts; sustainability and environmental matters have been considered as part of the valuation approach. There have been no transfers in either direction between Level 2 and Level 1 and no transfers in either direction with Level 3 in the period.

The fair valuation of the Group’s investment property includes a number of unobservable assumptions. The sensitivities analysis below covers the Group’s entire investment property portfolio including car parks. Therefore, the valuation has been determined based on reasonably possible changes to the respective assumptions. The methodology used in arriving at the incremental changes shown is consistent with that used for the valuation at the balance sheet date.

The significant unobservable input used in the fair value measurement of investment properties categorised as a Level 3 fair value is yield. As at 30 June 2024, each 0.5% change in yield would have resulted in the following increase/(decrease) in the fair value of investment properties:

	30 June 2024 £m
0.5% increase in yield	(82.1)
0.5% decrease in yield	83.7

11. INTANGIBLE ASSETS

	Intangible assets £m
Cost	
1 January 2024 (audited)	89.8
Transfers to completed assets [(a)]	1.8
Reclassification between categories [(b)]	(1.1)
30 June 2024 (unaudited)	**90.5**
Amortisation	
1 January 2024 (audited)	(79.8)
Charge for the period	(2.4)
Reclassification between categories [(b)]	0.4
30 June 2024 (unaudited)	**(81.8)**
Net book value	
30 June 2024 (unaudited)	**8.7**
30 June 2023 (unaudited)	13.0
31 December 2023 (audited)	10.0

(a) Transfer of assets in the course of construction to other asset classes (note 9), investment property (note 10) and intangible assets.

(b) Reclassification between asset classes (note 9), investment property (note 10) and intangible assets.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited 30 June 2024		Unaudited 30 June 2023		Audited 31 December 2023	
	Notional £m	**Fair value £m**	Notional £m	Fair value £m	Notional £m	Fair value £m
Variable rate to index-linked swaps	**40.0**	**31.5**	40.0	28.0	40.0	31.5
Fixed rate to index-linked swaps	**356.0**	**303.6**	356.0	286.8	356.0	293.2
Fixed rate to floating-linked swaps	**289.0**	**57.6**	289.0	82.3	289.0	61.2
	685.0	**392.7**	685.0	397.1	685.0	385.9

The above swaps are designated as financial instruments which are fair valued through the Income Statement. Changes in the fair value of these derivative instruments are recognised immediately in the Income Statement, along with the reduction to reflect the credit risk of the Group on its swap position at the reporting date, in accordance with IFRS 9.

The following table summarises the total fair value of derivative financial instruments which is presented as derivative financial instruments and net interest payable within trade and other payables or net interest receivable within trade and other receivables:

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Derivative financial instruments	**392.7**	397.1	385.9
Net interest payable/(receivable)	**7.5**	6.4	(11.7)
Total fair value of derivative financial instruments	**400.2**	403.5	374.2

Variable rate to index-linked swaps
Variable rate to index-linked swaps have been entered into to economically hedge debt instruments and inflation-linked revenue.

Fixed rate to index-linked swaps
Fixed rate to index-linked swaps have been entered into to economically hedge debt instruments and inflation-linked revenue.

Fixed rate to floating-linked swaps
Fixed rate to floating rate swaps have been entered into to reduce the proportion of fixed rate debt held by the group to below 90%.

13. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's principal financial instruments (other than derivatives) comprise bank loans, cash and short term deposits. The main purpose of these instruments is to raise finance for the Group's operations.

The Group also enters into derivative transactions, principally interest rate swaps and index-linked swaps. The purpose of these transactions is to manage the interest rate and inflation risks arising from the Group's operations and its sources of finance.

The Group does not use financial instruments for speculative purposes. The treasury function operates on a centralised non-speculative risk basis. Its purpose is to identify, mitigate and hedge treasury-related financial risks inherent in the Group's business operations and funding.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk.

