2015-16

M.A.G INTERIM REPORT AND ACCOUNTS

Six months ended 30 September 2015

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Contents

Our Business

M.A.G is the UK's leading airport group and owns and operates Manchester, London Stansted, East Midlands and Bournemouth Airports, together with a significant property business. M.A.G employs over 4,500 people and annually serves approximately 50 million passengers.

M.A.G's strategy is to increase long-term shareholder value by generating profitable growth through the further development of its assets and by offering a high quality user experience for customers using its airports.

By achieving this goal, M.A.G aims to become a global leader in airport management, products and services.

M.A.G also includes the commercial property division, M.A.G Property, which has over £600m of investment property assets across its four airports and has a 50% investment in the £800m major Enterprise Zone development, Airport City, at Manchester.

In North America, the new M.A.G-USA is looking to work with airports to develop and operate terminal and retail solutions, passenger lounges and car parking facilities.

M.A.G is managed on behalf of its shareholders who include Manchester City Council (35.5%), IFM Investors (35.5%) and the nine other Greater Manchester local authorities (29%).

M.A.G refers to Manchester Airports Holdings Limited

"M.A.G has continued to deliver sustained growth through the first half of the financial year."

Chief Executive's Review

M.A.G has continued to deliver sustained growth through the first half of the financial year. This strong performance has been driven by the most important element of our business, our passengers, who are flying from our airports in record numbers.

Charlie Cornish
Chief Executive, M.A.G

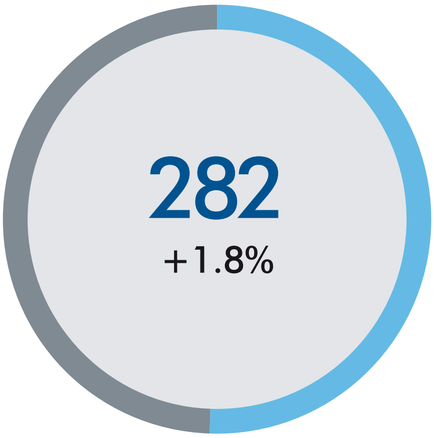
Our Group operating model continues to deliver benefits and support our airports in competing to attract new passengers and airlines. This has been our busiest summer ever and as we approach the milestone of handling 50 million passengers served in a year, we continue to respond to the changing way people want to travel through significant investment across all of our airports and the addition of increasing numbers of airlines and routes.

Manchester Airport has never seen so many passengers through its doors. In August 2015 we saw the busiest ever month in the Airport's 77 year history, and its diverse network of new and existing routes gives passengers the opportunity to fly globally direct from Manchester.

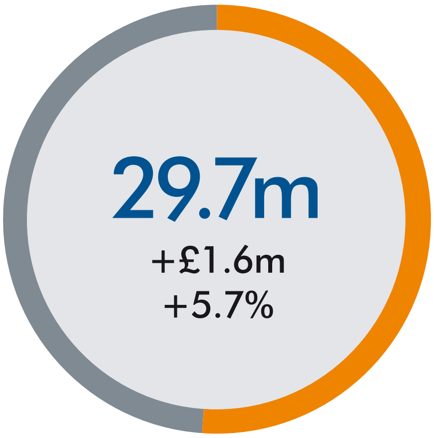
Manchester has an unrivalled long-haul network, including being the only airport outside of London to offer key long-haul destinations such as Singapore, Jeddah, Hong Kong, Miami, Los Angeles and Boston.

In October, we were delighted to welcome The President of China, His Excellency Xi Jinping, to the Airport as part of his State Visit to the United Kingdom. Together with the Prime Minister, the Rt Hon David Cameron MP, he anounced a new direct link from Manchester to Beijing with Hainan Airlines, starting in Summer 2016, and launched a new £130 million 'China Cluster' at Airport City Manchester.

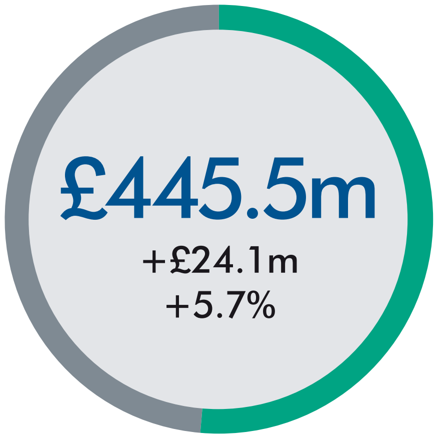
DESTINATIONS
2014: 277



PASSENGER NUMBERS (m)
2014: 28.1m



REVENUE (£m)
2014: £421.4m



Chief Executive's Review continued

Manchester Airport will soon become the only UK airport outside of London to offer direct scheduled services to Mainland China, giving the 100,000 passengers travelling each year between the two cities the convenience of direct scheduled services.

Looking further to the future, the North is rapidly developing as a vital second economic hub for the UK and this potential needs to be supported with further investment in transport infrastructure. In June we announced a £1 billion transformation programme for Manchester Airport as part of our contribution to the Northern Powerhouse. The Manchester Airport Transformation Programme will be delivered in phases over the next ten years and will provide state of the art facilities, a 'future-proofed' operational environment and improved surface access in to the Airport. Manchester Airport's passengers can expect nothing less than world class facilities when the transformation programme is complete.

At the same time, road and rail investment across the North will play an important role in improving access for passengers to Manchester Airport. We welcomed the news that the Government is again moving forward with the electrification of the TransPennine route, and we continue to make the case for HS3 that will strengthen the Airport's links to cities across the region and ensure it continues to be a catalyst for regional and national economic growth.

London Stansted saw passenger numbers rise faster than at any other major UK airport. It added more passengers year on year (1.2 million) than either Heathrow or Gatwick during the six months to September. It also delivered record load factors of 93.5% in August and served over two million passengers for five consecutive months to September, the first time this has been achieved since 2008. It is clear that the Airport will play a vital role in providing airport capacity in the South East over the next 15 years.

Growth at London Stansted has been boosted by an exciting range of new routes. Earlier in the summer we expanded our links across the Atlantic with routes to Orlando, Las Vegas and Cancun for the first time. Closer to home, passengers using London Stansted already have access to the largest number of European destinations from any UK airport but we have recently added direct links to Deauville, the Azores and Clermont, as well as new domestic links to Newquay, Newcastle and the Isle of Man.

Since we acquired London Stansted in 2013, we have been investing significantly in improving the terminal facilities for passengers. We have improved key elements of the customer journey at London Stansted and the opening of the new and improved retail and food and beverage area in the departure lounge marks the end of this latest phase of development.

East Midlands Airport has performed well, delivering increased profitability, despite passenger numbers in the period being down 6.5% year on year, following the withdrawal of Monarch services. Cargo income is up 8.8% as an increasing volume of express freight traffic takes advantage of the Airport's freight facilities and central location. The Airport is the busiest pure cargo airport in the UK and is a critical part of the UK's air cargo infrastructure; its location and access to the motorway network is unrivalled and the service we offer is extremely attractive.

Outside of the UK, this year we have started to export our expertise overseas to the USA, through the creation of M.A.G-USA. We are making good progress and our first "Escape Lounge" in the USA will open at Minneapolis-St Paul International Airport in December 2015 and a second at Oakland Airport in the summer of next year.

In September we released our Corporate Social Responsibility Report, which highlighted the wide and varied benefits of the Group's airports, including the positive financial impact on the communities they serve and their contribution to local skills, education and labour markets, as well as the efforts they make to reduce environmental impacts such as carbon emissions and noise. The report showed that at M.A.G we contribute £5.6bn to the UK economy through our operations; that's £7.58 for every pound of revenue we earned last year.

