



ANNUAL REPORT 2024

**Group Strategic Report, Directors' Report
and Consolidated Financial Statements**

for the Year Ended 31 December 2024 for
Farnborough Airport Company Limited





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Farnborough Airport Company Limited

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Farnborough Airport is an outstanding local and national economic jewel. We look forward to advancing our planning application and welcome the UK Government's proposals that changes to the planning system will be made to support the growth of essential national infrastructure assets, of which Farnborough Airport is no doubt one.

One Airport. One Town. One Future.



CEO FOREWORD

As an asset intensive business, having long-term certainty is vital to our future. Investing to meet the economic opportunities in front of us requires confidence and stability, not least regulatory and politically.

From a UK political standpoint a lot changed during the course of the year, not least the local elections in the spring resulted in a change in control within Rushmoor Borough council. Then in the summer we were delighted to welcome our new constituency MP for Aldershot alongside a new UK Government having been elected on the back of a pro-growth agenda. In more recent months the role of aviation in delivering economic growth has also very much been in focus, and it is truly encouraging that the UK Government recognises that sustainable aviation and airport growth can go hand-in-hand.

We fully understand that there needs to be a balance between economic contribution and environmental impact. With Farnborough Airport only allowed to serve smaller-lighter aircraft, our environmental footprint is a fraction of that of a traditional commercial passenger airport, yet our economic output relative to our size is completely without parallel. And although our environmental impact is relatively low, we are steadfastly committed to doing more to manage our impact as we look to embrace the economic opportunity ahead of us.

Needless to say, as one of the UK's most important business aviation gateways, Farnborough Airport has a vital role to play in delivering local and national economic growth. However, it is commonplace to come across commentary and opinion which loosely refer to the 'convenience' of business aviation, a description which fundamentally misrepresents the role of our sector. Here at Farnborough Airport, many of our users are businesses whose operations are 'calibrated and optimised' to realise the economic opportunity which enhanced connectivity has to offer.

Whether they have multi-site production facilities located across the world or whether they regularly need to transport their specialist human capital expertise from one end of the country to another, the enhanced connectivity that Farnborough Airport offers delivers demonstrable production efficiencies and economic opportunity to UK businesses which otherwise would not exist. It is not a matter of convenience.

With the majority of flights at Farnborough Airport used for business purposes, it is perhaps not surprising that flying activity at Farnborough Airport is interdependent with the economic prosperity of the UK and its local area.

When we look historically, we see a long-term growth correlation between the growth of our business and the growth in the UK's Gross Domestic Product (GDP). Whilst we expect this to continue into the future, we also envisage our market share will grow as commercial passenger airports within the London airport system increasingly prioritise more lucrative high-volume passenger flights, with the growth in smaller-lighter aircraft gradually being displaced.

We do however operate in a competitive market and our ability to meet the long-term demand for connectivity from Farnborough Airport is of paramount importance for the future prosperity of the local area. Unfortunately, competition is not

always on a level playing field. We see this where Ministry of Defence (MOD) owned and operated airports are allowed to compete unfairly against private sector airports, raising serious questions around state-subsidies and divergent operating standards.

Market distortion came up again in our response to a Department for Transport consultation process, which sought feedback on the future applicability of Air Passenger Duty (APD) within the business aviation sector. In the Autumn Budget, the Chancellor of the Exchequer announced some changes to the higher rate APD which applies to smaller-lighter aircraft which are typically used by customers of Farnborough Airport.



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One of the major findings from the study was that flights that use Farnborough Airport contribute £1.9 billion of Gross Value Added (GVA) to the UK economy every year and support the equivalent of 23,000 jobs.



Airports, both large and small, play an important role in the communities they serve. Business aviation in particular is seen as a major incubator for training and skills within the aviation industry, as well as being a test bed for wider technologies and innovation, which is most vital for the delivery of the Government's net zero goals. Many thousands of local and national jobs are dependent upon a growing and sustainable business aviation industry, as a consequence additional taxation of the sector should not be considered lightly.

We are generally supportive of the position that the business aviation sector should pay its fair contribution to the overall tax receipts of the UK. However, such changes or increases in taxation should not create unforeseen market distortion, be arbitrary or discriminatory in nature, and should not be used to suppress economic growth.

As a business we understand the Government's reasoning for wishing to consider changes in APD that apply to business aviation, however we cautioned that additional taxation may not come without economic consequence. If changes are to be made, we have advised Government that we support the principles of APD as the primary mechanism for 'taxation of use' within business aviation, however we have indicated that we would not support more radical structural changes to taxation, in particular where business aviation was treated differently to other forms of commercial aviation.

During the year we also hosted the 2024 Farnborough International Airshow. With over 100,000 delegates and nearly 1,500 companies attending the five-day event. It not only provides a huge economic boost for the local area, but it is a major global trade facilitator for the aerospace industry, enabling approximately £85 billion in commercial aircraft and engine orders to take place.

We took the opportunity at this year's airshow to launch the publication of a new study by CBI Economics entitled 'Getting Business Going - The economic benefits to UK plc of business aviation at Farnborough Airport'. The study, which included a survey of UK businesses, found that 80% of the flying activity from Farnborough Airport is related either directly or indirectly to supporting UK business and inward investment. The report goes on to assert that based upon the survey findings and supporting analysis, the majority of flights from Farnborough Airport are of high economic impact, time-sensitive in nature and essential in purpose.

One of the major findings from the study was that flights that use Farnborough Airport contribute £1.9 billion of Gross Value Added (GVA) to the UK economy every year and support the equivalent of 23,000 jobs. This is as a direct consequence of the economic opportunity created by the enhanced connectivity and travel assurance afforded to those who use Farnborough Airport. These latest

findings from CBI Economics support what we have been saying for some time, that the role of business aviation in driving inward investment and creating economic opportunity within the UK is both significant and demonstrable.

With our well-invested infrastructure and available runway capacity, Farnborough Airport has a critical role to play in supporting economic growth going forward, both at a local level and also across the wider UK. Unlike much of the proposed airport expansion that is currently being considered within the London airport system, Farnborough Airport can deliver immediate economic gains for UK plc. We do however need to make some changes to the way we operate. In the Autumn of 2023, we submitted a planning application to increase our allowable annual flights from 50,000 to 70,000. An important aspect of the application is seeking to allow us to grow at the same rate across the 7-day week, which requires an uplift in the non-weekday annual flight limit of 8,900 to 18,900.

Whilst the majority of our flights will continue to occur on weekdays, the nature of our market means that it is essential for us to be able to support future demand for flights across the entire 7-day week. We understand that our growth, in particular on non-weekdays, is an area of sensitivity for the communities that surround us, however our ability to grow on the non-weekdays

will be important if we are to realise the long-term economic opportunity ahead of us.

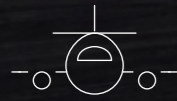
So, what is the long-term economic opportunity? Getting Business Going - The economic benefits to UK plc of business aviation at Farnborough Airport, concludes that the proposed increase in flights will deliver an additional £1.4 billion of GVA within the UK economy every year and the creation of 17,900 FTE jobs. This is in addition to the impact within the local region, where jobs and GVA are forecast to increase from 3,000 and £200 million per year, to 4,100 and £470 million per year respectively by 2040.

Farnborough Airport is an outstanding local and national economic jewel. We look forward to advancing our planning application and welcome the UK Government's proposals that changes to the planning system will be made to support the growth of essential national infrastructure assets, of which Farnborough Airport is no doubt one.

**One Airport.
One Town.
One Future.**



HIGHLIGHTS



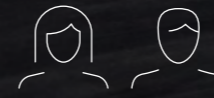
The group's **vision** is to be the world's leading business aviation airport.



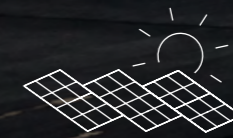
Facilitates over **800 international connections** to a broad customer base, including major aviation operators.



Continued investment in the infrastructure; following the £55m project to increase hangar capacity by circa 70% and expand apron parking the Airport is now constructing an exclusive £10m terminal and training facility for an operator.



One of the largest employment sites in the region, directly or indirectly supporting more than **3,000 FTE jobs.**



Generates around 25% of its power needs through rooftop solar.



Submitted a planning application to support the ongoing demand for connectivity and in turn **positively impact the local and national economies.**



Consistently voted EMEA & Asia's **No. 1 business aviation airport.**



Freehold ownership of a **645-acre** airfield site providing critical capacity as part of the London airports system.



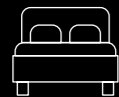
Over 80% of the Group's c.400 employees live within a 10-mile radius. In addition, there are more than 70 tenants on site delivering jobs and prosperity to the local area.



A 2024 study shows flights that use Farnborough Airport **contribute £1.9 billion of Gross Value Added (GVA) to the UK economy** every year and support the equivalent of 23,000 jobs.



One of only 6 UK airports to **achieve 4+, the highest level of carbon accreditation,** demonstrating commitment to Net Zero goals.



Operates an award-winning **169 room on-site luxury hotel.**



Largest business aviation airport in the UK with around a **third of London traffic.**

GROUP STRATEGIC REPORT

The Directors present their Group Strategic Report for the year ended 31 December 2024. This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Farnborough Airport Company Limited (FACL) and its subsidiary undertakings (the "Group") when viewed as a whole. The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.



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The Group’s employees are at the heart of everything it does, their passion and capability are fundamental to delivery of the Group’s strategy.

PURPOSE AND STRATEGY

The Group’s principal activity is the operation of Farnborough Airport, Europe’s market leader for premium air travel connectivity, located on the M3 motorway corridor southwest of London.

Activities include airfield operations, passenger and aircraft handling services, hangarage for contract and transient aircraft parking, as well as real estate facilities including an on-site hotel - the Aviator Hampshire.

The Group’s goal is to be the world’s leading business aviation airport, setting the standards for premium air travel connectivity and exceptional customer care. The Group strives to be a global showcase for airport sustainability.

As one of the most modern airports of its kind, Farnborough Airport offers a fully dedicated and integrated product to its customers. All core activities are undertaken by the Group without unnecessary reliance on third-party service providers.

This enables it to provide a complete portfolio of services dedicated solely to delivering a peerless and truly exceptional customer service experience.

The Group endeavours to continuously improve its sustainability performance, setting standards which other airports aspire to. Having become the first airport of its kind to achieve Airport Carbon Accreditation in 2018, today it is one of six UK airports to have attained the highest level of carbon accreditation level 4+. This follows the 2022 launch of the Group’s Net Zero Roadmap which committed to achieve Net Zero for those emissions within its control by 2030 or sooner, representing some of the most ambitious environmental goals in the sector.

The Group’s employees are at the heart of everything it does, their passion and capability are fundamental to delivery of the Group’s strategy. The Group continues to demonstrate its commitment to being a recognised employer of choice and responsibility by retaining its Great Place to Work UK certification.

The Group is also committed to supporting opportunities and prosperity in the local area and this is especially important as over 80% of the Group’s employees live within 10 miles of the Airport. It also works with over 500 supply chain partners, actively seeking to engage with businesses in the local area wherever possible. More than 70 tenants are based at and supported by the Airport’s on-site facilities putting it at the heart of a dynamic and fast growing aerospace and aviation industry cluster.

BUSINESS MODEL

Farnborough Airport is an essential part of the London and South-East airports system, serving over 800 domestic and international connections. This gives it an important economic role both locally and nationally, specialising in business aviation services to a diverse customer base, from global companies to small business enterprises, representing commerce and trade from across the economic spectrum.

Business aviation is air travel that is of high economic consequence, essential in purpose and time-sensitive in nature. Whilst the majority of the business air travel market is served by scheduled airlines operating between traditional commercial passenger airports, some business travel purposes have very specific requirements. The term business aviation refers to a subset of the wider business air travel market. Using smaller and lighter aircraft, business aviation serves a market where its users require enhanced levels of connectivity and assurance.

FOR EXAMPLE:

- Where direct connections and flight times are not otherwise available.
- Where a flight requires greater certainty on timings and connections.
- Where travel flexibility is an essential aspect of the trip.
- Where complex travel itineraries need to be accommodated.
- Where enhanced levels of security and personal assurance are a priority.



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The product offering is significantly differentiated from potential competitors as the Group has a fully integrated operation between the Airport and its passenger and aircraft handling activities.