Financial instruments by category

The Group's financial instruments can be analysed under the following categories:

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Lease receivables	**16.8**	16.8	16.8
Net trade receivables	**62.5**	31.8	33.9
Other receivables	**0.1**	0.1	0.6
Cash and cash equivalents	**95.5**	32.8	259.9
Amounts owed by group undertakings	**56.3**	340.1	348.3
Accrued interest receivable	**0.3**	-	13.0
	231.5	421.6	672.5

	Unaudited 30 June 2024		Unaudited 30 June 2023		Audited 31 December 2023	
	Other financial liabilities at amortised cost	**Liabilities at fair value through income statement**	Other financial liabilities at amortised cost	Liabilities at fair value through income statement	Other financial liabilities at amortised cost	Liabilities at fair value through income statement
	£m	**£m**	£m	£m	£m	£m
Borrowings	**2,696.2**	**-**	2,618.6	-	2,600.2	-
Derivative financial liabilities	**-**	**392.7**	-	397.1	-	385.9
Lease liabilities	**77.7**	**-**	77.3	-	78.4	-
Trade payables and accruals	**85.3**	**-**	84.3	-	96.2	-
Other payables	**62.2**	**-**	35.6	-	36.9	-
Capital payables	**39.9**	**-**	21.2	-	36.7	-
Accrued interest payable	**56.3**	**-**	55.6	-	85.4	-
Total financial liabilities	**3,017.6**	**392.7**	2,892.6	397.1	2,933.8	385.9

At 30 June 2024, the Group has not designated any financial liabilities at fair value through the Income Statement, other than its derivative financial liabilities which do not qualify for hedge accounting.

For the six months ended 30 June 2024, the Group recognised a £6.8 million loss (30 June 2023: £30.0 million loss, 31 December 2023: £18.8 million loss) on financial derivatives through the Income Statement.

Financial instruments by category

The tables below analyse the gross undiscounted contractual cash outflows/(inflows) on the Group's financial liabilities and net settled derivative financial instruments as at 30 June 2024 to the contract maturity date.

	Less than one year £m	**One to two years £m**	**Two to five years £m**	**Greater than five years £m**
30 June 2024 (unaudited)				
Class A Bonds – Principal payments	-	-	300.0	2,437.4
Class A Bonds – Interest payments	120.7	120.7	307.0	1,065.8
Derivative financial instruments	129.6	104.3	35.1	233.3
	250.3	225.0	642.1	3,736.5
30 June 2023 (unaudited)				
Class A Bonds – Principal payments	150.0	-	300.0	2,187.4
Class A Bonds – Interest payments	114.8	107.0	284.1	1,003.1
Derivative financial instruments	20.9	119.2	118.2	189.8
Revolving credit facility	-	20.0	-	-
	285.7	246.2	702.3	3,380.3
31 December 2023 (audited)				
Class A Bonds – Principal payments	150	-	300.0	2,187.4
Class A Bonds – Interest payments	114.8	107.0	284.1	981.6
Derivative financial instruments	22.2	128.3	116.7	234.2
	287.0	235.3	700.8	3,403.2

Fair value estimation

The Group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Trade receivables
- Trade payables
- Cash and cash equivalents

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Class A Bonds			
Book value	**2,696.2**	2,599.4	2,600.2
Fair value	**2,432.2**	2,159.4	2,452.5

The fair values of listed borrowings are based on quoted prices.

Financial instruments that are measured in the Statement of Financial Position at fair value are classified by the following fair value measurement hierarchy:

- Level 1 - quoted prices (unadjusted) 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 (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of the Group's derivative financial instruments is determined using the present value of the estimated future cash flows based on observable yield curves. As at 30 June 2024, all of the resulting fair value estimates in the Group are included at Level 2 except for Bonds which are valued at Level 1, consistent with previous years (30 June 2023: Level 2 except for Bonds which are valued at Level 1, 31 December 2023: Level 2 except for Bonds which are valued at Level 1).

14. OTHER NON-CURRENT ASSETS

Other non-current assets relate to amounts due from parent undertakings.

