

Manchester Airport Group Investments Limited

Interim Financial Statements

Registered number 08338555

Six months ended 30 September 2013

Contents

Accounting policies	1
Consolidated Income Statement	2
Consolidated Statement of Comprehensive Income	3
Consolidated Statement of Changes in Equity	4
Consolidated Statement of Financial position	5
Consolidated Statement of Cashflows	6
Notes to the financial statements	7

Accounting Policies

Basis of accounting

These financial statements are prepared on a going concern basis and in accordance with International Financial Reporting Standards ('IFRSs') as endorsed by the EU and with those parts of the Companies Act applicable to companies reporting under adopted IFRS. 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 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 2013, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union, except for the following standards and interpretations which are effective for the Group from 1 April 2013:

- Amendment to International Accounting Standard (IAS) 1 "Presentation of items of other comprehensive income"
- Amendment to International Accounting Standard (IAS) 19 "Employee benefits"
- International Financial Reporting Standard (IFRS) 13 "Fair value measurement"

The amendment to IAS 1 "Presentation of items of other comprehensive income" increases the required level of disclosure within the statement of comprehensive income. The amendment requires items within the statement of comprehensive income to be analysed between items that will not be reclassified subsequently to profit and loss and items that will be reclassified subsequently to profit and loss in accordance with the respective IFRS standard to which the item relates. The amendment has been applied retrospectively and hence the presentation of items in the statement of comprehensive income has been restated to reflect the change. The amendment to IAS 1 has had no impact on profit, earnings per share or net assets in the six months ended 30 September 2013.

The amendment to IAS 19 "Employee benefits" makes significant changes to the recognition and measurement of the defined benefit pension expense and termination benefits and disclosures relating to all employee benefits. The interest cost and expected return on scheme liabilities and assets used in the previous IAS 19 have been replaced with a "net interest" amount which is calculated by applying a discount rate to the net defined benefit obligation. This amendment has a corresponding impact on actuarial gains and losses recognised in the statement of comprehensive income, with no overall change to the net retirement benefit liability in the balance sheet. Furthermore, certain costs previously recorded as part of administrative expenses have now been presented within finance costs. Comparative information has been restated for the effect of the retrospective application of the amendment to IAS 19 as disclosed in note 13.

IFRS 13 "Fair value measurement" establishes a single framework for measuring fair value that is required by other standards. The standard applies both to financial and non-financial items measured at fair value. The standard defines fair value on the basis of an "exit price" and uses a "fair value hierarchy", which results in a market based, rather than entity specific, measurement. The standard will impact upon the measurement of fair value for certain assets and liabilities as well as the associated disclosure. The adoption of this standard has had no material impact on profit or net assets in the period ended 30 September 2013.

The financial information for the full year to 31 March 2013 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.

This statement was approved by the directors on 16 December 2013 and has been sent to all shareholders.

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 for the year to 31 March 2013. 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 strong sustained margins together with the ability to manage its investment program according to affordability and business performance.

At the interim period ended 30 September 2013, MAG had £1,200m (2012: £526.9m) of committed facilities and a net debt position of £827.5m (2012: £396.7m). MAG had financial headroom of £372.5m at 30 September 2013, a level comfortably in excess of the internal compliance target.

Under existing facilities and based on the board approved five-year business plan MAG is forecast to have financial headroom in excess of £200m throughout 2014/15.

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 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 Company and 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 financial statements.