The Airport's aviation services include airfield operations, passenger and security processing, aircraft handling and fuelling, parking and hangarage, and other ancillary services. The Group's on-site luxury hotel, the Aviator Hampshire, complements the extensive crew facilities, which include a gym and private sleeping rooms. The product offering is significantly differentiated from potential competitors as the Group has a fully integrated operation between the Airport and its passenger and aircraft handling activities. Further, the product is solely dedicated and tailored to the needs of time-sensitive and essential connectivity.

The Company's ultimate parent and controlling party is Macquarie European Infrastructure Fund 6 SCSp, which is a long-term infrastructure fund managed by Macquarie Asset Management (MAM). MAM is the asset management arm of the Macquarie Group and a top 50 global asset manager, investing to deliver a positive impact

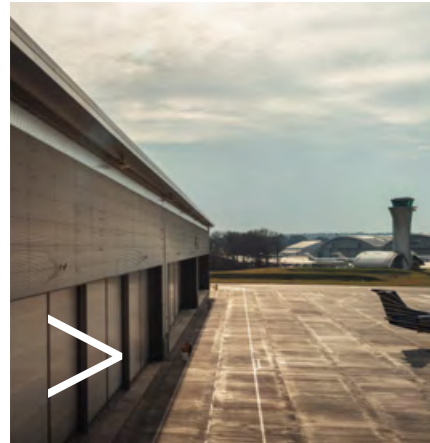
for everyone. MAM provides investment solutions to clients across a range of capabilities in Private Markets and Public Investments, including infrastructure, green investments, agriculture and natural assets, real estate, private credit, asset finance, equities, fixed income and multi-asset solutions.

As of 31 March 2025, MAM had \$A940 billion of assets managed globally, investing responsibly to generate long term value and drive positive outcomes in the communities in which they operate. MAM is committed to achieving net zero emissions across its investment portfolio by 2040, 10 years ahead of the goals of the Paris Agreement. MAM is a global leader in the infrastructure sector. Demonstrating its knowledge and expertise in the core infrastructure sector, MAM has over 170 infrastructure businesses.

MAM has held ownership of the Company since the acquisition in 2019.

STRATEGIC FOCUS AREAS

The Group has made strong progress on its strategic focus areas.



Development of our product, brand and facilities

PROGRESS: The Airport's £55 million investment in a new hangar together with additional apron capacity has been fully operational since March 2024, increasing hangar capacity by over 70%. A £3 million upgrade to security screening facilities has been operational since the summer and includes two state-of-the-art cabin baggage screening lanes equipped with the latest C3 screening technology along with advanced security scanners. In September 2024 ground was broken on the construction of a new terminal facility for Flexjet.

All this investment underpins the Airport's on-going commitment to delivering an unparalleled passenger experience and one that meets the evolving needs of our customers.

Improving our environmental performance and putting sustainability at the heart of everything we do

PROGRESS: £2m rooftop solar investment is now operational delivering c25% of the Airport's needs. In addition, electricity efficiency initiatives over the last two years have delivered a 15% reduction in use. A project to install new boilers at the Aviator targeting a 25% efficiency gain was completed in Q1 2025. The Airport is one of the largest single site suppliers of Sustainable Aviation Fuel (SAF) to the Business Aviation sector in Europe. To date over 2 million litres of 38% blend SAF has been sold to Farnborough's customers.



Continued delivery of exceptional customer care

PROGRESS: Voted the Fixed Based Operator of the Year by both Aviation International News and at the Air Charter Excellence Awards. The Aviator Hampshire was voted the second-best hotel in the UK by Tripadvisor in its Travellers Choice Awards for 2024.



Being an employer of choice and responsibility

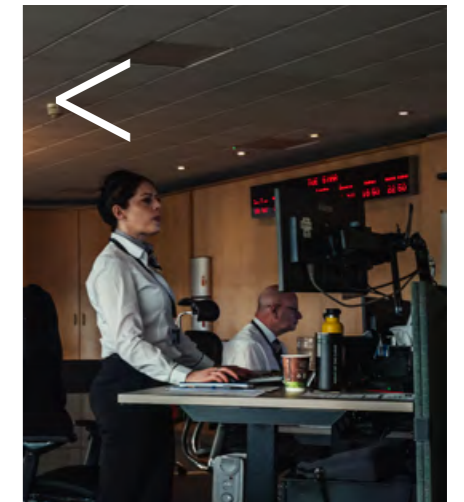
PROGRESS: Once again certified as a Great Place to Work® and one of the UK's Best Workplaces for Wellbeing, Development and Women. Farnborough Airport offers employees a variety of training courses and programmes designed to enhance role specific skills, contribute towards personal development and improve quality of service.

This starts with a comprehensive induction and training programme for new employees, followed by an annual review to identify individual development and training needs that support the achievement of objectives and accomplishment of their role.

Supporting economic wellbeing and prosperity for the region

PROGRESS: The publication of a new study by CBI Economics, launched at the July 2024 Airshow, entitled 'Getting Business Going - The economic benefits to UK plc of business aviation at Farnborough Airport' illustrated the economic benefits of the Airport both locally and nationally.

One of the major findings from the study was that flights that use Farnborough Airport contribute £1.9 billion of Gross Value Added (GVA) to the UK economy every year and support the equivalent of 23,000 jobs. The proposed increase in flights will deliver an additional £1.4 billion of GVA within the UK economy every year and the creation of 17,900 Full Time Equivalent jobs. This is in addition to the impact within the local region where jobs and GVA are forecast to increase from 3,000 and £200 million per year, to 4,100 and £470 million per year respectively by 2040.



Working with our neighbours, stakeholders and community partners

PROGRESS: Since 2010, the Airport has contributed over £940,000 towards community projects. In 2024, more than £93,000 was allocated to 12 community projects in addition to our employee volunteers contributing 405 hours around the local community.

We continued with our Inspiring Minds programme, inviting local schools in to see the variety of careers at the Airport. We invited tours to local community groups, provide insight into how the Airport operates. We also sponsored a range of community events, including the Hampshire Businesses Awards and the Farnborough Half Marathon.

FUTURE DEVELOPMENT AND TRENDS

JET ZERO STRATEGY

In July 2022, the UK Government set out the strategic framework to deliver Net Zero aviation by 2050, with the milestones of all domestic flights being Net Zero by 2040 and all airport operations in England to be zero emission by the same year. Delivery of these targets requires new concerted and co-ordinated efforts to reduce, remove and mitigate emissions across the aviation industry.

Hydrogen and battery technology for aviation is being developed, however the commercial operation of such technology is likely to be some way off. The pace of roll out is dependent on the pace of technology advancement and infrastructure delivery which requires a growing, confident and well-invested aviation industry backdrop. It is also likely that short range aircraft will be the earliest adopters. Farnborough Airport has a unique and vital role to play.

SAF is a “drop-in” fuel which can be easily blended with conventional jet kerosene. Currently the only commercially available SAF is derived from hydro processed esters and fatty acids (HEFA) processes. HEFA SAF can reduce life cycle emissions by up to 80% compared with conventional jet kerosene.

SAF will have a key role to play in aviation decarbonisation for at least the next two decades. The SAF Mandate starts in 2025 at 2% of total UK jet fuel demand, increasing linearly to 10% in 2030 and then 22% in 2040. The mandate sets an obligation on fuel suppliers to meet the SAF mix requirements on a portfolio basis. Significant expansion of the feedstock supply for SAF and the development of new production, transportation and storage facilities will be required to satisfy anticipated future demand.

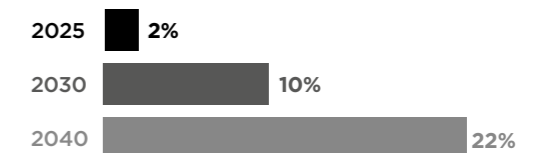
The Government’s policy framework intends to incentivise the development of new SAF technologies to deliver the required volume growth without the implications and challenges of competing for limited feedstocks and provide the long-term pricing certainty required to underpin the scale of investment required.



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HEFA SAF can **reduce life cycle emissions by up to 80%** compared with conventional jet kerosene.

UK SAF Blend Mandates



Farnborough Airport is well positioned to lead the way in increasing SAF use and the business aviation industry more generally can be at the forefront of battery and hydrogen technology advancement. The Group has a clear strategy to be a global showcase for airport sustainability. Such market leadership is demanded by the Group’s customers, employees, shareholders and finance providers. This requires long-term investment which in turn is dependent upon continued growth and the safeguarding of the Group’s overall market position.

SAF has been available for all customers at the Airport from July 2021. Since then, the Group has sold over 2 million litres of 38% blend SAF making it one of the largest single site suppliers of SAF to the Business Aviation sector in Europe. The Group is working with potential partners with a view to delivering its goal of having a fuel mix at Farnborough which significantly exceeds the mandated targets. As part of this journey the Group was pleased to sign a letter of intent with Hydrogen Refinery Limited in Q1 2025 for 12.5 million litres per annum of SAF produced from waste. This has the potential to deliver SAF to Farnborough which significantly exceeds the carbon reduction levels of HEFA SAF and is not dependent on crop feedstocks and at volumes materially above the mandated levels.





IMPACT OF WORK PATTERNS ON DEMAND SHAPE

The business aviation sector continues to evolve as travel patterns change in response to hybrid, flexible, and remote working models, trends accelerated by the COVID-19 pandemic. While these developments have influenced business and corporate travel, customers seek greater flexibility, leading to travel that extends beyond traditional weekdays. Supported by advances in technology and shifting work practices, customer demand remains diverse, with increasing travel outside conventional business hours.

Farnborough Airport operates daily to meet this demand, but due to planning restrictions, weekend and bank holiday air traffic movements (ATMs) are capped at 17.8% of its 50,000 maximum ATMs. This restriction also impacts weekday traffic given that it is commonplace for flight legs to be split across weekdays and non-weekdays. With demand being close to this cap in recent years, it has at times restricted movements and will impact future growth of both weekday and non-weekday traffic.

Since submitting a planning application in Autumn 2023 to change some operating conditions, there has been ongoing and constructive engagement with various local and national stakeholders. Business aviation connectivity brings significant economic benefits, and securing Farnborough Airport's long-term future is essential to protecting local jobs and maintaining its position as the UK's leading business aviation airport. The planning process for nationally important infrastructure assets like Farnborough Airport takes time, particularly in addressing feedback from statutory consultees. Whilst significant progress has been made, there remain a small number of outstanding concerns that are being addressed.

Rather than rushing the process, the Airport is focused on resolving these concerns and refining the application. Given the time that has passed since the original submission, the information within the application is being updated. As a result, it is expected that the updated application will be presented for determination at the local Development Committee in late 2025 or early 2026.

Key Performance Indicators

KPI		2024	2023	Movement
Air Traffic Movements (ATMs)	1	30,204	31,795	London market showed modest growth overall, FAB impacted by Northolt and Luton increasing market share
Turnover	2	£116.6m	£112.4m	Impact of additional hangar capacity, biennial 'Farnborough International Airshow' and improved yield per ATM offset the impact of lower traffic
Group Normalised EBITDA	3	£50.3m	£45.0m	Increased revenues and well managed cost base delivered an 11.8% increase in Group Normalised EBITDA.
Group Normalised EBITDA margin	4	62.4%	59.8%	Increased revenues and well managed cost base improved the Group Normalised margin.
Loss before taxation	5	(£15.6)m	(£31.5)m	Primarily due fair valuing of interest rate derivatives and the lower exceptional costs in 2024

- 1. ATMs:** Air Traffic Movements drive landing & handling fees, fuel sales and parking revenues
- 2. Turnover:** Income generated from the Airport and the Hotel
- 3. Group Normalised EBITDA:** EBITDA drives operating cashflow facilitating distributions to shareholders. This measure removes exceptional and non-underlying items.
- 4. Group Normalised EBITDA margin:** The ratio of normalised EBITDA to turnover from airport operations (note 3) less fuel purchase costs (2024: £22.3m, 2023: £25.1m).