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Other non-current assets	**300.1**	300.1	300.1

15. LEASES

As a lessee

'Property, plant and equipment' comprise owned and leased assets.

	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Property, plant and equipment owned	**1,924.3**	1,868.3	1,909.3
Right-of-use assets	**175.1**	178.5	177.5
	2,099.4	2,046.8	2,086.8

The Group's leased assets include Group occupied property, vehicles and machinery. Information about leases for which the Group is a lessee is presented below.

Lease liabilities included in the Statement of Financial Position

	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Current	**3.2**	3.0	3.1
Non-current	**74.5**	74.3	75.3
Total lease liabilities	**77.7**	77.3	78.4

Amounts recognised in the Income statement

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Interest on lease liabilities	**7.1**	7.2	14.1
Depreciation expense on right-of-use assets	**2.7**	3.0	5.9
	9.8	10.2	20.0

16. BORROWINGS

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Fixed rate borrowings	**2,696.2**	2,599.4	2,600.2
Authorised Credit Facility – Revolving Facility	**-**	19.2	-
	2,696.2	2,618.6	2,600.2
Maturity Profile:			
Repayable within 1 year	**-**	149.7	149.8
Repayable between 1 and 2 years	**298.5**	19.2	-
Repayable between 2 and 5 years	**-**	298.2	298.5
Repayable in more than 5 years	**2,397.7**	2,151.5	2,151.9
	2,696.2	2,618.6	2,600.2

All the above borrowings are carried at amortised cost. The fixed rate borrowings and Authorised Credit Facility are secured.

Financing activities

On 23 January 2024 the group repaid the Class A 5.25 percent. Bonds. On 4 April 2024, the Group issued £250.0 million of Class A 5.25 per cent. Bonds.

The Company's subsidiary Gatwick Funding Limited has issued £2,737.4 million (30 June 2023: £2,637.4 million, 31 December 2023: £2,637.4 million) of publicly listed fixed rate secured Bonds comprising:

	Scheduled maturity	Legal maturity	Issue date	**As of 30 June 2024 £m**	As of 30 June 2023 £m	As of 31 December 2023 £m	Borrower
Class A 5.25 per cent.	2024	2026	20 Jan 2012	**-**	150.0	150.0	Gatwick Airport Ltd
Class A 6.125 per cent.	2026	2028	2 Mar 2011	**300.0**	300.0	300.0	Gatwick Airport Ltd
Class A 2.5 per cent.	2030	2032	15 Apr 2021	**300.0**	300.0	300.0	Gatwick Airport Ltd
Class A 4.625 per cent.	2034	2036	27 Mar 2014	**350.0**	350.0	350.0	Gatwick Airport Ltd
Class A 5.75 per cent.	2037	2039	20 Jan 2012	**300.0**	300.0	300.0	Gatwick Airport Ltd
Class A 3.125 per cent.	2039	2041	28 Sep 2017	**350.0**	350.0	350.0	Gatwick Airport Ltd
Class A 5.5 per cent.	2040	2042	4 April 2024	**250.0**	-	-	Gatwick Airport Ltd
Class A 6.5 per cent.	2041	2043	2 Mar 2011	**300.0**	300.0	300.0	Gatwick Airport Ltd
Class A 2.625 per cent.	2046	2048	7 Oct 2016	**180.1**	180.1	180.1	Gatwick Airport Ltd
Class A 3.25 per cent.	2048	2050	26 Feb 2018	**203.3**	203.3	203.3	Ivy Holdco Ltd
Class A 2.875 per cent.	2049	2051	5 July 2019	**204.0**	204.0	204.0	Gatwick Airport Ltd
				2,737.4	2,637.4	2,637.4	

The proceeds of all bond issuances by Gatwick Funding Limited (together "the Bonds") are lent to either Gatwick Airport Limited or Ivy Holdco Limited under the Borrower Loan Agreement, the terms of which are "back-to-back" with those of the Bonds.