In conclusion, we are delighted with the performance in the first half of this year, not least because it confirms the relevance and potential of a network of competing airports across the UK. Having a healthy airport infrastructure across the country is of huge benefit to both customers and also the nation's economy. We look forward to a successful second half of the year. We have confidence in our long term prospects and I'm pleased to say that the outlook for the Group is strong.

KEY PERFORMANCE INDICATORS

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

Measure	Aim	Context	Progress in 2015/16	Like-for-like Progress in 2015/16
Revenue	Achieve long-term and steady growth in revenue	We aim to deliver sustainable growth across all areas of our business – aviation, car parking, retail and property.	**£445.5m** 2014: £421.4m	+5.7%
EBITDA[1]	Generate a level of profit that allows re-investment in our infrastructure	We cover the cost of using our assets with income from our operations	**£202.5m** 2014: £182.9m	+10.7%
Operating profit[2]	Achieve steady and increasing profit from operations	We expect all our operations to positively contribute to the Group's result	**£137.0m** 2014: £117.6m	+16.5%
Free cash flow[3]	Maintain a high level of free cash flow	We focus on converting our operating profits and maintenance capital expenditure into cash to fund further investment and returns to shareholders	**£98.8m** 2014: £97.3m	+1.5%
Market share[4]	Grow our share of the market	Measures the performance of M.A.G compared to the UK market	**28.4%** 2014: 27.8%	+ 2.2%
Passengers (m)	Maximise passenger volumes through our airports	Increasing the number of passengers contributes to growth in our aviation and commercial revenue streams	**29.7m** 2014: 28.1m	+5.7%

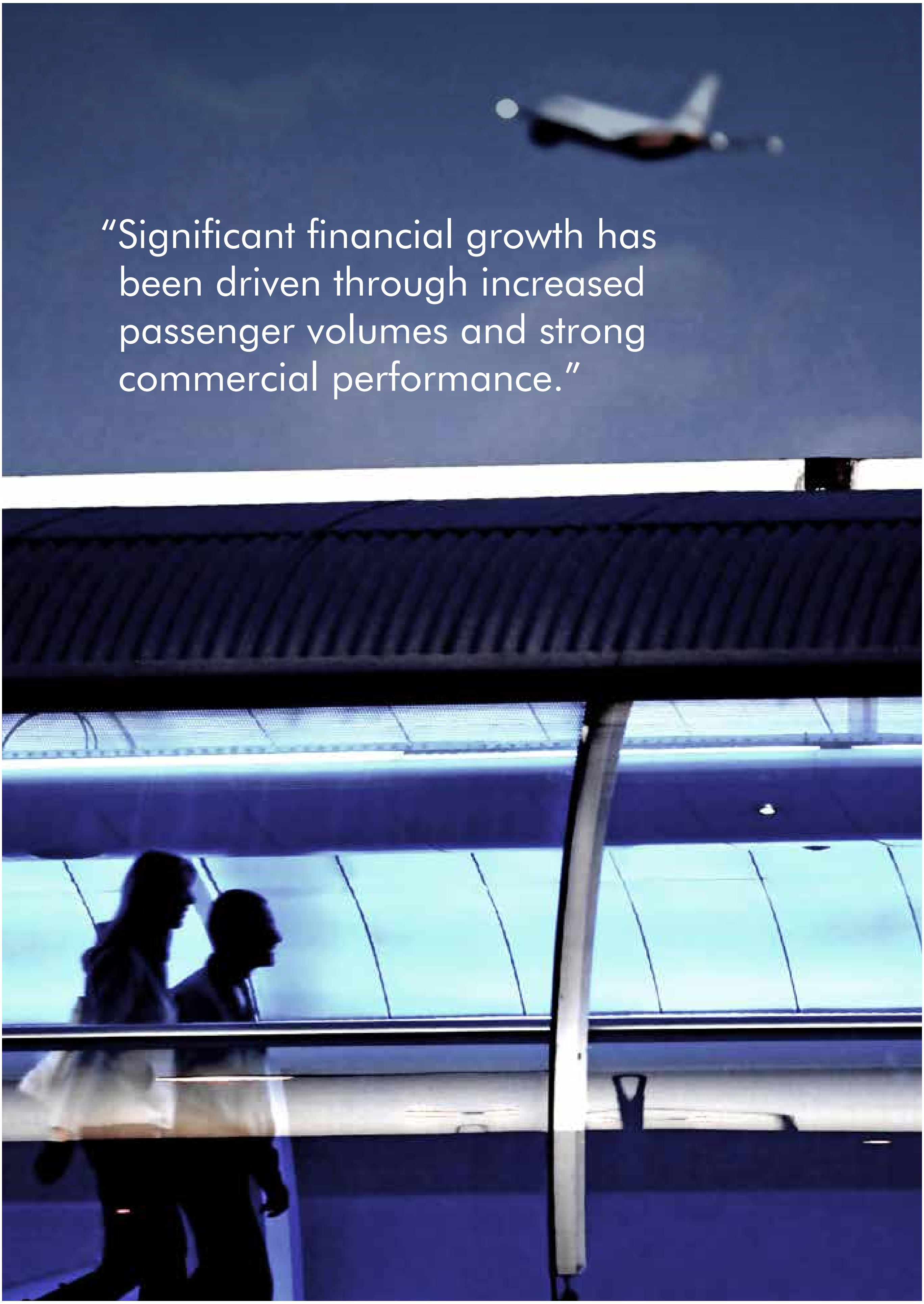
NOTES:

1 *EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation, before significant items.*

2 *Operating profit is stated before significant items.*

3 *Free Cash Flow is Net Cash from Operating Activities less Maintenance Capital Expenditure.*

4 *Market share excludes Heathrow Airport and is calculated on a rolling 12 month basis.*



"Significant financial growth has been driven through increased passenger volumes and strong commercial performance."

Financial Review

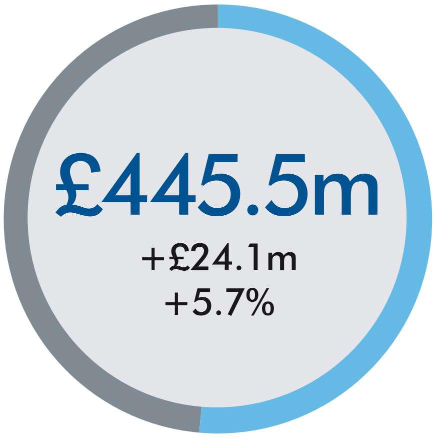
Neil Thompson
Chief Financial Officer, M.A.G

M.A.G has delivered a strong financial performance for the first half of 2015-16, building on the excellent results in the prior year, with continued growth across revenue, EBITDA and operating cash flows, ahead of the Group's financial targets.

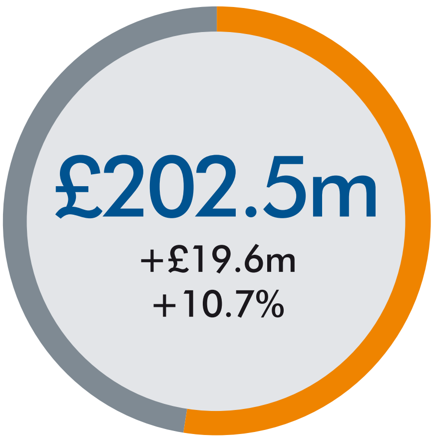
The significant growth has been driven through increased passenger volumes, strong commercial performance, and continued focus on our operating cost base. We have also continued to invest in our infrastructure across the business, with a focus on customer service, to provide a strong platform to support our long term growth strategy.