Group Normalised EBITDA is defined as follows:

	2024 £m	2023 £m
Operating profit	18.0	11.3
Depreciation and amortisation	30.7	29.2
Professional fees incurred on refinancing	0.0	0.4
Professional fees incurred on a contingent additional price dispute linked to the 2019 acquisition	0.4	1.8
Professional fees supporting the current planning application	1.2	2.0
Cost adjustment related to incorrect VAT treatment on certain acquisition related costs in 2019	0.0	0.3
Group Normalised EBITDA	50.3	45.0



PROPOSED CHANGES TO BUSINESS RATES

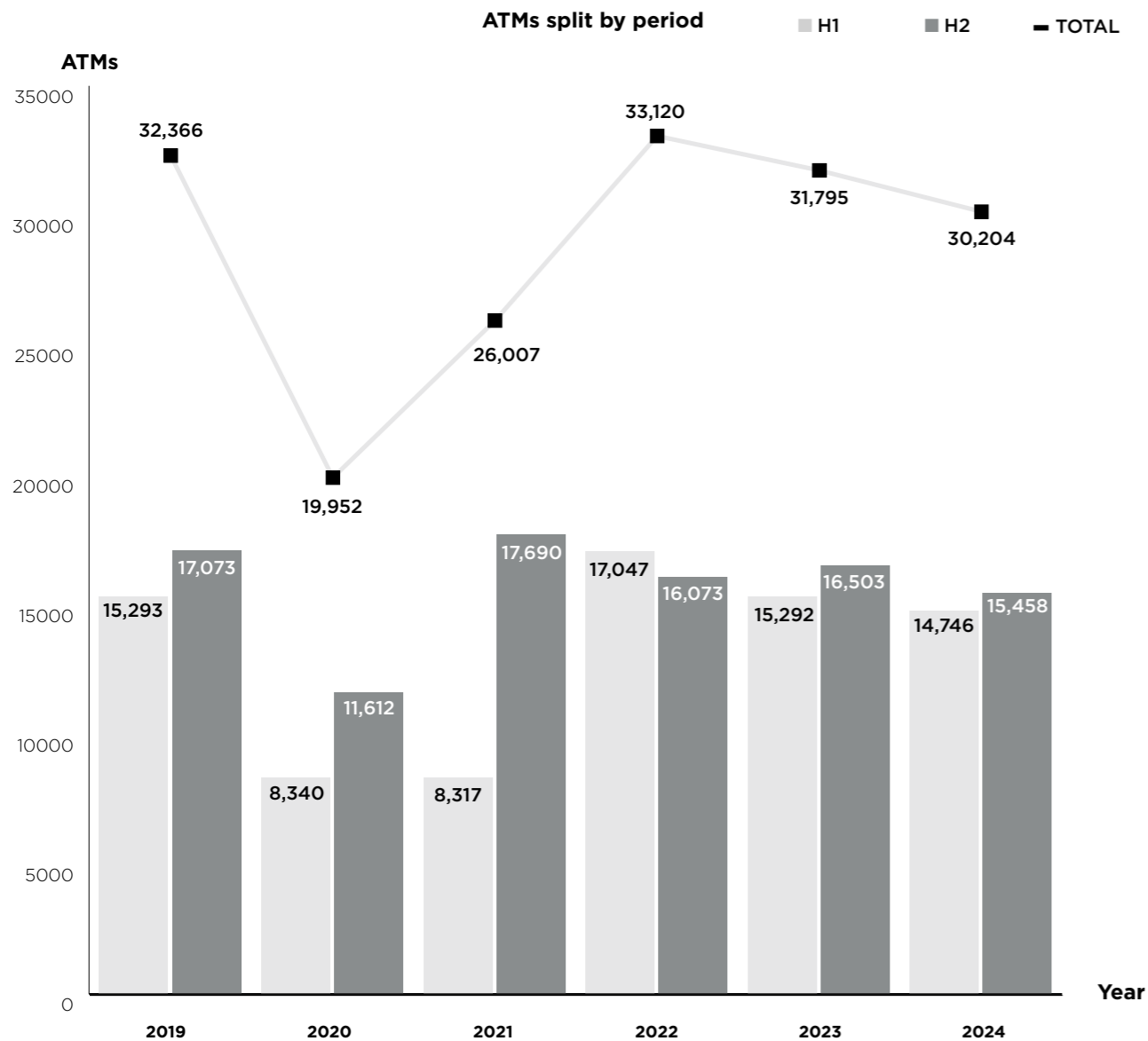
The Valuation Office Agency (VOA) has changed the methodology used to calculate the Rateable Value ("RV") and hence rates expense for airports in England and Wales. The proposed change by the VOA, in its current form, could have a significant impact on the annual rates charge for most UK airports. The sector is actively engaging with the VOA and HM Treasury to ensure that the burden of local tax on airports remain equitable.

The Aviation sector plays a significant role in the UK economy. A healthy, well invested aviation industry will support the Government's pro-growth agenda. A stable and equitable fiscal regime is a pre-requisite to enable investment to deliver growth. The Airport is committed to continued engagement with stakeholders on this issue. The Group is already the largest Business Rate payer in Rushmoor Borough by some distance and recognises that these revenues are essential to fund local amenities and welfare services going forward.

OPERATIONAL REVIEW

The London business aviation market in 2024 grew by 1% compared to 2023. During the year, flights from Farnborough Airport reduced from 31,795 in 2023 to 30,204 in 2024. In part, due to the impact of the biennial Farnborough International Airshow in July. Farnborough Airport remains the market leader with a market share of 30%, marginally down from 31% in 2023. Market share was negatively impacted by Northolt, which is a Ministry of Defence (MOD) owned airport and also to Luton, where commercial aviation flight movements remain behind pre-covid levels, freeing up short-term capacity for business aviation traffic.

The Aviator hotel continued to perform exceptionally well in a challenging market with a record Normalised EBITDA of £3.5m. Performance was positively impacted by the Airshow and a commercial settlement on historical electricity charges.



ECONOMIC IMPACT OF BUSINESS AVIATION

In 2024, the Confederation of British Industry (CBI) published a study based on comprehensive research, highlighting the substantial economic impact of business aviation in the UK, particularly through operations at Farnborough Airport.

KEY FINDINGS FROM THE CBI'S REPORT INCLUDE:

Enhanced Connectivity: Business aviation provides crucial connectivity, enabling flights that are of high economic impact, time sensitive and essential in purpose which in turn help companies build relationships, secure deals, and expand internationally, driving inward investment.

Strategic Importance: Business aviation is a key driver of economic growth, providing vital infrastructure for businesses to thrive globally and supporting UK competitiveness.

Revenue Growth: Companies using business aviation report revenues four times higher than those relying on commercial airlines, highlighting the sector's direct contribution to business success.

PLANNING APPLICATION UPDATE

Since submitting a planning application in autumn 2023 to increase the number of permitted flights, the Airport has engaged extensively with stakeholders and refined our proposals in response to feedback. While significant progress has been made, a small number of outstanding concerns from statutory consultees remain. Rather than rushing the process, the Airport is taking additional time to address these issues and update aspects of the application. The application is expected to be determined by the local Development Committee in late 2025 or early 2026, following a further statutory consultation period.

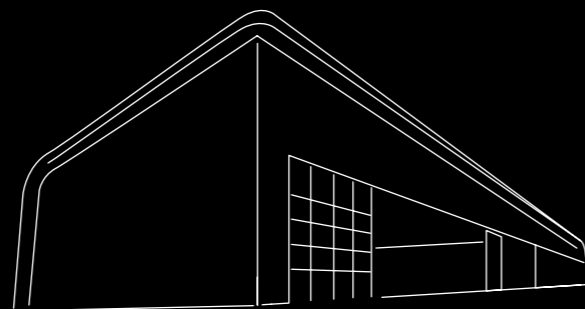
The future role of Farnborough Airport both locally and nationally is as important as ever. The Group remains committed to securing its long-term future and delivering these benefits.

Economic Impact: Business aviation directly contributed £4.9 billion to the UK's GVA in 2022. Farnborough Airport alone accounted for £945 million in GVA, or nearly 20% of the sector's total direct UK impact. When accounting for supply chain effects and employee spending, Farnborough Airport is estimated to generate £1.9 billion in GVA every year and 23,000 jobs.

Expansion Benefits: Increasing annual aircraft movements at Farnborough from 50,000 to 70,000 will add a further £1.4 billion to the UK economy by 2040 and support an additional 17,900 new jobs.



FINANCIAL HIGHLIGHTS



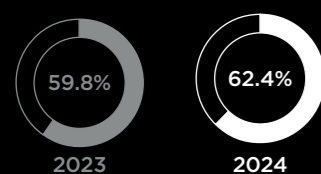
Group Normalised EBITDA (£000s)



ATMs



Group Normalised EBITDA margin



Group Turnover (£000s)



		H1	H2	Total
ATMS	2024	14,746	15,458	30,204
	2023	15,292	16,503	31,795
Group Turnover (£000s)	2024	55,715	60,887	116,602
	2023	52,652	59,331	111,983
Aeronautical revenue (£) /ATM	2024	2,369	2,431	2,401
	2023	2,089	2,175	2,133
Group Normalised EBITDA (£000s)	2024	23,566	26,702	50,268
	2023	20,622	24,387	45,009
Group Normalised EBITDA (£) / ATM	2024	1,598	1,727	1,664
	2023	1,349	1,478	1,416
Group Normalised EBITDA margin	2024	61.1%	63.6%	62.4%
	2023	57.5%	61.8%	59.8%
Loss before taxation (£000s)	2024	11,699	3,862	15,591
	2023	11,820	19,664	31,484

FINANCIAL REVIEW

The Group's operating profit for the year ending 31 December 2024 was £18.0m (2023: profit of £11.3m), with cashflows generated from operating activities at £23.7m (2023: £30.4m).

Aeronautical revenue per ATM (includes landing and handling, transient parking, fuel margin, disbursements, and sundry income) was £2,401, up 12.5% from £2,133 in 2023, driven by annual updated fees and charges, higher average fuel uplifts, increased average Maximum Take-Off Weight (MTOW) and increased average transient parking per ATM.

Non-Aeronautical Airport revenue was up 9% to £8.1m as a result of the biennial airshow hosted by Farnborough International.

Normalised operating costs of £42.8m were £0.9m higher than 2023. Business rates increased by £1.2m with other inflationary pressures offset by reduced electricity costs.

The Group maintained a strong liquidity position and headroom under all external debt facilities covenants throughout the year. As at 31 December 2024, the Group had £6.3m cash in hand, net current assets of £1.3m and drawn down external bank facilities of £285m.

In February 2024, the Group successfully concluded its refinancing activities by placing two further accordions facilities that roll into the term loan and accordion that was placed in 2023. The final debt facility consists of a term loan of £240m, a capex facility of £68m, a revolving facility of £5m.

Interest under the new facilities is payable twice yearly; the loan matures in May 2028. The facilities include covenants on interest rate coverage (available cashflow to senior net debt service costs) and leverage (senior net debt to EBITDA). The Group reports backward performance and forward projected performance against these ratios half yearly. As at 31 December 2024, interest rate hedges totalling £271.7m terminating in June 2027 were in place.

As at 31 December 2024, the Group has a loan of £306.7m from its parent company, MEIF 6 Parker Investments Sarl. Under the terms of this loan agreement any unpaid interest is added to the outstanding principal. The loan is repayable in September 2035. None of the principal loan was repaid and £18.5m of interest was paid (2023: £18.4m) during the 12 months to 31 December 2024.

After deducting total finance costs of £33.6m, the loss before taxation was £15.6m. This was a £15.9m decrease in losses from 2023. In 2023 there was a £9.5m loss on the fair value adjustment on the interest derivatives but in 2024 there was a £5.0m gain, a £14.5m variance.

The directors recommended and paid dividends during the 12 months ended 31 December 2024 of £33.4m (2023: £37.1m).