At 30 June 2024, the average interest rate payable on borrowings was 6.0% (30 June 2023: 6.64%, 31 December 2023: 6.65%).

Ivy Holdco Group Facilities

Gatwick Airport Limited and Ivy Holdco Limited are party to a Common Terms Agreement ("CTA") with, *inter alia*, the National Westminster Bank as Authorised Credit Facility ("ACF") agent and previously the Initial Authorised Credit Facility ("Initial ACF") agent. Gatwick Airport Limited and Ivy Holdco Limited have Borrower Loan Agreements with Gatwick Funding Limited (as Issuer), and Deutsche Trustee Company Limited (as Borrower Security Trustee). The CTA together with a Master Definitions Agreement covers, *inter alia*, the Initial ACF Agreement, the ACF Agreement and the Borrower Loan Agreements.

The ACF Agreement has a RCF of £300.0 million with a termination date of 21 June 2025. There are £nil drawings outstanding on the RCF at 30 June 2024 (30 June 2023: £20.0 million, 31 December 2023: £nil). The Group also has access to a committed £150.0 million Liquidity Facility with a termination date of 19 June 2028 to ensure interest payment obligations can be kept current for over 12 months, providing additional assurance to bondholders and banks. To provide additional liquidity, in February 2023 the Group entered into a new RCF under an ACF of £100.0 million. The facility expired on 25 July 2024.

At 30 June 2024, the Group had £550.0 million (30 June 2023: £530.0, 31 December 2023: £550.0 million) undrawn committed borrowing facilities available in respect of which all conditions precedent had been met at that date.

Financial covenants

During 2020 and 2021 the Group was granted covenant waivers and an amendment of certain terms under the financing documents, from Qualifying Borrower Secured Creditors. This includes: a) that any Default relating to Senior ICR and Senior RAR levels are waived in respect of the calculation dates falling on December 2020, June 2021, December 2021 and June 2022; and b) a temporary amendment (until June 2024) to the calculation of the Senior RAR to replace both the April 2020 to March 2021 EBITDA and the April 2021 to March 2022 EBITDA in such calculation with the average of the 2017, 2018 and 2019 financial years corresponding to each relevant calendar quarter, to prevent results in this exceptional period continuing to impact the Senior RAR.

The following table summarises the Group's financial covenants compliance as at 30 June 2024 under the CTA, and lists the trigger and default levels as at 30 June 2024, 31 December 2023 and future calculation dates in the absence of any covenant waivers:

Covenant	Unaudited six months ended 30 June 2024	Audited year ended 31 December 2023	Trigger	Default
Minimum interest cover ratio ("Senior ICR")	3.74	3.48	<1.50	<1.10
Maximum net indebtedness to the total regulatory asset base ("Senior RAR")	0.47	0.45	>0.70	>0.85

17. RETIREMENT BENEFIT ASSET

For some employees, the Group operates a funded pension plan providing benefits based on final pensionable pay. Assets of the plan are held in a separate trustee administered fund.

Plan assets at 30 June 2024 have been recognised at their fair value based on an interim valuation. Plan liabilities were projected to 30 June 2024 from the last triennial valuation by an independent qualified actuary in accordance with IAS 19. The amount included in the Statement of Financial Position arising from the Group's net surplus in respect of its defined benefit plan is as follows:

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Present value of plan liabilities	**(332.4)**	(315.0)	(361.8)
Fair value of plan assets	**414.8**	421.2	430.0
Surplus	**82.4**	106.2	68.2

The Group has the ability to recognise the surplus in the pension plan in full. Based on legal advice and a review of the scheme rules, the Group has an unconditional right to a refund of surplus upon the conclusion of the winding up of the pension plan.

18. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Trade payables	**19.2**	16.8	23.3
Accruals	**66.1**	67.8	72.9
Capital payables	**39.9**	21.2	36.7
Accrued interest payable	**56.3**	55.7	85.4
Accrued financing charges	**0.1**	-	0.1
Other payables	**62.2**	35.6	36.9
	243.8	197.1	255.3

19. RECONCILIATION IN NET DEBT

Net debt comprised the Group's borrowings net of cash and cash equivalents.