Consolidated Income Statement
for the six months ended 30 September 2013

	Note	Six months ended 30 September 2013 £m Before significant items	Six months ended 30 September 2013 £m Significant items	Six months ended 30 September 2013 £m After significant items	Six months ended 30 September 2012 £m (restated)	Year ended 31 March 2013 £m Before significant items (restated)	Year ended 31 March 2013 £m Significant items (restated)	Year ended 31 March 2013 £m After significant items (restated)
Continuing operations								
Revenue	1	390.0	-	390.0	229.8	411.5	-	411.5
Result from operations before significant items	4	108.2	-	108.2	60.8	74.4	-	74.4
Significant items								
Integration costs		-	(2.4)	(2.4)	-	-	-	-
Acquisition costs	3	-	-	-	-	-	(28.4)	(28.4)
Restructuring costs	3	-	-	-	-	-	(1.1)	(1.1)
Result from operations		108.2	(2.4)	105.8	60.8	74.4	(29.5)	44.9
Movement in investment property fair values		-	-	-	-	(3.6)	-	(3.6)
Movement in fair value of interest rate swaps		-	22.8	22.8	-	-	(6.0)	(6.0)
Finance income		0.2	-	0.2	-	-	-	-
Finance costs		(14.1)	-	(14.1)	(15.9)	(31.5)	-	(31.5)
Finance costs- amortisation of issue costs		(1.4)	-	(1.4)	(0.4)	(0.7)	(2.0)	(2.7)
Settlement of previous financing		-	-	-	-	-	(30.9)	(30.9)
Result before taxation		92.9	20.4	113.3	44.5	38.6	(68.4)	(29.8)
Taxation - ordinary		(1.7)	(4.2)	(5.9)	(13.7)	(0.3)	9.5	9.2
Taxation	5	(1.7)	(4.2)	(5.9)	(13.7)	(0.3)	9.5	9.2
Result from continuing operations		91.2	16.2	107.4	30.8	38.3	(58.9)	(20.6)
Discontinuing operations								
Result from discontinuing operations (net of tax)	12	-	-	-	(0.4)	-	(0.4)	(0.4)
Result for the period		91.2	16.2	107.4	30.4	38.3	(59.3)	(21.0)

NOTES:
The prior period comparatives have been restated for the impact of the amendment to IAS 19 "Employee Benefits", see Note 1:

Consolidated Statement of Comprehensive Income

for the six months ended 30 September 2013

	Note	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m (restated)	Year ended 31 March 2013 £m (restated)
Result for the period		107.4	30.4	(21.0)
Actuarial gain on retirement benefit liabilities	9	10.2	12.3	8.3
Deferred tax on retirement benefits actuarial movements	5	(2.1)	(2.8)	(1.9)
Effect of change in rate of corporation tax on deferred tax	5	(0.9)	(0.5)	(0.5)
Other comprehensive expense for the period		7.2	9.0	5.9
Total comprehensive income / (expense) for the period		114.6	39.4	(15.1)

Consolidated Statement of Changes in Equity

for the six months ended 30 September 2013

	Attributable to equity holders of the Company					Total
	Share capital	Share premium	Other reserve	Reserves		
	£m	£m	£m	£m	£m	
Balance at 1 April 2013	0.3	2,493.9	(1,249.4)	522.5	1,767.3	-
Profit for the period	-	-	-	107.4	107.4	
Defined benefit actuarial gain net of tax	-	-	-	8.1	8.1	
Effect of change in rate of corporation tax on deferred tax	-	-	-	(0.9)	(0.9)	
Balance at 30 September 2013	0.3	2,493.9	(1,249.4)	637.1	1,881.9	-

for the six months ended 30 September 2012 (restated)

	Attributable to equity holders of the Company					Total
	Share capital	Share premium	Other reserve	Reserves		
	£m	£m	£m	£m	£m	
Balance at 1 April 2012	0.1	1,453.6	(1,249.4)	557.6	761.9	
Profit for the period	-	-	-	30.4	30.4	
Defined benefit actuarial gain net of tax	-	-	-	9.5	9.5	
Dividends to equity holders	-	-	-	(20.0)	(20.0)	
Effect of change in rate of corporation tax on deferred tax	-	-	-	(0.5)	(0.5)	
Balance at 30 September 2012	0.1	1,453.6	(1,249.4)	577.0	781.3	

for the year ended 31 March 2013 (restated)