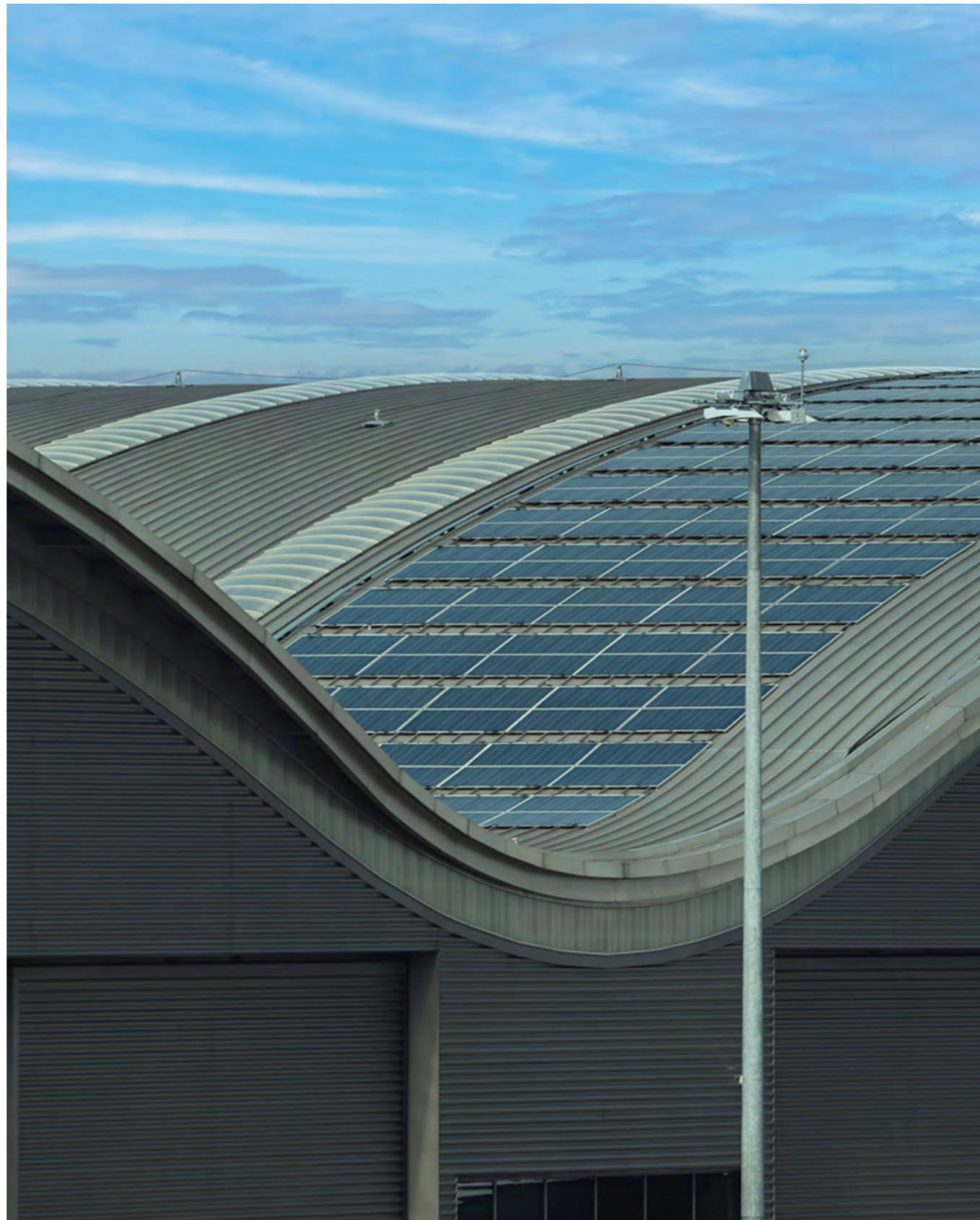
REDUCING OUR ENVIRONMENTAL IMPACT

The Group fully recognises the importance of continually improving its environmental performance. In 2024 it retained its level 4+ carbon accreditation status by the Airport Carbon Accreditation (ACA) scheme, one of only six UK airports and the only business aviation airport to be operating at this level.

ACA is the only institutionally endorsed, global carbon management certification programme for airports, independently assessing and recognising the efforts of airports to manage and reduce their carbon emissions through seven levels of certification.

In 2022, the Group committed to being Net Zero by 2030 or earlier for emissions in its direct control, as well as achieving a reduction across wider scope of emission (Scope 1, 2 & 3b) by over 45% by 2035. This represents one of the most ambitious targets in the entire aviation industry.

During 2024 the Group continued to make meaningful progress on its sustainability goals and is tracking ahead of its Board approved Net Zero 2030 abatement roadmap. It completed one of the largest light-weight solar installations in the South-East, enabling the Airport to generate 25% of its own power from on-site renewable sources. On SAF the Group sold its two millionth litre of 38% blend SAF, with year on year volumes up 49% and signed a landmark deal with Hydrogen Refinery for 12.5 million litres per annum of SAF produced locally from waste.



SUMMARY OF THE SOURCES OF FARNBOROUGH AIRPORT'S SCOPE 1, 2 & 3B EMISSIONS

SCOPE 1



BUILDINGS & AIRFIELD

Includes emissions associated with the energy consumption of on-site buildings, fire training, standby generators and the lighting for the airfield.



OPERATIONAL VEHICLES

Vehicles involved in the operation of the Airport.



DE-ICING

Aircraft and surface de-icer and antifreeze usage.

SCOPE 2



ELECTRICITY

Emissions from electricity, steam or heat which we purchase and use.

SCOPE 3B



AVIATION

Landing and take-off (LTO) cycle emissions are defined as movements below 3,000 ft in altitude.



SURFACE ACCESS

These are emissions from the journeys passengers take to and from an airport.



WASTE

This includes the combined waste from the Airport, its tenants and airline operators.



BUSINESS TRAVEL

This includes all employee travel for business purposes.





MEASURING PERFORMANCE

Through the implementation of its certified ISO 14001 Environmental Management System (EMS), Farnborough Airport commits to actively manage its impact across the themes of noise, waste & recycling, improving biodiversity and wildlife on site, measuring and understanding our contribution to air quality and carbon emissions.

The Group assesses its Carbon Footprint every year by participating in the Airport Carbon Accreditation (ACA) program, managed by Airports Council International (ACI) Europe. This participation results in a comprehensive calculation of emissions by source, which is then externally verified. Such assessments help identify trends and opportunities for emission reduction and mitigation across the business, facilitating the prioritisation of long-term initiatives and investments.

The Group is dedicated to annually publishing this data. The emission scope is broader than the requirements of the Streamlined Energy and Carbon Reporting definition, which the Group must report.

In addition to total tCO₂e, which measures absolute carbon emissions, the Group also tracks and reports tCO₂e per flown kilotonne, where MTOW refers to the published Maximum Take-Off Weight of a specific aircraft. This metric is considered the most relevant for managing performance over time, as it accurately reflects improvements in aircraft efficiency and fuel technology, as well as enhancements from airspace optimisation and efficiency initiatives in airfield ground operations.

Scopes 1 and 2 emissions were impacted by the new Hangar – Domus III which became fully operational in 2024. The emissions per flown kilotonne were also impacted by the lower traffic level in 2024 compared to 2023, as a proportion of the emissions are fixed.

The weighted average aircraft emissions related to Landing and Take Off (LTO) and Auxiliary Power Units (APU) use in 2024 was broadly flat on 2023.





		2024	2023	2022
Scopes 1&2	tCO ₂ e	1,282	1,105	1,033
Scope 3b (excluding construction)	tCO ₂ e	7,970	8,196	8,433
Scope 3b (construction)	tCO ₂ e	31	836	286
Total	tCO ₂ e	9,283	10,137	9,752
MTOW	kilotonnes	655	683	682
Scopes 1, 2	tCO₂e/kilotonne	1.96	1.62	1.51
Scopes 3b				
Aircraft - LTO & APU use	tCO ₂ e/kilotonne	10.38	10.14	10.63
Surface access	tCO ₂ e/kilotonne	1.02	1.01	0.98
Waste	tCO ₂ e/kilotonne	0.49	0.42	0.47
Other	tCO ₂ e/kilotonne	0.29	0.43	0.28
Scope 3b (excluding construction)	tCO₂e/kilotonne	12.17	12.00	12.36
Scopes 1, 2, 3b (excluding construction)	tCO₂e/kilotonne	14.13	13.62	13.87

Farnborough Airport Net Zero Roadmap: <https://netzero.farnboroughairport.com/>









NET ZERO PATHWAY (SCOPES 1 AND 2)

 <p>BUILDINGS & AIRFIELD SCOPE 1</p>	 <p>OPERATIONAL VEHICLES SCOPE 1</p>	 <p>DE-ICING SCOPES 1 & 3B</p>	 <p>ELECTRICITY SCOPE 2</p>
<p>WHAT IT COVERS</p> <p>Energy consumption for the terminal, hangars, control tower and airfield.</p>	<p>Includes fuel tanks and trucks.</p>	<p>Glycol and water solution used to remove frozen deposits on aircraft and runway.</p>	<p>Procurement of electricity.</p>
<p>HOW WE WILL REDUCE EMISSIONS AND WHEN</p> <p>Target 25% saving of energy through the rollout of energy efficiency improvements.</p> <p>This includes controls, energy management, heating, ventilation and air conditioning (HVAC) and lighting upgrades.</p> <p>Roll out energy efficiency programme by end of 2026.</p> <p>Decarbonise the heating systems. Begin feasibility studies in 2024 with goal of having replaced the system by 2030.</p> <p>Reduce emissions from generators, the majority of which are for airfield lighting. Begin investigating the replacement options by or before 2030.</p>	<p>Continue with our vehicle decarbonisation programme. The goal is for all vehicles to run off renewable fuel by 2030.</p>	<p>Use environmentally friendly de-icing products that can reduce runway de-icing emissions by up to 60% and aircraft emissions by 30%.</p>	<p>Continue to purchase REGO (Renewable Energy Guarantees of Origin) backed electricity.</p>

NET ZERO PATHWAY (SCOPE 3B)

 <p>AVIATION SCOPE 3B</p>	 <p>SURFACE ACCESS SCOPE 3B</p>	 <p>WASTE SCOPE 3B</p>	 <p>BUSINESS TRAVEL SCOPE 3B</p>
<p>WHAT IT COVERS</p> <p>Aircraft Landing & Take Off Cycle (LTO) up to 3,000 ft and Auxiliary Power Units.</p>	<p>How passengers and staff commute to and from the Airport.</p>	<p>This includes the waste of tenants, including aircraft.</p>	<p>This includes all employee travel for business purposes.</p>
<p>HOW WE WILL REDUCE EMISSIONS AND WHEN</p> <p>Continue to drive SAF usage with the ambition of being a SAF only airport by 2030.</p>	<p>Continue promoting the employee incentive schemes to lease electric vehicles.</p> <p>Farnborough Airport has 72 on-site charging points for electric vehicles.</p>	<p>Identify opportunities for increased usage of recycled materials.</p> <p>Agree waste reduction targets with key milestones of 2025, 2030 & 2035.</p>	<p>Continue rolling out and promoting the business travel policy to support the reduction of emissions.</p>





NOISE AND AIR POLLUTION

The Group recognises that air pollution is an international issue and that aircraft noise has an influence in our community. It therefore continues to be committed to maintaining and reporting on the quality of air in the local communities as well as the agreed noise performance indicators to its local council.

Farnborough Airport's Air Quality and Odour Scheme monitors, records and reports on air quality on a biannual basis. Monitoring is undertaken at 13 designated locations in an around the Airport using a mix of diffusion tubes and nitrogen dioxide monitoring equipment. Resulting data is assessed in accordance with the Local Air Quality objectives and reported to the local planning authority, Rushmoor Borough Council. Nitrogen Dioxide (NO₂) levels recorded by our monitoring stations continue to be compliant with applicable national legislation.