Based on the strong trading performance and the seasonal nature of our operations, as well as the positive outlook for the second half of 2015-16 and into next year, we are pleased to declare an interim dividend payment of £38.6m to our shareholders, being a 25% increase on the previous year.

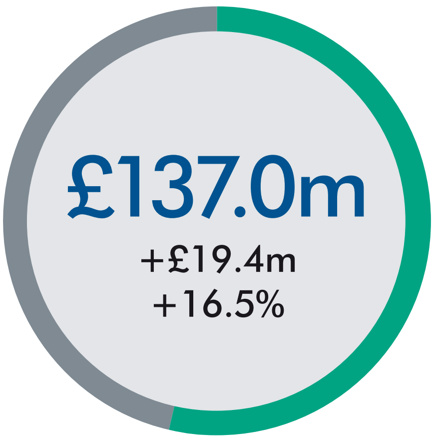
REVENUE (£m)
2014: £421.4m



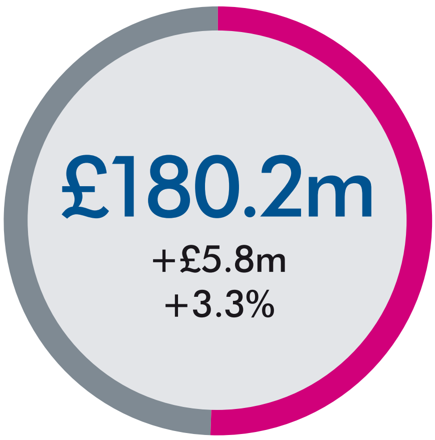
EBITDA* (£m)
2014: £182.9m



OPERATING PROFIT* (£m)
2014: £117.6m



CASH GENERATED FROM OPERATIONS* (£m)
2014: £174.4m



*Before significant items

HIGHLIGHTS

- Passenger growth 1.6m (+5.7%)
- Revenue of £445.5m (+5.7%)
- EBITDA £202.5m (+10.7%)
- Operating profit before significant items £137.0m (+16.5%)
- Capital investment £45.3m
- Cash generated from operations £180.2m (+3.3%)
- Net debt £1,135.1m

SUMMARY TRADING PERFORMANCE

The Group has delivered further growth in the first half of the year with revenue increasing to £445.5m for the first six months of 2015-16 compared to £421.4m for the same period in 2014-15, an increase of 5.7%. EBITDA of £202.5m has grown by 10.7% on the prior year whilst operating profit before significant items amounted to £137.0m, a 16.5% improvement on the prior year.

The increase in revenue has been predominantly driven by the 5.7% growth in passenger numbers across the Group to 29.7m for the six month period, with aviation, retail and car parking revenues having all seen increasing performance in the first six months of the year.

The Group's commercial strategy and the impact of targeted investments across retail and car parking has driven improvements in income per passenger.

Overall costs, excluding depreciation and profit on disposal of fixed assets, have increased by £6.9m (2.9%). Employee costs have increased from investment in customer service to meet the additional passenger volumes and marketing costs have grown to support the development of new routes and passenger growth. These volume related costs have been partially mitigated by tight cost control and the benefits from organisational efficiency programmes.

PROPERTY

The M.A.G Property division manages the investment property portfolio comprising offices, hotels and cargo properties, and is also responsible for the Airport City project. Revenue has remained broadly consistent with the prior year reflecting a solid portfolio of tenants on an investment property portfolio worth £631.2m.

M.A.G holds a 50% interest in the Airport City development at Manchester Airport. Interest in the development continues to be strong and the sale of a plot to Mountpark for industrial/logistics development was completed during the period. Property, including Airport City, is expected to deliver significant returns in the next few years as plots are developed and sold as part of the overall business plan.

SUMMARY OF THE PERIOD'S RESULTS (£M)

	Six months ended 30 September 2015	Six months ended 30 September 2014	% change	Year ended 31 March 2015
Passenger numbers (million)	29.7	28.1	+5.7%	48.5
Revenue (£m)	445.5	421.4	+5.7%	738.4
EBITDA (£m)*	202.5	182.9	+10.7%	283.6
Operating Profit (£m)*	137.0	117.6	+16.5%	153.6
Net cash flow from operating activities (£m)*	180.2	174.4	+3.3%	309.5
Net debt (£m)	1,135.1	1,138.5	-0.3%	1,152.0
Equity Shareholders' funds (£m)	1,580.9	1,563.4	+1.1%	1,554.6

*Before significant items

CASH FLOW

Cash generated from operations before significant items has increased by £5.8m to £180.2m (3.3%) reflecting translation of profits into cash allowing the Group to continue to invest in infrastructure and development opportunities. The seasonality impact on the translation of EBITDA growth into cash generated from operations is expected to unwind for the full year.

FINANCING AND INTEREST

Group net interest payable, before significant items, was broadly consistent with the prior year at £37.1m (1.9% increase) reflecting the stable debt profile following the re-financing of the Group in the prior year.

Net debt has reduced slightly from 31 March 2015 to £1,135.1m, which allows significant headroom to support future investment in capital infrastructure and property developments. M.A.G's financing facilities provide adequate headroom based on the Board approved Business Plan, with future funding facilities to be sourced in line with the agreed long-term financing strategy. Furthermore the Group remains committed to its long term financing strategy, including maintenance of its strong investment grade ratings with Fitch and Moodys.

CAPITAL INVESTMENT

The Group has made focused capital investment across all its airports totalling £45.3m during the first half of the year.

London Stansted opened the second phase of its retail developments during the Summer of 2015 as part of an £80m terminal transformation, and, coupled with the terminal transformation at East Midlands completed in the prior year, this has driven improvements in the customer experience and retail yields.

The final phase of the development at London Stansted is now underway and will see a variety of popular high street and premium brands opening at the Airport.

Work has continued on the planning phase of the Manchester Airport Transformation Programme, which will see significant levels of investment in larger and improved facilities, particularly over the next few years. The capital programme is both phased and modular to optimise cash requirements and manage financial risk. Investment has also been made to improve our customers' journey and experience whilst complying with increased security regulations.

Additional investment has also been made to improve the underlying back-office systems and software, which will provide a more robust foundation to support future profitable growth for M.A.G.

PENSIONS

The accounting deficit for all Group schemes is calculated by the scheme actuaries who incorporate a number of factors, but in particular incorporate data taken from the financial markets at the date of the accounting period end in order to calculate the discount rate and inflation assumptions.

During the six month period the aggregate of the Group's defined benefit schemes decreased from an IAS 19 accounting deficit of £73.4m to £59.0m.

The decrease in the deficit is largely as a result of an increase in discount rates of 0.55%, calculated with reference to the AA corporate bond rate, more than offsetting slightly higher inflation expectations and lower investment equity returns in the period.

All of the Group's defined benefit schemes are closed to new entrants. The Group operates a defined contribution scheme for all new staff.

TAX

The tax charge for the six months ending 30 September is £29.9m (2014: £19.5m).

The effective tax rate for the period is higher than the actual corporation tax rate of 20%. This is predominantly due to depreciation on fixed assets, particularly buildings, which don't qualify for tax allowances.