	Attributable to equity holders of the Company					Total
	Share capital	Share premium	Other reserve	Reserves		
	£m	£m	£m	£m	£m	
Balance at 1 April 2012	0.1	1,453.6	(1,249.4)	557.6	761.9	
Result for the year	-	-	-	(21.0)	(21.0)	
Defined benefit actuarial loss net of tax	-	-	-	6.4	6.4	
Issue of ordinary shares	0.2	1,040.3	-	-	1,040.5	
Dividends paid to equity holders	-	-	-	(20.0)	(20.0)	
Effect of change in rate of corporation tax	-	-	-	(0.5)	(0.5)	
Balance At 31 March 2013	0.3	2,493.9	(1,249.4)	522.5	1,767.3	

Consolidated Statement of Financial Position

as at 30 September 2013

	Notes	As at 30 September 2013 £m	As at 30 September 2012 £m (restated)	As at 31 March 2013 £m (restated)
Assets				
Non-current assets				
Property, plant and equipment	6	2,354.6	1,154.0	2,389.1
Intangible assets		30.0	20.0	30.0
Goodwill		166.3	-	166.3
Investment properties		566.7	354.9	566.4
Deferred tax assets	10	19.5	14.7	26.2
		3,137.1	1,543.6	3,178.0
Current assets				
Inventories		1.4	0.9	1.5
Trade and other receivables		91.6	47.3	56.9
Amounts owed by group companies		69.8	-	-
Cash and cash equivalents		72.4	-	56.9
		235.2	48.2	115.3
Liabilities				
Current liabilities				
Trade and other payables		(123.5)	(89.5)	(125.6)
Deferred income		(21.5)	(13.8)	(17.4)
Amounts owed to group companies		(8.1)	-	(7.8)
Current tax liabilities		(35.2)	(29.0)	(3.7)
		(188.3)	(132.3)	(154.5)
Net current liabilities				
		46.9	(84.1)	(39.2)
Non-current liabilities				
Borrowings	7, 8	(887.0)	(396.7)	(885.6)
Derivative financial instruments	7	(12.9)	-	(37.3)
Retirement benefit liabilities	9	(66.0)	(64.3)	(77.5)
Deferred tax liabilities	10	(321.4)	(201.6)	(355.4)
Other non-current liabilities		(14.8)	(15.6)	(15.7)
		(1,302.1)	(678.2)	(1,371.5)
Net assets				
		1,881.9	781.3	1,767.3
Shareholders' equity				
Share capital		0.3	0.1	0.3
Share premium		2,493.9	1,453.6	2,493.9
Other reserve		(1,249.4)	(1,249.4)	(1,249.4)
Retained earnings		637.1	577.0	522.5
Total equity				
		1,881.9	781.3	1,767.3

The financial statements on pages 1 to 19 were approved by the Board of Directors on 16 December 2013 and signed on its behalf by:

N Thompson
Director

Consolidated Statement of Cash Flows
for the 6 months ended 30 September 2013

Note	Six months ended	Six months ended	Six months ended	Six months ended	Year ended	Year ended	Year ended
	30 September 2013	30 September 2013	30 September 2013	30 September 2012	31 March 2013	31 March 2013	31 March 2013
	£m	£m	£m	£m	£m	£m	£m
	Before	Significant	After		Before	Significant	After
	significant	items	significant		significant	items	significant
	items		items	(restated)	items	(restated)	items
					(restated)		(restated)
Cash flows from operating activities							
Result before taxation - continuing operation	92.9	20.4	113.3	44.5	38.6	(68.4)	(29.8)
Result before taxation - discontinuing operation	-	-	-	(0.4)	-	(0.4)	(0.4)
Change in value of investment properties	-	-	-	-	3.6	-	3.6
Movement in fair value of interest rate swap	-	(22.8)	(22.8)	-	-	6.0	6.0
Finance income and expense	15.3	-	15.3	14.3	28.5	-	28.5
Amortisation of issue costs	-	-	-	-	-	2.0	2.0
Settlement of previous financing	-	-	-	-	-	30.9	30.9
Depreciation and amortisation	60.1	-	60.1	32.6	70.0	-	70.0
Profit on sale of property, plant and equipment	(0.1)	-	(0.1)	-	0.3	-	0.3
Increase in trade and other receivables and inventories	(34.7)	-	(34.7)	(13.6)	5.4	-	5.4
Release of grants	(0.3)	-	(0.3)	(0.3)	(0.7)	-	(0.7)
Decrease in trade and other payables	(1.7)	-	(1.7)	1.3	0.8	-	0.8
Decrease in retirement benefits provision	(2.9)	-	(2.9)	1.4	1.9	-	1.9
Decrease / (increase) in available for sale assets	-	-	-	0.2	0.2	-	0.2
Cash generated from operations	128.6	(2.4)	128.2	80.0	148.6	(29.9)	118.7
Interest paid	-	-	(13.9)	(14.1)	-	-	(30.4)
Interest received	-	-	0.2	-	-	-	-
Tax paid	-	-	(4.7)	(6.5)	-	-	(14.9)
Net cash from operating activities	-	-	107.8	59.4	-	-	73.4
Cash flows from investing activities							
Purchase of property, plant and equipment	-	-	(32.3)	(27.1)	-	-	(55.0)
Purchase of intangible assets	-	-	(10.0)	(10.0)	-	-	(10.0)
Acquisition of subsidiary net of cash acquired	-	-	-	-	-	-	(1,468.7)
Proceeds from sale of investment properties	-	-	-	-	-	-	1.9
Net cash used in investing activities	-	-	(42.3)	(37.1)	-	-	(1,531.8)
Cash flows from financing activities							
Proceeds from issue of share capital	-	-	-	-	-	-	799.6
Increase in bank borrowings	-	-	-	-	-	-	881.7
Increase in other borrowings	-	-	-	-	-	-	89.4
Repayment of loans and borrowings	-	-	-	(3.0)	-	-	(236.0)
Increase in intercompany debtors	-	-	(50.0)	-	-	-	-
Dividends paid to shareholders	-	-	-	(20.0)	-	-	(20.1)
Net cash used in financing activities	-	-	(50.0)	(23.0)	-	-	1,514.6
Net decrease in cash and cash equivalents	11	-	15.5	(0.7)	-	-	56.2
Cash and cash equivalents at beginning of period	-	-	56.9	0.7	-	-	0.7
Cash and cash equivalents at end of period	-	-	72.4	-	-	-	56.9

Notes to the Financial Statements

1 Revenue

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

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m	Year ended 31 March 2013 £m
Aviation income	204.7	111.5	196.1
Commercial income			
Retail concessions	70.5	43.5	78.4
Car parking	62.6	35.3	59.0
Property and property related income	23.0	17.2	35.8
Other	29.2	22.3	42.2
Total commercial income	185.3	118.3	215.4
Total income	390.0	229.8	411.5

2 Business and geographical segments

For management purposes, the Group is organised into five main operating divisions: Manchester Airport, M.A.G Developments, East Midlands Airport, Bournemouth Airport and Stansted Airport. Stansted Airport was acquired by the Group on 28 February 2013. Humberside Airport was disposed of during the previous period and is presented as a discontinued operation. The divisions are the basis of which the Group reports its primary information.