Zero Waste to Landfill

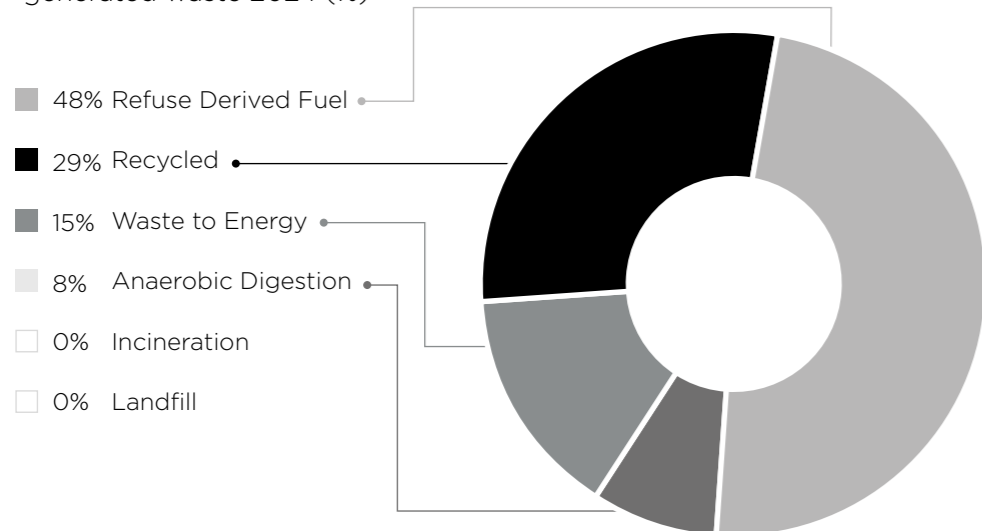
The Group operates to a zero waste to landfill approach. Maximising segregation of the waste generated whilst utilising sustainable waste management practices, is a core component of the Group's waste management approach. It continues to work closely with waste service providers to ensure waste is separated transported and utilised in accordance with legislation.

External Measurement of Sustainable Performance

In order to further improve performance, Farnborough Airport is aligned to key reporting frameworks, including Global Real Estate Sustainability Benchmark (GRESB), an international sustainability framework that benchmarks the Environmental, Social and Governance (ESG) management and performance of major infrastructure assets worldwide. In 2024, Farnborough Airport achieved its highest score in the annual GRESB assessment, with a four-star rating and score of 94%. The Airport is continually seeking ways to improve its scores but also to embed these principles across all levels at the Airport.



Disposal Methods for Group generated waste 2024 (%)





AN EMPLOYER OF CHOICE AND RESPONSIBILITY

The Group's most important asset is its people; therefore, attracting, developing, and retaining its employees is essential to its continued success, as well as a core focus on its journey as an employer of choice and responsibility in the region.

LIVING THE FARNBOROUGH VALUES AND DEVELOPING TALENT

The Group's values are core to behaviours and are fully embedded in training and appraisal processes. Living by these values is fundamental to continuing to develop and enhance the working environment and culture across the Group. For the third successive year, the Group was certified as A Great Place To Work by Great Place to Work® UK - the global authority on workplace culture. Participation in this scheme enables the Group to benchmark its performance against other companies to drive further improvement to maintain an engaged and motivated workforce.

On the most recent Great Place to Work® annual survey, 75% of employees at The Farnborough Airport Company said it is a great place to work, compared to 54% of employees at a typical UK based company.

Great Place to Work® annual survey



Great Place to Work provided further recognition for the Group in their Large UK Employer category as:

One of the top UK's Best Workplaces™ (ranked 59th).

One of the UK's Best Workplaces for Women™ (ranked 14th).

One of the UK's Best Workplaces for Wellbeing™ (ranked 71st).

One of the UK's Best Workplaces for Development™ (ranked 81st).

Group Values

Proud of who we are

Passionate about what we do

Ambition drives us forward

Together we are the Farnborough Airport Company

Farnborough Airport continue to foster a Company culture that focuses on the Health, Safety and Wellbeing of employees as well as learning in the workplace. It has dedicated forums and initiatives to engage and raise awareness of employees on topics such as Mental Health, Neurodiversity and Menopause in the Workplace.

In 2024, Farnborough Airport entered two categories of the Learning at Work Week Awards which celebrate bold, creative, and impactful campaigns by employers from across the UK, who champion and drive lifelong learning at work and development opportunities for employees.

Farnborough Airport won both categories (SME):

- Inspiring a Lifelong Learning Culture
- Innovation in Learning and Development.



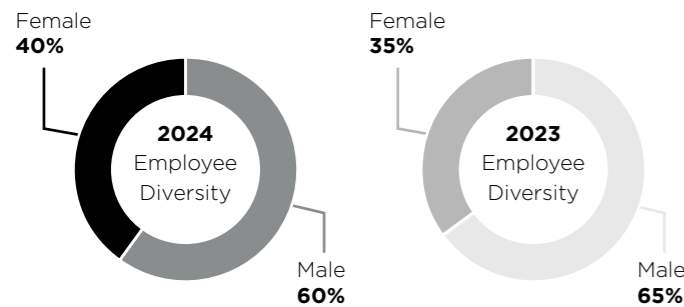


DIVERSITY, EQUITY AND INCLUSION

The Group is fully committed to the elimination of unlawful and unfair discrimination and values the differences that a diverse and inclusive workforce brings to the Group. Through its commitment to Diversity, Equity and Inclusion, the Group seeks to attract and retain talent from all backgrounds and experiences and raise aspirations in the surrounding community.

The Board approved the Group's Diversity, Equity and Inclusion strategy focuses on:

- > Attracting and retaining diverse talent.
- > Ensuring equal access to training and development opportunities for all employees, regardless of personal characteristics (e.g., ethnicity, gender, age).
- > Valuing and embracing our differences by empowering employees to perform to their full potential and be true to themselves, no matter their background, identity or circumstances.



Diversity Gender	Employees	Management*	Directors
Male	59.8%	57.1%	100%
Female	40.2%	42.9%	0.0%

Diversity Age	Employees	Management*	Directors
Under 30	41.0%	0.0%	0.0%
30 - 39	23.9%	14.2%	0.0%
40 - 49	15.3%	42.9%	0.0%
Over 50	19.8%	42.9%	100%

*Management refers to the Management Leadership Group made up of:

- Chief Executive Officer
- Chief Financial Officer
- Airport Operations Director
- People & Assurance Director
- Terminal Operations Director
- Head of Business Development
- Head of Social Value & Planning
- Head of Marketing & Communications



ENSURING A SAFE AND SECURE WORKPLACE FOR ALL

The Group's key priority continues to be the wellbeing of its employees, customers, suppliers and business partners. The Group uses an ISO 45001:2018 certified Occupational Health and Safety Management System, to protect and promote a supportive, open and positive culture focused on physical, social and emotional health and wellbeing.

The Group continued its delivery focus in this area including having dedicated trained employee mental health first aiders in place, offering monthly wellbeing days, health-testing kits and free flu vaccinations. In August & December, the Group hosted staff entertainment events, which provided a great opportunity for employees, along with their families, to join together to relax and enjoy themselves, with the Group providing food, drink and entertainment.

In May, the Airport combined Learning at Work Week with the Airports UK Health and Safety Week, hosting its own series of events in conjunction with several of its tenants, under the set theme of "save tomorrow with safety today". It resulted in Farnborough Airport winning two awards for Learning at Work Week (in innovation and promoting a lifelong learning culture) and being highly commended for the Airports UK Health & Safety Week.

The highly commended award celebrates the airport that demonstrated the best approach to apron safety, working at height and PPE which are all key components of the Group's safety strategy.

In 2024, the Group expanded and broadened its focus on wellbeing by introducing four pillars of wellbeing: physical, intellectual, psychological and occupational. These were outlined within a wellbeing planner and were continually promoted throughout all wellbeing, recognition, and reward initiatives across the Group, to reduce stigma and enhance equality, diversity and inclusion provisions to those that most need them. This was demonstrated by the Airport's recertification of ISO 45001 (OH&S Management System) and alignment to ISO 45003 (Psychological Safety at Work) in November. Through this approach to wellbeing, the Group strives to set industry leading standards in relation to the health, safety, welfare and wellbeing of everyone at the Group. In doing so, it seeks to create a truly generative culture.

MODERN SLAVERY

The Group is committed to respecting human rights and continues to focus on ways to improve practices to identify and eliminate modern slavery, which may occur within the businesses or supply chains across the Group. Please see the latest Board approved modern slavery statement on the Group's website.





SOCIAL VALUE AND COMMUNITY

The Group’s engagement strategy focuses on celebrating its heritage, bringing people together, shaping future lives and giving something back to the community. This very much includes maintaining, restoring and further improving local areas and amenities. Both the employee volunteering programme and the Farnborough Airport Community Environmental Fund contribute towards that.

Employee Volunteering

Each employee has one paid day per year, which they can use for charity volunteering. The majority of this volunteering is delivered through Community Matters Partnership, a charity which the Group is a proud co-founder of. This charity supports businesses in Hampshire, Surrey and Berkshire to get active in their communities.

In 2024 over 400 employee volunteering hours were spent on a range of community projects supporting schools, local charities and parks with grounds maintenance and enhancements, as well as skills development and preparations for the festive season. Those volunteer days were focussed in the Rushmoor Borough and included:

Location	Activity
Tomlinscote School (Frimley)	Supported 200 pupils tasked with buying, marketing and selling a product, in a workshop to boost business skills.
Yateley Industries	Joined together with more than 80 community volunteers to maintain the grounds of the disability charity.
Parkside (Aldershot)	Built new planter beds for the disability charity to grow their own produce in.
Southwood Park	A litter pick at a local country park.
Tower Hill Primary School (Farnborough)	Painted the garden fences and climbing wall.
Marlborough Infant School (Aldershot)	Painted classrooms and renovated the garden allotment for children to plant vegetables.
Cove Junior School (Farnborough)	Painted classrooms and gave the school pond area a makeover.
Frimhurst House (Frimley)	Joined together with more than 100 community volunteers to maintain the grounds at accommodation that offers refuge for vulnerable families.
Christmas Toy Drive (Farnborough)	Assisted Community Matters Partnership wrapping presents for local disadvantaged children.
Rotary Club Santa’s Sleigh	Supported Farnborough Rotary Club taking Santa and his Sleigh around the town, collecting donations for local charities.





FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND

Since 2010, the Farnborough Airport Community Environmental Fund has awarded more than £940,000 in grants to enhance community areas. Every time a flight departs or arrives at Farnborough Airport, between £2 and £5, depending on the weight of the aircraft, is paid as a levy into the Fund. Organisations and charities located within a five-kilometre radius of the Airport are eligible and can apply for the Fund via the Rushmoor Borough Council Website.

In 2024, £93k was allocated across 12 community projects across the local area.

Beneficiary	Summary purpose of grant
Parkside	New Garden Set Up
The Conservation Volunteers	Wellesley Woodlands
Rushmoor Voluntary Services	Blooming Minds
Frimley Health Charity	Refurbishment of Glade Cafe
Creative Response Arts	Art Outside the Gallery
The Source's Young People's Charity	Skills for Life - Bike Maintenance
OFLAC	Accessible Garden Seating
Aldershot Civic Society	Aldershot Station Adoption
West End Centre / Hampshire Cultural Trust	The Places That Link Us
Tower Hill Primary School	Eco Hub
Cove Brook Greenway Group	Resurfacing of the Greenway
SATRO	Planet Utopia





Supporting local groups and sponsorship

As a company committed to making a positive impact in the local community, the Group continually look for ways to support and enhance local experiences. Whether through sponsorship, donations, or volunteer efforts, it strives to contribute to causes and initiatives that promote well-being, inclusion, and growth. This year, efforts included supporting a variety of local events, charities, and organisations, each of which has made a meaningful difference in the community.

Here's a look at some of the key initiatives the Group was proud to be part of:

- > **Headline Sponsor of the Farnborough Half Marathon:** By sponsoring England's largest winter half-marathon, Farnborough Airport supported a well-organised and attended event that promotes community engagement and healthy living.
- > **Headline Sponsor of the Hampshire Business Awards:** Farnborough Airport's sponsorship of this prestigious event celebrated local business achievements, fostering networking and economic growth within the Hampshire business community in the process.

- > **Rushmoor Community in Bloom:** Supporting this initiative enhanced the local environment through community-led gardening projects, contributing to a more vibrant and attractive Rushmoor.
- > **Aldershot Football Club's Remembrance Weekend Fixture:** By sponsoring this fixture, the Airport honoured fallen heroes and supported a well-established local football club, strengthening community ties and collective remembrance in Aldershot, the home of the British army.
- > **Rushmoor's First Pride March:** Support for this inaugural event promoted inclusivity and diversity, fostering a sense of belonging and acceptance within the Rushmoor community.
- > **Community Matters Partnership's RAISE Initiative:** Contributing to this local schools programme empowered local individuals through a tour of Farnborough Airport, which offered skills development and support, enhancing community cohesion and personal growth.