	As at 1 January 2024 £m	**[1] Cash flow £m**	**[1] Other non-cash changes £m**	**[1] As at 30 June 2024 £m**
Borrowings	(2,600.2)	(94.3)	(1.7)	(2,696.2)
Derivative financial liabilities	(385.9)	-	(6.8)	(392.7)
Lease liabilities	(78.4)	1.1	(0.4)	(77.7)
Total financing liabilities	(3,064.5)	(93.2)	(8.9)	(3,166.6)
Net interest payable	(72.4)	88.7	(72.3)	(56.0)
Cash and cash equivalents	259.9	(164.4)	-	95.5
Net debt	**(2,877.0)**	**(168.9)**	**(81.2)**	**(3,127.1)**

	As at 1 January 2023 £m	[1] Cash flow £m	[1] Other non-cash changes £m	[1] As at 30 June 2023 £m
Borrowings	(2,657.3)	40.0	(1.3)	(2,618.6)
Derivative financial liabilities	(367.1)	-	(30.0)	(397.1)
Lease liabilities	(78.0)	0.8	(0.1)	(77.3)
Total financing liabilities	(3,102.4)	40.8	(31.4)	(3,093.0)
Net interest payable	(71.2)	90.7	(75.1)	(55.6)
Cash and cash equivalents	34.0	(1.2)	-	32.8
Net debt	(3,139.6)	130.3	(106.5)	(3,115.8)

	As at 1 January 2023 £m	Cash flow £m	Other non-cash changes £m	As at 31 December 2023 £m
Borrowings	(2,657.3)	60.7	(3.6)	(2,600.2)
Derivative financial liabilities	(367.1)	-	(18.8)	(385.9)
Lease liabilities	(78.0)	1.6	(2.0)	(78.4)
Total financing liabilities	(3,102.4)	62.3	(24.4)	(3,064.5)
Net interest payable	(71.2)	145.7	(146.9)	(72.4)
Cash and cash equivalents	34.0	225.9	-	259.9
Net debt	(3,139.6)	433.9	(171.3)	(2.877.0)

(1) Unaudited

20. RELATED PARTY TRANSACTIONS

During the period the Group entered into transactions with related parties as follows:

	Income/(expense) to related party		
	Unaudited six months ended 30 June 2024 £m	Unaudited six months ended 30 June 2023 £m	Audited year ended 31 December 2023 £m
Gatwick Airport Finance plc [a]	**-**	-	0.1
Ivy Super Holdco Limited [a]	**8.0**	8.0	16.1
VINCI Airports SAS [b]	**(3.4)**	(3.1)	(7.2)
Global Infrastructure Partners [b]	**(2.4)**	(2.2)	(4.5)

	Amounts owed from/(due to) related party		
	Unaudited as at 30 June 2024 £m	Unaudited as at 30 June 2023 £m	Audited as at 31 December 2023 £m
Gatwick Airport Finance plc [a]	**1.0**	1.0	1.0
Ivy Super Holdco Limited [a]	**355.3**	339.1	347.2
VINCI Airports SAS [b]	**(9.9)**	(10.5)	(6.5)
Global Infrastructure Partners [b]	**(9.3)**	(8.0)	(6.8)

(a) Amounts receivable from related party relate to interest income.

(b) Amounts payable to related party relate to royalties and service fees.

21. CLAIMS AND CONTINGENT LIABILITIES

As part of the Group's financing agreements, the Group has granted security over their assets and share capital to the Group's secured creditors via a Security Agreement, with Deutsche Trustee Company Limited acting as the Borrower Security Trustee.

Other than the above and the disclosure in note 8, the Group has no contingent liabilities, comprising letters of credit, performance/surety bonds, performance guarantees and no other items arising in the normal course of business at 30 June 2024.