EQUITY SHAREHOLDERS FUNDS AND DIVIDENDS

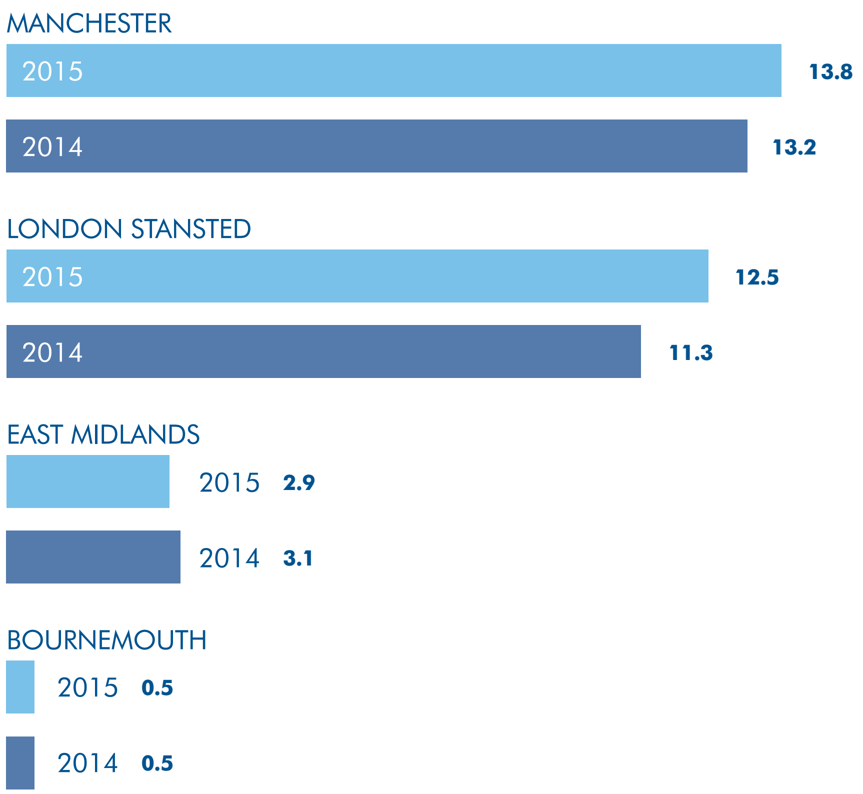
Equity shareholders funds are £1,580.9m (31 March 2015: £1,554.6m). The movement comprises £76.0m profit after tax, and an actuarial gain, net of tax, of £12.3m, recorded in reserves, for actuarial pension movements. In addition the Group paid dividends of £62.0m during the first half of the year, reflecting the dividend payable at 31 March 2015.

In line with our dividend policy and in light of the growth achieved during the first six months of the financial year, and the strong outlook for the reminder of the financial year to 31 March 2016 and into 2017, an interim dividend of £38.6m has been declared.

PASSENGER TRAFFIC

	Six months ended 30 September 2015	Six months ended 30 September 2014	% Change	Year ended 31 March 2015
Manchester	**13.8**	13.2	+4.5%	22.3
London Stansted	**12.5**	11.3	+10.6%	20.9
East Midlands	**2.9**	3.1	-6.5%	4.6
Bournemouth	**0.5**	0.5	-	0.7
Total passenger numbers	**29.7**	28.1	+5.7%	48.5

PASSENGERS (M)



Total M.A.G passenger traffic increased by 5.7% on the prior period.

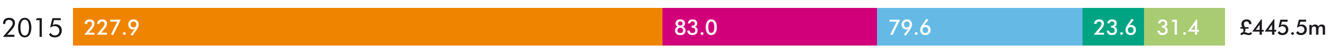
The largest increases in passengers are at London Stansted and Manchester airports, driven by the combination of new destinations and additional volumes from low cost carriers. The growth at London Stansted has been driven by increasing the frequency of flights, particularly with low cost carriers, as part of long-term agreements, but also expanding the breadth of other carriers, including Flybe at the Airport. Manchester Airport continues to see record passenger levels, due to the combination of the impact of the additional long-haul destinations announced in the prior year, including Hong Kong and New York, as well as incumbent carriers such as Ryanair, Thomas Cook, easyJet and Thomson adding additional capacity, either through the addition of extra services or by increasing the size of aircraft on existing routes.

East Midlands Airport, which has a strong dual role with passenger aircraft and freight aircraft, has performed slightly ahead of expectations despite a reduction in passengers of 6.5%, with the impact of the withdrawal of Monarch being partially mitigated by improved load factors and increased flights, predominantly with Ryanair and Jet2.com. Bournemouth Airport is in line with the prior year with respect to passenger numbers.

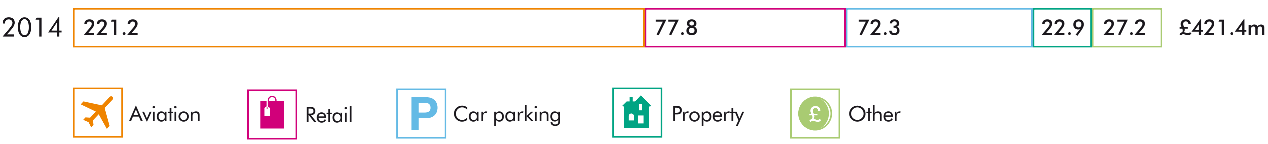
REVENUE

	Six months ended 30 September 2015 (£m)	Six months ended 30 September 2014 (£m)	% Change	Year ended 31 March 2015 (£m)
Aviation	**227.9**	221.2	+3.0%	378.8
Retail concessions	**83.0**	77.8	+6.7%	134.3
Car parking	**79.6**	72.3	+10.1%	125.7
Property related income	**23.6**	22.9	+3.1%	46.4
Other	**31.4**	27.2	+15.4%	53.2
Total Income	**445.5**	421.4	+5.7%	738.4

REVENUE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015 (£m)



REVENUE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014 (£m)



The Group's revenue of £445.5m has increased by 5.7% compared to the prior period reflecting the 5.7% growth in passenger numbers.

Aviation income of £227.9m has grown by 3.0% on the prior year, reflecting the mix of traffic, in particular the growth in low cost carrier traffic at London Stansted.

Cargo income, which represents 5% of aviation income, has seen growth of 5.7% on prior year at £11.4m, predominantly driven by additional DHL volumes at East Midlands.

Retail income has grown by 6.7% on prior year with improvement in the yields driven by the continued improvement in retail and security facilities and further terminal investment to improve the customer journey, particularly at East Midlands and London Stansted.

Car parking has continued to perform strongly in the period to date, with revenues 10.1% higher than the previous period at £79.6m. This growth reflects additional revenue from extra capacity and continued development of the Group's product mix and distribution channels, notably at London Stansted, following the roll-out of M.A.G's Meet and Greet product and the customer trend of moving to pre-book channels.

Other income, which includes utilities recharges and fees for airline services and aviation fuel sales, has grown by £4.2m on prior year reflecting increased passenger volumes.

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Report and Financial Statements

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34, 'Interim financial reporting', as adopted by the European Union and that the Interim Report includes a fair review of the information required, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed consolidated interim financial information and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any changes in the related party transactions disclosed in the last Annual Report.

The directors of Manchester Airports Holdings Limited and their respective responsibilities are as listed in the M.A.G 2014-15 Annual Report.

By order of the Board

Charles T. Cornish

Charlie Cornish
Chief Executive, M.A.G
24 November 2015

Neil Thompson

Neil Thompson
Chief Financial Officer, M.A.G
24 November 2015

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

This condensed consolidated interim financial information for the 6 months ended 30 September 2015 has been prepared on a going concern basis, and in accordance with IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the Annual Report and Accounts for the year ended 31 March 2015, which has been prepared in accordance with IFRS as adopted by the European Union. The historical cost convention is applicable to these financial statements with the exception of investment properties, financial instruments and employee benefit scheme assets and obligations, which are fair valued at each reporting date.

The condensed set of interim financial statements has been prepared by the Group applying the same accounting policies and significant judgments as were applied by the Group in its published consolidated financial statements as at 31 March 2015, except for the following standards and interpretations which are effective for the Group from 1 April 2015:

- IAS 32, 'Financial Instruments Presentation': Amendments relating to the offsetting of Financial Assets and Financial Liabilities.
- IFRIC 21, 'Levies': this aims to clarify the definition of a levy and subsequent recognition as a liability.
- IAS19, 'Defined Benefit Plans: Employee contributions': this amendment introduces a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties.
- Annual Improvements to IFRS 2010-2012 Cycle.
- Annual Improvements to IFRS 2011-2013 Cycle.