- > **Step by Step's Sleep Out Challenge:** Participation in this event raised awareness and funds for youth homelessness, with 120 local participants collectively raising £18,000 to support vulnerable young people. This event was organised by Step by Step, the Group's charity of the year, voted for by our employees.
- > **Rushmoor Young Carers:** Supporting this group provided essential resources and respite for young carers, acknowledging their vital role and improving their well-being.

- > **Macmillan Cancer Support Cake and Coffee Morning:** The Aviator's event raised £535, providing crucial support for individuals affected by cancer and highlighting the importance of community support networks.
- > **Harvest Festival Collection for The Grub Hub:** The Group's collection of non-perishable foods and toiletries for The Grub Hub food bank addressed local food insecurity, ensuring community members had access to essential supplies.
- > **Wear it Pink Day for Breast Cancer Awareness:** Through a bake sale organised by the Airport's customer services team, over £2,500 was raised for breast cancer research, contributing to vital awareness and funding for the cause.
- > **Hospitality in Action Fundraising Activities:** The Aviator's 24-hour cycling event and 20-kilometre hike raised £4,047, supporting those facing physical and mental health challenges, and demonstrating our commitment to community well-being.



Bringing the community together – one Airport, one Town, one Future

In 2024, the Group began running a series of Know Your Airport events, where local community groups were invited into the Airport. These events brought community groups and employees together to provide the opportunity to learn about how the airport works. Sharing insights and fostering understanding deepens connections between the Airport and the local community.

Farnborough Aerodrome Consultative Committee (FACC)

The role of the FACC is to facilitate engagement between stakeholders about the nature and operation of the Airport so that issues, when they arise, can be resolved amicably.

Like all airports, Farnborough Airport touches people's lives in many different ways. On the one hand the Airport offers a wide range of jobs and brings economic benefits and prosperity to the area and on the other hand it can be the cause of concern to local communities, on issues such as aircraft noise both in the air and on the ground, pollution, development demands, traffic and parking and impact on the environment.

The FACC meets three times a year and the Group is actively engaged. Membership includes users and tenants of the Airport, local public agencies and residential communities.



COMMUNITY EDUCATION PROGRAMME

The Group wants to help shape the future of peoples' lives within the community it serves. Attracting and inspiring talent and supporting people into the workplace remains a strategic focus of the Group. This starts within the local community where the Group strives to raise the aspirations of young people within the surrounding area by encouraging and motivating the next generation of aviation professionals.

The Group's Inspiring Minds Programme continued in 2024. It saw a range of primary schools, secondary schools, colleges and universities from the Borough, and surrounding areas, visit the Airport for a tour. This provided a fantastic opportunity for both teachers and

pupils to see first-hand the variety of different careers at Farnborough Airport.

The Group also supported and attended a range of other career related activity at local schools in the form of career fairs, assemblies and workshops. Once again, the Group hosted its own well attended careers day. It was held at the Aviator, where we were joined by fellow industry leaders that included Gulfstream, TAG Aviation, Flexjet, VistaJet and the British Business and General Aviation Association.

Farnborough Airport continues to build prosperity amongst local communities and to inspire the next generation with its apprenticeship and work experience programmes, attendance at local schools and college Career Days and the Airport's Business Aviation Career Fair.

The Airport has recently launched a new training course titled, 'The Farnborough Airport Professional Certificate in Airport Operations,' developed in partnership with Farnborough College of Technology, to support local people gain qualifications and experience and ultimately gain local employment.

The Group also continued its work experience programmes, giving students from local schools an invaluable opportunity to develop their professional skills and discover what life is like working at what one of the region's leading employers, at both Farnborough Airport and the Aviator. Two apprentices in the IT and Social Value functions started in 2023, with their development journey continuing in 2024.



PRINCIPAL RISKS, UNCERTAINTIES AND RISK MANAGEMENT

The Group actively manages key risks through formal processes. The Board sets and monitors adherence to the risk management framework and is supported by the Airport's internal Health, Safety, Security, Environmental and Risk Committee ("HSSER") and the Audit Committee. The major risks for the Group, details of key mitigants and the risk profile, are outlined below.

Planning Risks

The Airport currently has a number of planning constraints, which will impact the ability of the Group to maintain its market leading position if they are not amended. The inability of the Airport to serve market demand will divert jobs and economic prosperity away from the region, making it harder for the Group to maintain investment levels and generate employment. The Airport has submitted a planning application to support long-term market demand for connectivity from Farnborough. As part of this process the Airport has engaged extensively with stakeholders, including statutory stakeholders. While significant progress has been made, a small number of outstanding concerns from statutory consultees remain. Rather than rushing the process, the Airport is taking additional time to address these issues and update aspects of the application. The application is expected to be determined by the local Development Committee in late 2025 or early 2026, following a further statutory consultation period.

The future role of the Airport both locally and nationally is as important as ever. The Group remains committed to securing its long-term future and delivering these benefits.

This remains a high risk given it is not within Management's complete control.

Safety risks

The Airport has an established Safety Management System, which includes a formal risk assessment process for all key activities. The Group operates under the supervision of the HSSER, which is a sub-committee of the Board and is chaired by the Group's CEO. The main purpose of the HSSER is to provide the Board with assurance as to the adequacy and effectiveness of the Group's systems and their application. During 2024, the Airport once again retained its ISO 45001 certification for its Occupational Health and Safety (OH&S) Management System.

This remains a low risk given the strong safety framework established.

Regulatory risks

Civil Aviation Authority (CAA) and Department for Transport (DfT) regulations

The Airport is required to hold licences and certificates to operate including Health & Safety and Fire Safety. To maintain this certification, the Airport applies certification to ISO standards with robust systems and processes to ensure compliance including; suitably trained and qualified staff, robust compliance procedures, audit programmes and a focus on developing a "just" safety culture.

This remains a low risk given the strong systems and training established.





Environmental, Social and Governance (ESG) risks

ESG risks are managed throughout the Group to ensure effective corporate responsibility and to be compliant with its prevailing licences, certification and relevant planning conditions. Farnborough Airport manages and monitors these risks through an Environmental Management System, which is certified to its ISO 14001 and ISO 45001 certification for its OH&S Management System. It also has a Material ESG risk register in place and liaises with a range of external stakeholders supported with regular external reporting.

This remains a low risk given the strong systems in place.

Cyber risk – information security

The Group collects, processes, stores and handles non-public data from customers and suppliers, and therefore must comply with all applicable data protection laws (including GDPR). The Group operates extensive IT controls and cyber penetration testing is routinely completed. This is supplemented by the use of external IT specialists for specific risk evaluation and mitigation, and a comprehensive and mandatory online training programme for all employees. Further, the Group is insured against cyber incidents, including 24-7 access to specialist support if required. The Group has established data management and compliance procedures in place and has an in-house Compliance Administrator supported by a third-party Data Protection Officer.

This remains a medium risk given the constant evolution of cyber criminals posing a threat to strong control environments.

Resourcing

The Group directly employs c.400 people across its airport and hospitality businesses. The delivery of the Group's objectives is reliant upon attracting and retaining a skilled and motivated workforce. If the Group is not able to do so, then this would have a detrimental impact on the delivery of operational and strategic objectives. The risk is managed through employee engagement, development and appropriate remuneration,

which together is monitored through several channels, including an annual employee survey and an Employee Ambassador Forum. The Group's Remuneration Committee ensures salaries are assessed annually to support the company's objectives in this regard.

This remains a low risk given the training and retention tools in place.

Slavery and human trafficking risks

The Group is committed to ensuring that there is no modern-day slavery or human trafficking in its supply chains or in any part of its business. The Group's supply chain is mainly UK based and processes are in place for the Group to seek assurance that suppliers have appropriate processes and systems in place to reduce the risk of human trafficking or slavery in their own supply chains. There have been no incidents or necessary actions to report in this regard and as such the Board do not consider this to be a material issue for the Group.

This remains a low risk given the strong controls and processes in place.

Commercial risks

Reduction in demand from increased taxation on Business Aviation and/or change in public perception of Business Aviation.

The Airport strives for sector leading environmental performance with a strong historical track record of delivery and ambitious future plans in this area. Delivery of this agenda will further differentiate Farnborough Airport from its competitors. The risk is also mitigated by the fact that the Airport's customer base places a high value on the economic opportunity, connectivity and assurance that flights from the Airport offer, as well as limited suitable transport substitutes for the majority of journeys.

This remains a long-term medium risk.

Reduction in demand from economic recession.

This can lead to a significant downturn on the primary revenue streams of the business. The risk for the Group is partly mitigated by ensuring

depth and breadth amongst the customer base, with a focus on establishing strong relationships with its main operators. Typically, more than 800 international connections are served from the Airport, with no significant geographic concentration or dependency. However, the Group maintains good communication and relationships with key customers. The resilience of the customer base was evident through the global COVID-19 pandemic.

This remains a low risk given the resilience shown during previous economic turbulence.

Proposed changes to Business Rates.

The Valuation Office Agency (VOA) has changed the methodology used to calculate the Rateable Value ("RV") and hence rates expense for airports in England and Wales. Prior to the 2023 RV process, Airports had been assessed on a "Contractor's Basis" ("CB"). Whilst the VOA produced the 2023 RVs through applying the "Receipts and Expenditure" ("RE") methodology the impact of the transition was affected by adjustments for the impact of the Covid-19 pandemic. No such adjustment will be made to the 2026 RVs.

The change by the VOA, in its current form, may have a material impact on the annual rates charge for most UK airports. The Airport is committed to continued engagement with stakeholders on this issue and continues to work with other airports through the co-ordination of AirportsUK. Any increase in costs would likely largely be passed through to future charges.

This has reduced from a high risk to a medium risk after positive engagement with key stakeholders.

Financial Risk Management

The Board approves and reviews annually the Group's Treasury and Cash Management Policy. This policy sets a clear framework for efficient and effective cash management, setting mandated minimum cash liquidity requirements and clearly details the responsibilities and authority limits across the Group.

Managed and Monitored

A regular assessment and analysis of Group cashflow and liquidity is held by Management. This is formally included in quarterly forecasts provided to the Board. There has been no significant changes in the year to any financial risk.

Cashflow and liquidity risk

The Group maintains appropriate cash reserves to manage fluctuations in working capital. Regular reforecasting of business performance and associated cashflows is undertaken. There is limited exposure to interest rate fluctuations as the exposure is largely hedged over the medium term. A £5.0m working capital facility was in place at 31 December 2024.

The Group is funded through drawn bank facilities of £285.0m (2023: £242.7m) and a shareholder loan of £306.7m (2023: £306.7m). At 31 December 2024, the Group had £6.3m in cash and equivalents (2023: £8.4m), £23.0m undrawn under its capex loan facility and an undrawn working capital facility of £5.0m.

The bank facilities include bi-annual covenants on interest rate coverage (available cashflow to senior net debt service costs) and leverage (senior net debt to EBITDA). The Group reports backward performance and forward projected performance against these ratios quarterly. As at 31 December 2024, the interest rate coverage had 195%/201% headroom to default on a backward and forward looking basis; the leverage ratio had 26%/28% headroom to default on a backward and forward looking basis respectively.

Credit risk

The Group operates controls and procedures around new and existing customers, which include setting and reviewing credit limits and monthly reporting and analysis of debt ageing. Unless a customer is based at the Airport or operates at significant volume, credit terms are not available, and invoices are settled on departure of an aircraft. Less than £50k in the past three years has been written off. This illustrates both the effectiveness of internal processes and the resilience of the Group's customer base.

BOARD COMPOSITION

The Board is carefully selected and reviewed annually by the shareholder to ensure sufficient experience, competence and independence from management. Sub committees exist for Audit, Health and Safety, and Remuneration with a Non-Executive Board Director Chairing or present at each.



Simon Geere

Chief Executive Officer

Appointed to the Board July 2019

Simon is CEO of the Group, having been appointed on 1 July 2020. Simon has 35 years of experience working in both the airport and transport sectors. Prior to his current position, Simon was a Managing Director in Macquarie Asset Management (MAM), London.