Six months ended 30 September 2013	Manchester Airport £m	M.A.G Developments £m	East Midlands Airport £m	Bournemouth Airport £m	Stansted Airport £m	Group, consolidation and other £m	Consolidated £m	Discontinued Operation Humberside Airport £m
Revenue								
External sales	199.0	14.2	33.8	6.4	138.4	(1.8)	390.0	-
Inter-segment sales	(0.4)	(1.4)	-	-	-	1.8	-	-
Total revenue	198.6	12.8	33.8	6.4	138.4	-	390.0	-
Result								
Segment operating profit before significant items	60.3	7.7	9.6	1.4	31.5	(2.3)	108.2	-
Other information								
Segment assets	1,148.6	(Note 1)	310.2	84.2	1,360.6	468.7	3,372.3	-
Segment liabilities	(287.3)	(Note 1)	(72.1)	(10.2)	(136.8)	(984.0)	(1,490.4)	-
Capital expenditure	17.2	(Note 1)	7.7	0.1	20.5	-	45.5	-
Depreciation	(27.7)	(0.8)	(3.4)	(0.4)	(27.8)	-	(60.1)	-
Taxation	(4.0)	(2.6)	1.4	0.3	(1.7)	0.7	(5.9)	-
Result - geographical location (Note 2)								
Segment operating profit before significant items	65.0	-	10.8	3.2	31.5	(2.3)	108.2	-
Six months ended 30 September 2012								
Revenue								
External sales	178.4	11.7	30.5	6.3	-	2.9	229.8	2.2
Inter-segment sales	0.2	1.3	-	-	-	(1.5)	-	-
Total revenue	178.6	13.0	30.5	6.3	-	1.4	229.8	2.2
Result								
Segment operating profit before significant items	48.9	8.2	7.2	0.8	-	(4.3)	60.8	0.2
Other information								
Segment assets	1,161.2	(Note 1)	304.1	81.0	-	45.5	1,591.8	-
Segment liabilities	(483.2)	(Note 1)	(74.1)	(9.1)	-	(244.1)	(810.5)	-
Capital expenditure	28.8	(Note 1)	0.6	0.2	-	-	29.6	-
Depreciation	(28.1)	(0.5)	(3.5)	(0.5)	-	-	(32.6)	-
Taxation	(16.8)	(2.3)	(0.4)	0.8	-	5.0	(13.7)	-
Result - geographical location (Note 2)								
Segment operating profit before significant items	54.7	-	7.6	2.8	-	(4.3)	60.8	0.2

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

(Note 2) For management accounting purposes MAG reports property income (excluding Stansted) within the M.A.G Developments 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 Significant items

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m	Year ended 31 March 2013 £m
Recorded in result from operations:			
Integration costs (Note 1)	2.4	-	-
Acquisition costs (Note 2)	-	-	28.4
Restructuring costs (Note 3)	-	-	1.1
Total recorded in Result from operations	2.4	-	29.5
Recorded in Finance Cost:			
Amortisation of issue costs (Note 4)	-	-	2.0
Settlement of previous financing (Note 5)	-	-	30.9
Total recorded in Finance Cost	-	-	32.9
Recorded in result before taxation:			
Movement in fair value of interest rate swaps (note 6)	(22.8)	-	6.0
Total recorded in result before taxation	(22.8)	-	6.0
Total significant items	(20.4)	-	68.4

Note 1 - Integration costs

Integration costs relate to the separation of Stansted processes and systems from its previous owner.

Note 2 - Acquisition costs

Acquisition costs of £28.4m relate to advisor costs incurred in relation to the Stansted acquisition, contracts, due diligence procedures and stamp duty on the share purchase.

Note 3 - Restructuring costs

Restructuring costs relate to an organisational efficiency programme. The costs include severance pay and exceptional pension contributions.

Note 4 - Amortisation of issue costs

Following the restructuring and refinancing of the Group, unamortised issue costs of £2m related to the previous term loan were written off following settlement of the associated financial liability. This charge has had no cash flow consequences in the period.

Note 5 - Settlement of previous financing

Following the restructuring and refinancing of the Group, the previous 20 year term loan was settled. Settlement of this borrowing before the contractual maturity date resulted in the recognition of a financial liability in relation to interest cost. This financial liability was embedded into the derivative financial instruments entered into to hedge the interest exposure of the Group's new borrowings.

Note 6 - Movement in fair value of interest rate swaps

This represents the fair value of interest rate swaps that are classified as fair value through profit and loss.

4 Profit from operations

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m (restated)	Year ended 31 March 2013 £m (restated)
Turnover	390.0	229.8	411.5
Wages and salaries <i>(Note 1)</i>	(60.9)	(37.4)	(81.7)
Social security costs	(5.5)	(3.3)	(7.1)
Pension costs <i>(Note 2)</i>	(6.0)	(3.3)	(6.7)
Employee benefit costs	(72.4)	(44.0)	(95.5)
Depreciation	(60.1)	(32.6)	(70.0)
Other operating charges <i>(Note 3)</i>	(149.3)	(92.4)	(171.6)
Profit from operations before significant items	108.2	60.8	74.4

NOTE:

1 Wages and salary costs for the year ended 31 March 2013 were disclosed before restructuring costs amounting to £1.1m which were reported separately. The restructuring costs are in respect of an organisational efficiency programme. The costs included severance pay and exceptional pension contributions.