The adoption of these standards and interpretations hasn't had any material effect on the Group's results or net assets for the period ended 30 September 2015.

The results for the six months to 30 September 2015 have not been audited, but at the Group's request, have been reviewed by the auditors, KPMG LLP. The financial information for the full year to 31 March 2015 is an abbreviated version of the Group's annual report and accounts for that year, which has been delivered to the Registrar of Companies. The report of the Auditors was (i) unqualified, (ii) did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The preparation of these financial statements in accordance with prevailing accounting practice requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The assumptions and estimates are based on management's best knowledge of the event or actions in question, however actual results may ultimately differ from these estimates.

The accounting policies that the Group has adopted to determine the amounts included in respect of material items shown in the Statement of Financial Position, and also to determine the profit or loss, are listed in full in the Group's annual report and accounts 31 March 2015. Unless stated otherwise, these have been applied on a consistent basis.

The current economic conditions create uncertainty particularly over passenger numbers, which has a direct impact on income. The Group has demonstrated its ability to grow operating margins together with the ability to manage its investment program according to affordability and business performance. At the interim period ended 30 September 2015, M.A.G. had £1,436.9m (31 March 2015: £1,438.9m) of committed facilities and a net debt position of £1,135.1m (31 March 2015: £1,152.0m). M.A.G. had financial headroom in excess of £200m at 30 September 2015, a level comfortably in excess of the internal compliance target. Under existing facilities and based on the board approved three-year business plan M.A.G is forecast to have financial headroom in excess of the Treasury Policy minimum target of £100m throughout 2015-16.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The Group is subject to two financial covenants: Net Debt/EBITDA and EBITDA less tax paid/Net Finance Charges. The covenants are tested half yearly on 31 March and 30 September. As at 30 September 2015, the Group had complied with both covenants and as a result of the Group's prudent financial policy there is significant covenant headroom.

The directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim report and financial statements.

RISKS AND UNCERTAINTIES

The principal strategic level risks and uncertainties affecting the Group, together with the approach to their mitigation, remain as set out on pages 32 to 33 in the 2014-15 Annual Report, which is available on the Group's website (www.magworld.co.uk).

In summary the Group's principal risks and uncertainties are:

- Material sustained disruption to operations;
- Breach in security;
- Major Health and Safety incident affecting our customers or colleagues;
- Threat of a downturn in demand due to adverse global economic factors;
- Political and regulatory;
- Recruitment, development and retention of talented people;
- Cyber security.

FORWARD-LOOKING STATEMENTS

This condensed consolidated interim financial information contains comments on the outlook for the remaining six months of the financial year. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Note	**Six months ended 30 September 2015 £m**	Six months ended 30 September 2014 £m Before Significant items	Six months ended 30 September 2014 £m Significant items	Six months ended 30 September 2014 £m After significant items	Year ended 31 March 2015 £m After significant items
Continuing operations						
Revenue	1	**445.5**	421.4	-	421.4	738.4
Result from operations before significant items	4	**137.0**	117.6	-	117.6	153.6
Significant items						
Restructuring costs	3	**-**	-	(7.9)	(7.9)	(11.4)
Result from operations		**137.0**	117.6	(7.9)	109.7	142.2
Share of results of associate	8	**(0.2)**	-	-	-	(0.4)
Movement in investment property fair values	9	**6.2**	-	-	-	30.0
Finance income		**0.1**	0.1	-	0.1	-
Finance costs					-	
Loss on settlement of interest rate swaps	3	**-**	-	(3.9)	(3.9)	(3.9)
Finance costs		**(37.2)**	(36.5)	-	(36.5)	(73.0)
Finance costs – amortisation of issue costs	3	**-**		(4.6)	(4.6)	(4.6)
Result before taxation		**105.9**	81.2	(16.4)	64.8	90.3
Taxation	5	**(29.9)**	(22.9)	3.4	(19.5)	(21.7)
Result from continuing operations		**76.0**	58.3	(13.0)	45.3	68.6
Earnings per share expressed in pence per share – Continuing operations		**24.00**			14.30	21.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Note	**Six months ended 30 September 2015 £m**	Six months ended 30 September 2014 £m	Year ended 31 March 2015 £m
Result for the period		**76.0**	45.3	68.6
Other comprehensive income/(expense)				
Items that will not be reclassified to profit or loss				
Remeasurement of retirement benefit liabilities	13	**15.3**	(30.0)	(31.5)
Deferred taxation on remeasurement of retirement benefits liabilities	5	**(3.0)**	6.0	6.4
Other comprehensive income/(expense) for the period		**12.3**	(24.0)	(25.1)
Total comprehensive income for the period		**88.3**	21.3	43.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Note	Attributable to equity holders of the Group			
		Share capital £m	Share premium £m	Reserves £m	Total £m
Balance at 1 April 2015		316.7	687.2	550.7	1,554.6
Profit for the period		-	-	76.0	76.0
Remeasurement of retirement benefit liabilities net of tax		-	-	12.3	12.3
Dividends paid to equity holders	6	-	-	(62.0)	(62.0)
Balance at 30 September 2015		**316.7**	**687.2**	**577.0**	**1,580.9**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Note	Attributable to equity holders of the Group			
		Share capital £m	Share premium £m	Reserves £m	Total £m
Balance at 1 April 2014		316.7	687.2	584.2	1,588.1
Profit for the period		-	-	45.3	45.3
Remeasurement of retirement benefit liabilities net of tax		-	-	(24.0)	(24.0)
Dividends paid to equity holders	6	-	-	(46.0)	(46.0)
Balance at 30 September 2014		**316.7**	**687.2**	**559.5**	**1,563.4**

FOR THE YEAR ENDED 31 MARCH 2015

	Note	Attributable to equity holders of the Group			
		Share capital £m	Share premium £m	Reserves £m	Total £m
Balance at 1 April 2014		316.7	687.2	584.2	1,588.1
Profit for the year		-	-	68.6	68.6
Remeasurement of retirement benefit liabilities net of tax		-	-	(25.1)	(25.1)
Dividends paid to equity holders	6	-	-	(77.0)	(77.0)
Balance at 31 March 2015		**316.7**	**687.2**	**550.7**	**1,554.6**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

	Note	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m	Year ended 31 March 2015 £m
ASSETS				
Non-current assets				
Property, plant and equipment	7	**2,324.5**	2,357.3	2,350.3
Intangible assets		**48.2**	40.0	49.5
Goodwill		**166.3**	166.3	166.3
Investment in associate	8	**8.7**	-	7.3
Investment properties	9	**631.2**	593.0	622.9
Deferred tax assets	14	**13.3**	16.5	16.5
		3,192.2	3,173.1	3,212.8
CURRENT ASSETS				
Inventories		**1.6**	1.4	1.5
Trade and other receivables		**99.9**	101.4	75.3
Cash and cash equivalents		**7.7**	3.3	10.3
		109.2	106.1	87.1
LIABILITIES				
Current liabilities				
Borrowings	10	**-**	-	(20.0)
Trade and other payables		**(164.3)**	(149.8)	(171.2)
Deferred income		**(19.9)**	(19.7)	(18.7)
Current tax liabilities		**(28.4)**	(26.3)	(9.7)
		(212.6)	(195.8)	(219.6)
NET CURRENT LIABILITIES		**(103.4)**	(89.7)	(132.5)
Non-current liabilities				
Borrowings	10	**(1,142.8)**	(1,141.8)	(1,142.3)
Retirement benefit liabilities	13	**(59.0)**	(70.9)	(73.4)
Deferred tax liabilities	14	**(293.3)**	(293.4)	(296.5)
Other non-current liabilities		**(12.8)**	(13.9)	(13.5)
		(1,507.9)	(1,520.0)	(1,525.7)
NET ASSETS		**1,580.9**	1,563.4	1,554.6
Shareholders' equity				
Share capital		**316.7**	316.7	316.7
Share premium		**687.2**	687.2	687.2
Retained earnings		**577.0**	559.5	550.7
Total equity		**1,580.9**	1,563.4	1,554.6