For MAM, Simon was a senior executive responsible for asset management and investment performance within MAM's European transport team. Simon had particular focus on the overall management and strategic direction of some of MAM's major airport and rail related assets.

Simon joined Macquarie in 2002 having held senior positions with UK airport operators, TBI plc and BAA plc. At TBI plc he was Business Development Director and Executive Director at Luton Airport and was responsible for commercial operations and aviation development activities. Previously, he has also been a Director of Bristol Airport (and Chairman), Birmingham Airport, Brussels Airport, Copenhagen Airport (and Deputy Chairman), Newcastle Airport, and Aberdeen, Glasgow, and Southampton ("AGS") Airports.

Simon is also on the Board of AirportsUK, the trade association representing the interests of UK airports. Simon holds a Bachelor of Science (Hons) in Transport Studies, a Master of Business Administration and is a member of the Chartered Institute of Logistics & Transport.



Arthur Rakowski

Director

Appointed to the Board April 2023

Arthur is one of the founders of MAM (Europe) Limited European infrastructure funds business, having led the creation of MEIF1 in 2004, and the subsequent establishment of MEIF2, 3, 4, 5 and 6, by raising over €20 billion in investor commitments.

Arthur has been a member of the MEIFs Investment Committee since its inception until recently. In this capacity, he has overseen investments in 43 infrastructure assets across Europe. Prior to joining Macquarie in 1992, Arthur spent six years with KPMG in Sydney, Australia.

Arthur is a Fellow of the Institute of Chartered Accountants in Australia and sits on the Global Capital Committee of the British Private Equity and Venture Capital Association ("BVCA").

Arthur earned a Bachelor of Commerce, Finance degree (with Merit) at the University of New South Wales, Australia.



Gordon Parsons

Director

Appointed to the Board September 2023

Gordon is a Senior Managing Director at MAM and leads the Mobility sector team. He currently sits on the Boards of several portfolio companies, including Beauparc, Empark, Best in Parking, AGS Airports and Autostrade per l'Italia.

Prior to his current role, he was responsible for MAM's European activities in diversified infrastructure, then energy transition, playing key roles on a wide range of transactions in the mobility, waste, energy and healthcare sectors.

Gordon has extensive experience in the energy and utility industry. Before joining Macquarie in 2007, he served as Managing Director of Npower Business and was a member of the executive team of RWE Npower Retail, Britain's largest electricity supplier. He has held senior management roles at other utility firms, including TXU Europe, and has led major infrastructure mergers and acquisition projects, notably the sale of TXU's UK business to Powergen and the acquisition of Norweb's energy retail business.

A qualified accountant, Gordon also holds a Bachelor of Science in computerised accountancy from University of East Anglia.



Brandon O'Reilly

Director

Appointed to the Board September 2020

Brandon was the Chief Executive Officer of the Group from 2006 until retiring from the role in July 2020 but remaining on the Board.

Brandon has 40 years of experience in the aviation industry and has previously held senior positions with British Airways, American Airlines and United Airlines.

Brandon is a Fellow of the Royal Aeronautical Society. Brandon also holds non-executive directorships at TAG Aviation and Japan Aviation Service.

SECTION 172 OF THE COMPANIES ACT 2006

Section 172 of the Companies Act 2006 (“s.172”) imposes a general duty on Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders.

The Board believes that balancing the interest of all stakeholders is paramount to its corporate purpose and is resolute in its desire to maintain the highest standards of ethical conduct.

The Group’s goal is to be the world’s leading business aviation airport. The Group exists for the benefit of its customers, employees, shareholders, and community stakeholders.

The Board delegates day-to-day management and decision-making to its senior management team, but it maintains oversight of the Group’s performance, and reserves to itself specific matters for approval. Then, by receiving regular updates on business performance, activities and objectives, the Board monitors that management is acting in accordance with agreed strategy. Processes are in place to ensure that the Board receives all relevant information to enable it to make well-judged decisions in support of the Group’s long-term success.

Achieving long-term value for shareholders

The Group is 100% owned by Macquarie European Infrastructure Fund 6 (“MEIF6”), Macquarie Asset Management (“MAM”) manage the MEIF6 fund on behalf of investors and appoint the Board members of the Group. Five Board meetings are held each year which set strategic direction through long term plans, approve annual budgets, review performance against the budget and provide oversight and governance. The Group works with MAM to update long-term financial projections annually.

MAM engages directly with the MEIF6 investors through quarterly reporting and uses this engagement to ensure that the strategy of the Group is aligned with that of the investors.

Investing in people

By investing in the development of its people, the Group’s employees are the driving force behind its continued success. The Directors regularly visit the Airport and Hotel, and feedback is encouraged through various channels.

In Autumn, the CEO presented an update on the Group’s performance and strategy to employees followed by a Q&A session. The Group completes an annual employee survey with the results reported to the Board. This information is used by the Board to ensure the Group has an engaged, motivated, and appropriately trained workforce. Health and safety of all people connected or interacting with the business is the Group’s top priority.

A Health, Safety, Security, Environment and Risk Committee (HSSER) meets regularly and is attended by Directors and Senior Management. The aim of the Committee is to ensure that HSSER policies, systems and their application is adequate and effective. Each Board meeting includes a formal update from the Chair of the HSSER on key issues discussed at the most recent meeting. The Board use this information to ensure that Company policies are appropriate and effectively implemented.

Our clients

The Board has a keen interest in client feedback and encourages the business to maintain multiple channels and methods of communication to support a useful dialogue. These include formal annual feedback from key clients, participation in industry surveys and routine weekly feedback across the business. Senior management attended Board meetings in 2024 to provide insight on client relationships and market expectations. The Board uses this feedback together with insight from industry awards and surveys to ensure the Group continues to provide best-in-class products and services.

The environment and our communities

The Group is committed to minimising environmental risk and continual improvement of environmental performance throughout the Group’s operations. A formal Environmental Policy is in place for the Airport, which is published on the Group’s website. The Airport operates a dedicated reporting line and email address so as to manage and respond to any questions or concerns local residents or other interested parties may have. The Group is committed to publishing its emissions data annually. The Group is a responsible member of the local community. Community engagement is an important aspect of its operation, which the Group is committed to continue and grow. The Group is a significant local employer both directly and indirectly and invests in local community projects. The Board is updated regularly through routine formal and informal reporting. The Board considers the long-term impact of its operations as part of its Sustainability Policy, which is reviewed and published annually. The Board recognises the importance of contributing to the local community and considers it a vital part of its Corporate Responsibility goals.

Our suppliers

The Group aims to build strong collaborative relationships with its key suppliers through regular dialogue and communication, sourcing the best value goods and services for the benefit of its clients. The Board is committed to high standards of ethical business behaviour. The policies and procedures relevant to business conduct are available to all employees. The Board takes a zero-tolerance approach to bribery and corruption. In 2024, the Board was satisfied that suppliers’ due diligence checks and procedures were sufficiently robust.

Lending banks

Regular and clear reporting is in place that demonstrates Group performance is meeting agreed covenant reporting and providing all required quarterly information submissions. Management and the Directors are in regular communication with the lenders’ agent and respond on a timely basis to any queries raised by lenders through the agent. Management and at least one Director deliver an annual performance update to lenders which last took place in October 2024. The CFO reviews and approves all formal reporting to the lenders. Financial plans including scenarios and impacts on banking covenants are reported to and discussed at Board meetings. The Board’s annual going concern and viability assessment is performed with specific reference to the impact of different operating scenarios on banking covenants.

Approved by the Board of Directors and signed on their behalf by:



A Rakowski - Director
25 June 2025

3 Bunhill Row, London, England, EC1Y 8YZ





DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of the Group, together with the financial statements and Auditor's Report, for the year ended 31 December 2024.

Strategic matters such as business overview, financial risk management, objectives, engagement with suppliers and customers, policies and future business developments have been disclosed in the Group Strategic Report on pages 13 - 57 and form part of this report by cross reference.

DIRECTORS' REPORT

Principal Activity

The Group's principal activities are the operation of Farnborough Airport, offering a full-service business aviation airport for passengers, crew and aircraft, business aviation services, and the Aviator Hotel.

Results and Dividends

Turnover for the year was £116.6m (2023: £112.4m), which resulted in a loss for the year after taxation of £14.0m (2023: £26.5m). The Directors recommended and made payment of a £33.4m dividend (2023: £37.1m).

Directors

The Directors who have held office during the period 1 January 2024 to the date of this report are as follows:

- > S B Geere
- > B O'Reilly
- > A Rakowski
- > G IW Parsons

Directors' Indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors, which were made during the financial period and remain in force at the date of this report.

Going Concern

In assessing the going concern position of the Company for the Financial Statements for the year ended 31 December 2024, the Directors have considered the cashflows, liquidity and banking ratios within the Consolidated Group. Based on the forecasts for the Group, the Directors have adopted the going concern basis in preparing the Financial Statements.

The Group incurred losses of £14.0m during the current year (2023: £26.5m loss), has net current assets of £1.3m (2023: £3.3m) and net liabilities of

£16.7m (2023: £30.7m net assets). However, with cash balance of £6.3m and cash flow generated from operations was £23.7m, the Group is in a good financial position.

In February 2024, the Group successfully concluded a refinancing replacing the existing debt facilities. This meant that as at 31 December 2024, the Group had external financing in place consisting of a fully drawn down £240.0m term loan, a £68.0m capital financing facility and a £5.0m working capital facility. The new loan matures in May 2028. The covenants under the new bank facilities remain the same metrics with bi-annual rather than quarterly testing.

The Group had cash balances of £6.3m, an undrawn working capital financing facility of £5.0m and an undrawn facility in place to fund future capital expenditure of £23.0m.

In making this assessment the Directors have made a current consideration of the cashflows, liquidity and banking ratios of the Group. The Directors have reviewed the developed future forecasts for the business and applied a range of downside sensitivities. Within these forecasts there is significant headroom under all banking covenants and the Group has demonstrated it has been strongly cash generative in the financial year. For these reasons they continue to adopt a going concern basis for the preparation of the Financial Statements. Further details are provided in note 1 to the Financial Statements.

Charitable Donations

During the year the Group made charitable donations totaling £52k (2023: £24k).

Political Donations

There were no political donations made during the year (2023: £nil).

STREAMLINED ENERGY AND CARBON REPORTING (“SECR”)

Scope

This report was undertaken in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements, outlined in the Companies Act (2006) for large quoted and unlisted companies which requires Farnborough Airport Company Limited to report on its Greenhouse Gas (GHG) emissions. This report contains details on energy consumption and GHG emissions for the Group covering the reporting period. Energy efficiency actions implemented can be found in the Strategic Report. Where incomplete data for electricity consumption, gas consumption or transport fuel consumption exists, estimation of consumption based on the pro-rated average of previous energy consumption is made. Where such techniques have been applied, this is documented in the report. Where assumptions are made in lieu of available data, they are stated in this report. This report fulfils the SECR disclosure for Farnborough Airport Company Limited for the 2024 financial year.

Analysis and data collection

Primary data has been collected for all Group operated buildings and infrastructure (passenger terminal, control tower, other ancillary buildings, and lighting systems, Aviator Hotel and Swan pub), including electricity consumption (kWh), gas consumption (kWh).

Data on fuel usage across the airport site has been compiled from fuel management systems (Jigsaw) and invoicing records, this includes those used for on-airport transport and fire training (white diesel, unleaded petrol, LPG and Jet A1). All primary data used within this report covers 1 January 2024 to 31 December 2024 in accordance with the financial year.

The scope of the GHG emissions calculation encompasses all Group operations under Scopes 1 and 2 together with Scope 3 emissions related to business travel in privately owned vehicles (grey fleet).

- > Scope 1 emissions are direct emissions from owned or controlled sources.
- > Scope 2 emissions are indirect emissions from the generation of purchased energy.
- > Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.

Calculation Methodology

The BEIS and Greenhouse Gas Protocol Corporate Reporting Standard (GHG Protocol) methodology has been used to compile this GHG data with calculations for CO₂, N₂O and CH₄, undertaken using the UK Government GHG Conversion Factors for Company Reporting (2021). To ensure consistency all GHG emissions are reported as in units of CO₂e (carbon dioxide equivalent).