2 Pension costs for the year ended 31 March 2013 and the six months ended 30 September 2012 have been restated for amendments to IAS 19 "Retirement Benefits". See Note 13.

3 Other operating charges include maintenance, rent, rates, utilities and other operating expenses.

5 Taxation

Analysis of charge in the period

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m (restated)	Year ended 31 March 2013 £m (restated)
Current taxation			
UK corporation tax on profits for the period	36.5	26.0	10.3
Adjustment in respect of prior period	(0.3)	-	(0.4)
Total current taxation	36.2	26.0	9.9
Deferred taxation			
Temporary differences arising in the period	(0.6)	(3.7)	(10.3)
Adjustment in respect of prior period	-	-	(0.2)
Effect of change in rate of corporation tax	(29.7)	(8.6)	(8.6)
Total ordinary deferred taxation	(30.3)	(12.3)	(19.1)
Total ordinary taxation charge/(credit)	5.9	13.7	(9.2)
Taxation on items charged to equity			
	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m (restated)	Year ended 31 March 2013 £m (restated)
Deferred taxation on actuarial losses and gains	2.1	2.8	1.9
Effect of change in rate of Corporation tax	0.9	0.5	0.5
Total taxation charge	3.0	3.3	2.4

The March 2013 Budget Statement announced a reduction to the main UK Corporation tax rate by 2% to 21% on 1 April 2014 and a further 1% reduction on 1 April 2015 to 20%. These reductions were substantively enacted on 2 July 2013 and deferred tax balances at 30 September 2013 have been calculated at 21% as they are not expected to reverse before 1 April 2014. The effect of a further 1% reduction to the main UK Corporation tax rate when deferred tax liabilities reverse would

6 Property, plant and equipment

	Freehold land & 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 2013	217.0	421.4	2,018.4	491.9	66.0	3,214.7
Additions	-	-	-	-	45.5	45.5
Reclassification	-	12.4	16.3	18.8	(47.8)	(0.3)
Transfer to other Group companies	(19.3)	-	-	-	-	(19.3)
Disposals	(0.3)	-	(3.5)	(1.0)	-	(4.8)
At 30 September 2013	197.4	433.8	2,031.2	509.7	63.7	3,235.8
Depreciation						
At 1 April 2013	58.8	97.3	307.5	362.0	-	825.6
Charge for the period	0.5	6.6	34.9	18.1	-	60.1
Disposals	-	-	(3.5)	(1.0)	-	(4.5)
At 30 September 2013	59.3	103.9	338.9	379.1	-	881.2
Carrying amount						
At 30 September 2013	138.1	329.9	1,692.3	130.6	63.7	2,354.6
At 31 March 2013	158.2	324.1	1,710.9	129.9	66.0	2,389.1

7 Borrowings and derivative financial liabilities

	30 September 2013 £m	30 September 2012 £m	31 March 2013 £m
Bank loans	887.0	234.7	885.6
Other borrowings	-	162.0	-
	887.0	396.7	885.6
Derivative financial liabilities-interest rate swaps	12.9	-	37.3
	899.9	396.7	922.9
Borrowings are repayable as follows:			
	30 September 2013 £m	30 September 2012 £m	31 March 2013 £m
In more than one year			
Bank loans	887.0	234.7	885.6
Other borrowings	-	162.0	-
Derivative financial liabilities-interest rate swaps	12.9	-	37.3
	899.9	396.7	922.9

8 Bank loans

	30 September 2013 £m	30 September 2012 £m	31 March 2013 £m
Secured Senior Term Facility £900m	900.0	-	900.0
Less: unamortised debt issue costs	(13.0)	-	(14.4)
Unsecured bank revolving credit facility of £280.0m repayable on or before 22 December 2015	-	162.0	-
Less: unamortised debt issue costs	-	(2.0)	-
Unsecured credit facility of £75.0m repayable on 27 June 2028	-	75.0	-
Less: unamortised debt issue costs	-	(0.3)	-
	887.0	234.7	885.6