The financial statements on pages 18 to 31 were approved by the Board of Directors on 24 November 2015 and signed on its behalf by:

Charles T. Cornish

Charlie Cornish
Group Chief Executive
M.A.G

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 SEPTEMBER 2015

	Note	**Six months ended 30 September 2015 £m**	Six months ended 30 September 2014 Before significant items	Six months ended 30 September 2014 Significant items	Six months ended 30 September 2014 £m After significant items	Year ended 31 March 2015 £m After significant items
Cash flows from operating activities:						
Result before taxation – continuing operations		**105.9**	81.2	(16.4)	64.8	90.3
Change in value of investment properties		**(6.2)**	-	-	-	(30.0)
Loss on settlement of interest rate swaps		**-**	-	3.9	3.9	3.9
Share of results of associate		**0.2**	-	-	-	0.4
Net finance income and expense		**37.1**	36.4	-	36.4	73.0
Amortisation of issue costs on refinancing		**-**	-	4.6	4.6	4.6
Depreciation and amortisation		**65.5**	65.3	-	65.3	130.0
Profit on sale of property, plant and equipment		**(2.4)**	-	-	-	-
Increase in trade and other receivables and inventories		**(24.7)**	(29.3)	-	(29.3)	(3.3)
Release of grants		**(0.4)**	(0.4)	-	(0.4)	(0.7)
Increase in trade and other payables		**4.3**	20.5	-	20.5	28.2
Increase in retirement benefits provision		**0.9**	0.7	-	0.7	1.7
Cash generated from operations		**180.2**	174.4	(7.9)	166.5	298.1
Interest paid		**(36.6)**			(38.6)	(74.8)
Interest received		**0.1**			0.1	-
Tax paid		**(13.5)**			(4.5)	(17.7)
Net cash from operating activities		**130.2**			123.5	205.6
Cash flows from investing activities						
Purchase of property, plant and equipment		**(56.4)**			(58.9)	(114.9)
Purchase of intangible assets		**-**			-	(10.5)
Investment in associate		**(1.6)**			-	(7.7)
Proceeds from transfer of assets to associate		**0.4**			-	10.0
Proceeds from sale of property, plant and equipment		**6.8**			-	-
Net cash used in investing activities		**(50.8)**			(58.9)	(123.1)
Cash flows from financing activities						
(Decrease)/Increase in bank loan borrowings		**(20.0)**			-	7.9
Increase in other borrowings (net of issue costs)		**-**			355.8	355.9
Repayment of loans and borrowings		**-**			(372.1)	(360.0)
Cash outflow on settlement of interest rate swaps[1]		**-**			(18.0)	(18.0)
Dividends paid to shareholders		**(62.0)**			(46.0)	(77.0)
Net cash used in financing activities		**(82.0)**			(80.3)	(91.2)
Net decrease in cash and cash equivalents	16	**(2.6)**			(15.7)	(8.7)
Cash and cash equivalents at beginning of period		**10.3**			19.0	19.0
Cash and cash equivalents at end of period		**7.7**			3.3	10.3

NOTE:

1 *In April 2014 the Group terminated all of the remaining fixed interest rate swaps recognised on the Balance Sheet as at 31 March 2014 of £14.1m plus interest for the period prior to settlement of £0.3m for a total cash payment to the swap counterparties of £18.3m.*

1. REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m	Year ended 31 March 2015 £m
Aviation income	**227.9**	221.2	378.8
Commercial income			
Retail concessions	**83.0**	77.8	134.3
Car parking	**79.6**	72.3	125.7
Property and property related income	**23.6**	22.9	46.4
Other	**31.4**	27.2	53.2
Total commercial income	**217.6**	200.2	359.6
Total income	**445.5**	421.4	738.4

Property related income includes rental income and income from the sale of property developments. Development profits are recognised upon completion of contracts.

Other income includes utilities recharges and fees for airline services and aviation fuel sales.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

For management purposes, the Group is organised into five main operating divisions: Manchester Airport, London Stansted Airport, East Midlands Airport, M.A.G Property and Bournemouth Airport.

The reportable segments are consistent with how information is presented to the Group Chief Executive (Chief Operating Decision Maker) to report its primary information for the purpose of assessment of performance.

The primary business of all of these Operating Divisions is the operation and development of airport facilities in the UK and, accordingly, no separate secondary segmental information is provided.

September 2015	Manchester Airport £m	London Stansted Airport £m	East Midlands Airport £m	M.A.G Property £m	Bournemouth Airport £m	Group consolidation and other[3] £m	**Consolidated £m**
Revenue							
External sales	234.6	153.6	37.4	14.7	6.8	(1.6)	**445.5**
Inter-segment sales	(0.3)	-	-	(1.3)	-	1.6	**-**
Total revenue	234.3	153.6	37.4	13.4	6.8	-	**445.5**
Result							
Segment operating profit	70.2	50.6	11.9	7.5	1.1	(4.3)	**137.0**
Other information							
Segment assets	1,188.7	1,277.0	332.7	(Note 1)	84.8	418.2	**3,301.4**
Segment liabilities	(257.9)	(163.1)	(71.1)	(Note 1)	(10.7)	(1,217.7)	**(1,720.5)**
Capital expenditure	23.4	19.8	1.9	(Note 1)	0.2	-	**45.3**
Depreciation and amortisation	(29.7)	(28.2)	(4.4)	(2.6)	(0.6)	-	**(65.5)**
Taxation	(16.5)	(11.7)	(2.7)	(Note 1)	(0.4)	1.4	**(29.9)**
Result – geographical location[2]							
Segment operating profit	74.6	50.6	13.0	(Note 2)	3.1	(4.3)	**137.0**

2. BUSINESS AND GEOGRAPHICAL SEGMENTS continued

September 2014	Manchester Airport	London Stansted Airport	East Midlands Airport	M.A.G Property	Bournemouth Airport	Group consolidation and other[3]	Consolidated
	£m	£m	£m	£m	£m	£m	£m
Revenue							
External sales	219.8	146.8	36.4	14.0	6.2	(1.8)	**421.4**
Inter-segment sales	(0.5)	-	-	(1.3)	-	1.8	**-**
Total revenue	219.3	146.8	36.4	12.7	6.2	-	**421.4**
Result							
Segment operating profit before significant items	64.9	37.4	11.2	5.2	1.4	(2.5)	**117.6**
Other information							
Segment assets	1,179.1	1,352.6	327.3	(Note 1)	83.6	336.6	**3,279.2**
Segment liabilities	(226.9)	(221.9)	(78.8)	(Note 1)	(9.6)	(1,178.6)	**(1,715.8)**
Capital expenditure	24.6	17.2	3.1	(Note 1)	0.3	-	**45.2**
Depreciation and amortisation	(29.1)	(28.6)	(4.2)	(3.0)	(0.4)	-	**(65.3)**
Taxation	(13.2)	(9.9)	(0.1)	(Note 1)	(0.7)	4.4	**(19.5)**
Result – geographical location[2]							
Segment operating profit before significant items	67.0	37.4	12.4	(Note 2)	3.3	(2.5)	**117.6**

NOTES:

1 *The Group's reporting structure is such that the assets and liabilities of M.A.G Property are included in the Manchester Airport Statement of Financial Position.*

2 *For management accounting purposes M.A.G reports property income (excluding London Stansted) within the M.A.G Property division. For statutory purposes property income is reported in the subsidiary companies depending on the geographical location of the investment properties. The table shows how profit from operations would appear with property reported by geographical location.*

3 *Group consolidation and other includes, "Groupco", "Head Office", M.A.G International, and other subsidiary companies and balances arising on consolidation, which are not specific to the other main operating divisions. Assets include goodwill and fair value adjustments arising on consolidation, liabilities include the borrowings, further details of these items are in Note 10 Borrowings.*

4 *Sales between segments are at arms length.*

3. SIGNIFICANT ITEMS

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m	Year ended 31 March 2015 £m
Recorded in result from operations:			
Restructuring costs[1]	**-**	7.9	11.4
Total recorded in result from operations	**-**	7.9	11.4
Recorded in finance cost:			
Amortisation of issue costs[2]	**-**	4.6	4.6
Loss on settlement of interest rate swaps[3]	**-**	3.9	3.9
Total recorded in finance cost	**-**	8.5	8.5
Total significant items	**-**	16.4	19.9

NOTES:

1 ***Restructuring costs***
Restructuring costs of £11.4m in the year ended 31 March 2015 (30 September 2014:£7.9m) were incurred in respect of an organisational efficiency programme.

2 ***Amortisation of issue costs***
Following the restructuring and refinancing of the Group, unamortised issue costs of £4.6m at 30 September 2014 and 31 March 2015 were written off following issue of the associated financial liability of £360.0m. This charge had no cash flow consequences in the prior period.

3 ***Loss on settlement of interest rate swaps***
This represents the loss on termination of interest rate swaps.

4. RESULT FROM OPERATIONS

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m	Year ended 31 March 2015 £m
Turnover	**445.5**	421.4	738.4
Wages and salaries[1]	**(73.3)**	(68.7)	(140.4)
Social security costs	**(6.3)**	(5.8)	(11.5)
Pension costs	**(6.6)**	(8.7)	(14.0)
Employee benefit costs	**(86.2)**	(83.2)	(165.9)
Depreciation and amortisation	**(65.5)**	(65.3)	(130.0)
Profit on disposal of fixed assets	**2.4**	-	-
Other operating charges[2]	**(159.2)**	(155.3)	(288.9)
Result from operations before significant items	**137.0**	117.6	153.6

NOTES:

1 *Wages and salary costs are disclosed before restructuring costs amounting to £7.9m at 30 September 2014 and £11.4m at 31 March 2015 which are reported separately – see Note 3.*

2 *Other operating charges includes maintenance, rent, rates, utilities and other operating expenses.*

5. TAXATION

ANALYSIS OF CHARGE IN THE PERIOD

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m	Year ended 31 March 2015 £m
Current taxation			
UK corporation tax on profits for the period	32.9	26.4	30.4
Adjustment in respect of prior period	-	-	(5.2)
Total current taxation	32.9	26.4	25.2
Deferred taxation			
Temporary differences arising in the period	(3.0)	(7.1)	(5.2)
Adjustment in respect of prior period	-	0.2	1.7
Total deferred taxation	(3.0)	(6.9)	(3.5)
Total taxation charge	29.9	19.5	21.7

TAXATION ON ITEMS CHARGED TO EQUITY

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m	Year ended 31 March 2015 £m
Deferred taxation on remeasurement of retirement benefit liabilities	3.0	(6.0)	(6.4)
Total taxation charge	3.0	(6.0)	(6.4)

The Summer Finance Bill 2015 included a reduction in the rate of Corporation tax from 1 April 2017 of 1% to 19% and a further reduction from 1 April 2020 of 1% to 18%. This Finance Bill was substantively enacted on 26 October 2015. The lower tax rates of 19% and 18% will reduce the Group's future current tax charge after 1 April 2017 and 1 April 2020 respectively. The reduced rates will also be reflected in the deferred tax balance covering reporting periods ending after 26 October 2015. The deferred tax balance at 30 September 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

6. DIVIDENDS

	Six months ended 30 September 2015 £m	Six months ended 30 September 2014 £m
Amounts recognised as distributions to equity holders in the period: Dividends paid in relation to the year ended 31 March 2015 of 19.58 pence (2014: 14.52 pence) per share	62.0	46.0
Proposed interim dividend for the year ended 31 March 2016 of 12.19 pence (2015: 9.79 pence) per share	38.6	31.0

7. PROPERTY, PLANT AND EQUIPMENT

2015	Freehold land and property £m	Long leasehold property £m	Airport infrastructure £m	Plant, fixtures and equipment £m	Assets in the course of construction £m	Total £m
Cost						
At 1 April 2015	219.4	451.3	2,030.3	545.8	96.5	3,343.3
Additions	-	-	-	-	45.3	45.3
Reclassification	-	-	13.6	16.0	(29.6)	-
Reclassification to investment properties *(Note 9)*	(2.1)	-	-	-	-	(2.1)
Disposals	(0.6)	-	(4.4)	-	-	(5.0)
Transfer to associate	-	-	-	-	(0.4)	(0.4)
At 30 September 2015	**216.7**	**451.3**	**2,039.5**	**561.8**	**111.8**	**3,381.1**
Depreciation						
At 1 April 2015	66.3	147.5	375.4	403.8	-	993.0
Charge for the period	-	8.7	34.5	21.0	-	64.2
Disposals	-	-	(0.6)	-	-	(0.6)
At 30 September 2015	**66.3**	**156.2**	**409.3**	**424.8**	**-**	**1,056.6**
Carrying amount						
At 30 September 2015	**150.4**	**295.1**	**1,630.2**	**137.0**	**111.8**	**2,324.5**
At 31 March 2015	153.1	303.8	1,654.9	142.0	96.5	2,350.3

8. INVESTMENT IN ASSOCIATE

2015	£m
Cost and carrying value	
At 1 April 2015	7.3
Release of investment – M.A.G's own cost[1]	(0.1)
Group's share of associates' loss for the period	(0.2)
Investment in associate	1.7
At 30 September 2015[1]	**8.7**

NOTE:

1 Included within the investment in associate balance is an amount of £2.6m (31 March 2015 £2.7m) relating to M.A.G's own costs incurred in the setting up of it's share in Airport City. This is being released to the Income Statement on a proportional basis on the sale of plots within the Airport City development.

Airport City, a partnership with three other partners to develop part of the land around Manchester Airport for hotels, offices, logistics and advanced manufacturing, was formally constituted on 8 October 2014. The directors have applied IFRS 10 'Consolidated Financial Statements' and IAS 28 revised 'Investment in Associates' in classifying the Group's 50% share in Airport City as an Associate, determining that M.A.G has significant influence over Airport City by virtue of its shareholding, but not control given that all key matters require a super-majority of more than 79.9%, meaning that M.A.G plus all but one other party must be in agreement to exercise control.

The year end date is coterminous with the Group's year end and agree to the Airport City financial statements prepared to the same date. Summarised financial information in respect to the investment in Airport City is as follows.

	2015 £m
Total Assets	14.7
Total Liabilities	(2.6)
Net Assets	12.1
Group's share of Net Assets	**6.1**
Revenue	-
Loss for the period	(0.4)
Group's share of Associates' loss for the period	**(0.2)**

In addition to the investment detailed above, as part of the Airport City partnership the Group will guarantee Airport City's obligation to pay its equity contribution of up to £30m if required.