9 Retirement benefits

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m (restated)	Year ended 31 March 2013 £m (restated)
Balance in scheme at start of period	(77.5)	(75.2)	(75.2)
Movement in period:			
Acquisition of subsidiary	-	-	(8.7)
Current service cost recognised in Income Statement	(5.8)	(2.2)	(5.0)
Past service cost recognised in Income Statement	-	(0.3)	(0.2)
Contributions	8.7	3.0	7.0
Net interest expense recognised in Income Statement	(1.6)	(1.9)	(3.7)
Total remeasurements in Statement of Comprehensive Income	10.2	12.3	8.3
Balance in scheme at end of period	(66.0)	(64.3)	(77.5)

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

10 Deferred taxation

	Deferred taxation asset £m	Deferred taxation liability £m	Total £m
At 1 April 2013	26.2	(355.4)	(329.2)
Charge to income	(3.1)	33.4	30.3
Charge to equity	(3.6)	0.6	(3.0)
At 30 September 2013	19.5	(321.4)	(301.9)

11 Reconciliation of net cash flow to movement in net debt

	At 1 April 2013 £m	Cash flow £m	Other non-cash movements £m	At 30 September 2013 £m
Cash at bank and in hand	56.9	15.5	-	72.4
Total cash and cash equivalents (including overdrafts)	56.9	15.5	-	72.4
Non-current debt	(885.6)	-	(1.4)	(887.0)
Interest rate swap derivatives (Note1)	(37.3)	-	24.4	(12.9)
Net debt	(866.0)	15.5	23.0	(827.5)

Note:

1 £1.6m of the £24.4m non cash movement relates to the unwinding of the interest rate swaps break costs, and is disclosed within finance costs in the income statement .

12 Discontinued Operation

On 2 August 2012 the Group disposed of its entire shareholding in Humberside International Airport. The segment was classified as a discontinued operation in the comparative consolidated income statement for the six months ended 30 September 2012 and the 12 months ended 31 March 2013.

Loss on disposal	(0.6)
Result from operations (net of tax)	0.2
Result from discontinued operations (net of tax)	(0.4)

13 Change of accounting policy

Change of accounting policy:

Upon the adoption of the amendment to IAS 19 on 1 April 2013, the Group has restated prior period information with the following impact:

Income Statement

	Six months ended 30 September 2012		Year ended 31 March 2013	
	£m	£m	£m	£m
Profit before tax as previously reported		45.4		(27.5)
Impact of amendment to IAS 19				
-Operating profit	1.1		1.4	
-Net financial expense	<u>(2.0)</u>		<u>(3.7)</u>	
Profit before tax restated		<u>44.5</u>		<u>(29.8)</u>
Taxation as previously reported		(13.9)		8.7
Impact of amendment to IAS 19		<u>0.2</u>		<u>0.5</u>
Taxation restated		<u>(13.7)</u>		<u>9.2</u>
Profit after tax restated		<u>30.8</u>		<u>(20.6)</u>

Statement of comprehensive income

	Six months ended 30 September 2012		Year ended 31 March 2013	
	Actuarial	Deferred tax	Actuarial	Deferred tax
	gains/(losses)	£m	gains/(losses)	£m
As previously reported	11.4	(2.6)	6.0	1.4
Impact of amendment to IAS 19	0.9	(0.2)	2.3	0.5
As restated	<u>12.3</u>	<u>(2.8)</u>	<u>8.3</u>	<u>1.9</u>

The amendment to IAS 19 has changed the accounting for defined benefit schemes and termination benefits. The interest cost and expected return on scheme assets used in the previous version of IAS 19 have been replaced with a "net interest" amount which is calculated by applying a discount rate to the net defined benefit obligation. This amendment has a corresponding impact on actuarial gains and losses recognised in the statement of comprehensive income, with no overall change to the net retirement benefit liability in the balance sheet. Furthermore, certain costs previously recorded as part of administrative expenses have now been presented within finance costs.

on reported profi