9. INVESTMENT PROPERTIES

2015	Investment properties
Cost or valuation	£m
At 1 April 2015	622.9
Reclassification from operational assets *(Note 7)*	2.1
Fair value adjustment of asset reclassified from operational assets	6.2
At 30 September 2015	**631.2**
Carrying amount	
At 30 September 2015	**631.2**
At 31 March 2015	**622.9**

Investment properties

The fair value of the Group's commercial investment property at 31 March 2015 was arrived at on the basis of a valuation carried out at that date by Drivers Jonas Deloitte Chartered Surveyors. Strutt & Parker carried out the valuation of the London Stansted residential property portfolio, Mellor Braggins carried out the valuation of the Manchester residential property portfolio. The valuers are independent and are not connected with the Group. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties, land valuations and discounted cash flow methods.

The adjustment of £6.2m in the period relates to the fair value uplift on land, previously held at historic cost, reclassified from operational assets. No further revaluations have been recognised at 30 September 2015.

10. BORROWINGS

	Note	**30 September 2015** £m	30 September 2014 £m	31 March 2015 £m
Bank loans	11	**89.3**	89.0	109.1
Bonds	12	**802.1**	801.4	801.8
Other borrowings		**251.4**	251.4	251.4
		1,142.8	1,141.8	1,162.3
Borrowings are repayable as follows:				
In one year or less, or on demand				
Bank loans	11	**-**	-	20.0
		-	-	20.0
In more than one year				
Bank loans	11	**89.3**	89.0	89.1
Bonds	12	**802.1**	801.4	801.8
Other borrowings		**251.4**	251.4	251.4
		1,142.8	1,141.8	1,142.3

The Group is party to a Common Terms Agreement (CTA) where bank and bond creditors benefit from the same suite of representations, warranties and covenants. The CTA was signed on 14 February 2014.

The CTA together with a Master Definitions Agreement covers, inter alia, both the Initial Authorised Credit Facility Agreement (ACF), an Initial Liquidity Facility Agreement (LF), and the Group's issue of publicly listed fixed rate secured bonds in February 2014 and April 2014 respectively.

The Initial ACF Agreement has total facilities of £390.0m, comprising a Secured Senior Term Facility of £90.0m and a Senior Secured Revolving Credit Facility of £300.0m. The Initial ACF Agreement terminates in February 2018.

The Initial LF Agreement has total facilities of £60.0m and is sized to cover 12 months interest on secured debt. The LF Agreement is a 364-day revolving facility with a 5 year term on each annual renewal.

The Group's borrowings are all secured via a fixed and floating charge over substantially all of the assets of the Group.

11. BANK LOANS

	30 September 2015 £m	30 September 2014 £m	31 March 2015 £m
Secured Senior Term Facility	**90.0**	90.0	90.0
Secured Revolving Credit Facility	**-**	-	20.0
Less: unamortised debt issue costs[1]	**(0.7)**	(1.0)	(0.9)
	89.3	89.0	109.1

NOTE:
1 Issue costs arising in relation to obtaining finance are amortised over the duration of the financing as part of the effective interest rate.

At 30 September 2015 the Group had £285.0m (31 March 2015 : £267.0m) undrawn committed borrowing facilities in respect of which all conditions precedent had been met at that date. The undrawn committed borrowing facilities consist of a £300.0m Secured Revolving Credit Facility, less certain carve-outs in respect of ancillary facilities of £15.0m. The Group also has access to £10.0m of overdraft facilities.

Interest on the overdraft, Term Facility, Revolving Credit Facility and Liquidity Facility is linked to LIBOR plus a margin (dependent on facility).

12. BONDS

	30 September 2015 £m	30 September 2014 £m	31 March 2015 £m
Repayable by other than by instalments			
M.A.G bond 4.125% £360.0m due 2024	**360.0**	360.0	360.0
M.A.G bond 4.75% £450.0m due 2034	**450.0**	450.0	450.0
Less: discount on issue	**(2.1)**	(2.3)	(2.2)
Less: unamortised debt issue costs	**(5.8)**	(6.3)	(6.0)
	802.1	801.4	801.8

13. RETIREMENT BENEFITS

	Six months ended 30 September 2015 £m	Six months ended 30 September 2015 £m	Year ended 31 March 2015 £m
Balance in scheme at start of period	**(73.4)**	(40.2)	(40.3)
Movement in period:			
Current service cost recognised in Income Statement	**(4.9)**	(5.6)	(10.0)
Past service cost recognised in Income Statement	**(0.1)**	(0.6)	(0.6)
Contributions	**5.3**	6.3	10.7
Net interest expense recognised in Income Statement	**(1.2)**	(0.8)	(1.7)
Total re-measurements in Statement of Comprehensive Income	**15.3**	(30.0)	(31.5)
Balance in scheme at end of period	**(59.0)**	(70.9)	(73.4)

Related deferred tax assets on any pension deficits are reported separately under the requirements of IAS 12 “Income taxes”.

14. DEFERRED TAXATION

	Deferred taxation asset	Deferred taxation liability	Total
	£m	£m	£m
At 1 April 2015	16.5	(296.5)	(280.0)
(Charge)/credit to income	(0.2)	3.2	3.0
Charge to equity	(3.0)	-	(3.0)
At 30 September 2015	**13.3**	**(293.3)**	**(280.0)**

15. RELATED PARTY TRANSACTIONS

The ultimate parent entity is Manchester Airport Holdings Limited, a company registered in England and Wales. The ultimate controlling entity is Manchester Airport Holdings Limited.

Transactions involving The Council of the City of Manchester

The Council of the City of Manchester 'MCC' is a related party to Manchester Airports Holdings Limited as MCC owns 35.5% of the share capital of the Company.

As at 30 September 2015 the amount of loans outstanding owed to MCC was £83.2m (30 September 2014: £83.2m). Manchester Airport Finance Holdings Limited made loan repayments of £nil (30 September 2014: £nil) to MCC during the period and paid interest of £5.0m (30 September 2014: £5.0m).

As at 30 September 2015 the amount of loans outstanding owed to the other nine councils was £79.4m (30 September 2014: £79.4m). Manchester Airport Finance Holdings Limited made loan repayments of £nil (30 September 2014: £nil) to the other nine councils during the period and paid interest of £4.8m (30 September 2014: £4.8m).

Included in external charges are charges for rent and rates amounting to £13.6m (30 September 2014: £13.1m) and other sundry charges of £0.1m (30 September 2014: £0.1m). The majority of these amounts are due to MCC. The remainder are collected by MCC and distributed to other local authorities.

Transactions involving IFM

Industry Funds Management (IFM) through its subsidiary is a related party to MAHL as IFM owns 35.5% of the share capital of the Company.

As at 30 September 2015 the amount of loans outstanding owed to IFM was £89.4m (30 September 2014: £89.4m). Manchester Airport Finance Holdings Limited made loan repayments of £nil (30 September 2014: £nil) to IFM during the period and paid interest of £5.4m (30 September 2014: £5.4m).

Transactions involving associate

As at 30 September 2015 the amounts owing were £0.4m and amounts owed were £0.6m. Assets of £0.4m were transferred during the period.

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	At 1 April 2015	Cash flow	Other non-cash movements	**30 September 2015**
	£m	£m	£m	**£m**
Cash at bank and in hand	10.3	(2.6)	-	**7.7**
Total cash and cash equivalents (including overdrafts)	10.3	(2.6)	-	**7.7**
Current debt	(20.0)	20.0	-	**-**
Non-current debt	(1,142.3)	-	(0.5)	**(1,142.8)**
Net debt	(1,152.0)	17.4	(0.5)	**(1,135.1)**

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M.A.G-IR011-271115