Energy Consumption

The table below displays annual energy consumption for electricity, natural gas, company vehicles and plant, and grey fleet business travel for the reporting period, presented in total carbon dioxide equivalent.

Emissions Source	GHG Scope (protocol)	Reporting Units	2024	2023
Natural Gas	Scope 1	kWh	4,141,237	3,498,495
Company vehicles & plant	Scope 1	kWh	910,659	960,896
Fire Training	Scope 1	kWh	99,078	84,450
Electricity ¹	Scope 2	kWh	7,043,901	7,209,818
Grey fleet business travel ²	Scope 3	kWh	11,676	10,770
Total Energy Consumption	All	kWh	12,206,550	11,764,429

¹Includes electricity purchased and generated on site. ²Based on travel in an average car and unknown fuel type

GHG Emissions Reporting

In accordance with the SECR requirements outlined in the Companies Act for large companies, the Farnborough Airport Company Limited GHG disclosure for the 2024 financial year is presented below. Results have been split by Scope as outlined by the GHG Protocol calculation methodology.

The emissions intensity is measured in tonnes of carbon dioxide equivalent (tCO₂e) per flown MTOW kilotonne. This metric is considered to be the most relevant metric for managing performance improvement over time, as it will appropriately reflect performance improvements in aircraft and fuel technology over time, as well as enhancements resulting from air space optimisation and efficiency initiatives in airfield ground operations.

GHG Emissions Scope	Units	2024	% of GHG Emissions	2023	% of GHG Emissions
Scope 1	tCO ₂ e	819	85.8%	688	84.6%
Scope 2	tCO ₂ e	3	0.4%	2	0.4%
Scope 3 ⁴	tCO ₂ e	131	13.8%	132	15.0%
Total GHG Emissions	tCO₂e	953	100.0%	822	100.0%
GHG Emissions intensity	tCO ₂ e / MTOW ³ kilotonne	1.5		1.2	

³Maximum Take Off Weight

Scope 3 Includes emissions from purchased electricity (zero airport emissions related to purchased electricity due to REGO contract) and generated electricity (for which carbon benefit has already been realised through FITs payments).

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 28 to the financial statements.

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues, and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee Consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- > So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- > The Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on their behalf by:

A Rakowski
Date: 25 June 2025

3 Bunhill Row, London, England, EC1Y 8YZ

DIRECTORS' RESPONSIBILITIES STATEMENT THE YEAR ENDED 31 DECEMBER 2024

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- > select suitable accounting policies and then apply them consistently;
- > make judgements and accounting estimates that are reasonable and prudent;
- > state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the Financial Statements; and
- > prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



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INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of The Farnborough Airport Company Limited
Report on the audit of the financial statements

INDEPENDENT AUDITOR'S REPORT

Report on audit of the financial statements

Opinion

In our opinion the financial statements of Farnborough Airport Company Limited (the 'parent company') and its subsidiaries (the 'group'):

- > give a true and fair view of the state of the group's and of the parent company's affairs as at 31st December 2024 and of the group's loss for the year then ended;
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- > have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- > the consolidated profit and loss account;
- > the consolidated and parent company balance sheets;
- > the consolidated and parent company statements of changes in equity;
- > the consolidated cash flow statement; and
- > the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report."

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.





Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- > had a direct effect on the determination of material amounts and disclosures in the financial statements. These UK Companies Act, pensions legislation, tax legislation; and
- > do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included civil aviation regulations, UK immigration law, employment law, health and safety regulations, the Bribery Act and the General Data Protection Regulation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- > **Revenue from transient parking and hangarage is inaccurate or did not occur:** Due to the ad hoc nature and low predictability of this stream of revenue, this has been identified by the audit team as an area with a high potential for fraud risk. To address this, we have obtained an understanding of the controls over revenue recognition and have tested a sample of parking and hangarage income by recalculating the expected charge to customers and verifying the landing and time spent on the ground by the aircrafts.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- > reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- > performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- > enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- > reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- > adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- > the parent company financial statements are not in agreement with the accounting records and returns; or
- > certain disclosures of directors' remuneration specified by law are not made; or
- > we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Chris Randall, ACA

(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
Date

FINANCIAL RESULTS

Consolidated Profit and Loss Account

for the Year Ended 31 December 2024

	Note	2024 £	2023 £
TURNOVER	3	116,602,121	112,378,331
Cost of sales		(57,170,123)	(58,093,018)
GROSS PROFIT		59,431,998	54,285,313
Administrative expenses		(40,022,847)	(39,245,959)
Exceptional items	5	(1,448,042)	(3,739,683)
OPERATING PROFIT		17,961,109	11,299,671
Finance costs (net)	6	(33,552,212)	(42,783,430)
LOSS BEFORE TAXATION	7	(15,591,103)	(31,483,759)
Tax on loss	8	1,611,933	4,995,620
LOSS FOR THE FINANCIAL YEAR		(13,979,170)	(26,488,139)

Loss for the financial year is attributable to the equity shareholders.

There are no items of other comprehensive income in the current or prior year and therefore no Statement of Comprehensive Income has been prepared.

All amounts relate to continuing operations.

Consolidated Balance Sheet

for the Year Ended 31 December 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Intangible assets	10	470,043,584	493,937,421
Tangible assets	11	217,233,116	210,083,782
		687,276,700	704,021,203
CURRENT ASSETS			
Stocks	13	669,511	767,078
Debtors: amounts falling due within one year	14	12,496,161	14,191,128
Cash at bank and in hand		6,321,517	8,428,538
		19,487,189	23,386,744
CREDITORS			
Amounts falling due within one year	15	(18,174,632)	(20,040,232)
NET CURRENT ASSETS		1,312,557	3,346,512
TOTAL ASSETS LESS CURRENT LIABILITIES		688,589,257	707,367,715
CREDITORS			
Amounts falling due after one year	16	(591,188,553)	(553,285,145)
Provision for liabilities	17	(114,075,004)	(123,427,700)
NET (LIABILITIES) / ASSETS		(16,674,300)	30,654,870
CAPITAL AND RESERVES			
Called-up share capital	18	500	500
Retained earnings		(16,674,800)	30,654,370
SHAREHOLDERS' FUNDS		(16,674,300)	30,654,870

The Financial Statements of Farnborough Airport Company Limited (registered number: 12123129) were approved by the Board of Directors and authorised for issue on and were signed on its behalf by: **A Rakowski**



Company Balance Sheet

for the Year Ended 31 December 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Investments	12	618,159,569	618,159,569
		618,159,569	618,159,569
CURRENT ASSETS			
Debtors: amounts falling due within one year	14	181,981	285,986
Debtors: amounts falling due after more than one year	14	8,850,000	9,800,000
Cash at bank and in hand		64,566	1,586,059
		9,096,547	11,672,045
CREDITORS			
Amounts falling due within one year	15	(40,756,359)	(14,365,514)
NET CURRENT LIABILITIES			
		(31,659,812)	(2,693,469)
TOTAL ASSETS LESS NET CURRENT LIABILITIES			
		586,499,757	615,466,100
CREDITORS			
Amounts falling due after more than one year	16	(591,188,553)	(553,285,145)
Provision for liabilities	17	15,666,121	12,653,807
NET ASSETS			
		10,977,325	74,834,762
CAPITAL AND RESERVES			
Called-up share capital	18	500	500
Retained earnings		10,976,825	74,834,262
SHAREHOLDERS' FUNDS			
		10,977,325	74,834,762

The loss for the financial year dealt with in the Financial Statements of the parent Company was £63,857,437 (2023: £73,227,737).

The Financial Statements of Farnborough Airport Company Limited (registered number: 12123129) were approved by the Board of Directors and authorised for issue on and were signed on its behalf by: **A Rakowski**



Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2024

	Note	Called up share capital £	Retained earnings £	Total equity £
Balance at 01 January 2023				
Total comprehensive expense		500	94,217,509	94,218,009
Dividends paid	9	-	(26,488,139)	(26,488,139)
Balance at 31 December 2023				
		500	30,654,370	30,654,870
Balance at 01 January 2024				
Total comprehensive expense		-	(13,979,170)	(13,979,170)
Dividends paid	9	-	(33,350,000)	(33,350,000)
Balance at 31 December 2024				
		500	(16,674,800)	(16,674,300)

Company Statement of Changes in Equity

for the Year Ended 31 December 2024

	Note	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2023		500	148,061,998	148,062,498
Total comprehensive expense		-	(36,152,736)	(36,152,736)
Dividend paid	9	-	(37,075,000)	(37,075,000)
Balance at 31 December 2023		500	74,834,262	74,834,762
Total comprehensive expense		-	(30,507,437)	(30,507,437)
Dividend paid	9	-	(33,350,000)	(33,350,000)
Balance at 31 December 2024		500	10,976,825	10,977,325

Consolidated Cash Flow Statement

for the Year Ended 31 December 2024

	Note	2024 £	2023 £
Net cash flows generated from operating activities	19	23,727,958	30,444,670
Cash flows from investing activities			
Purchases of tangible fixed assets	11	(15,985,119)	(43,674,722)
Purchases of intangible assets	10	(104,323)	(546,396)
Interest received / (paid)	6	263,113	(2,227)
Net cash flows used in investing activities		(15,826,329)	(44,223,345)
Cash flows from financing activities			
Repayment of debt		-	(176,942,000)
Repayments of Intercompany interest		(18,451,150)	(18,400,737)
Dividends paid	9	(33,350,000)	(37,075,000)
Settlement of interest derivative		-	2,852,650
Debt issue costs		(507,500)	(5,337,462)
New bank loans raised		42,300,000	252,100,000
Net cash flows generated (used in) / generated from financing activities		(10,008,650)	17,197,451
Net (decrease) / increase in cash and cash equivalents		(2,107,020)	3,418,776
Cash and cash equivalents at beginning of year		8,428,538	5,009,762
Cash and cash equivalents at end of year		6,321,517	8,428,538

Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2024

1. Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding period.

General information and basis of accounting

Farnborough Airport Company Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Directors' Report on page 61.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Farnborough Airport Company Limited is considered to be pounds sterling, because that is the currency of the primary economic environment in which the Company operates.

Farnborough Airport Company Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to company only statements of profit and losses, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Basis of consolidation

The Group financial statements consolidate the Financial Statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the year from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

In assessing the going concern position of the Company for the Financial Statements for the year ended 31 December 2024, the Directors have considered the cashflows, liquidity and banking ratios within the Consolidated Group. Based on the forecasts for the Group the Directors have adopted the going concern basis in preparing the Financial Statements.

The Group incurred losses of £14.0m during the current year (2023: £26.5m loss), has net current assets of £1.3m (2023: £3.3m) and net liabilities of £16.7m (2023: £30.7m net assets). However, with cash balance of £6.3m and cash flow generated from operations was £23.7m, the Group is in a good financial position.

In February 2024, the Group successfully concluded a refinancing replacing the existing debt facilities. This meant that as at 31 December 2024, the Group had external financing in place consisting of a fully drawn down £240.0m term loan, a £68.0m capital financing facility and a £5.0m working capital facility. The new loan matures in May 2028. The covenants under the new bank facilities remain the same metrics with bi-annual rather than quarterly testing.

The Group had cash balances of £6.3m, an undrawn working capital financing facility of £5.0m and an undrawn facility in place to fund future capital expenditure of £23.0m.

In making this assessment the Directors have made a current consideration of the cashflows, liquidity and banking ratios of the Group. The Directors have reviewed the developed future forecasts for the business and applied a range of downside sensitivities. Within these forecasts there is significant headroom under all banking covenants and the Group has demonstrated it has been strongly cash generative in the period. For these reasons they continue to adopt a going concern basis for the preparation of the Financial Statements.

Intangible assets

Management has identified through the fair value exercise performed for the acquisition in 2019 that the license to operate at Farnborough Airport meets the recognition criteria of FRS102. The licence was initially recognised at fair value using a Multi-year Excess Earnings Methodology. The licence to operate is being amortised on a straight line basis over a 25 year period. 3 other intangibles are amortised, these are listed below and are held within subsidiary Farnborough Airport Limited.

Intangible assets are stated at cost, net of amortisation and any provision for impairment. An intangible asset will only be recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost can be reliably measured. Amortisation is set at the useful life of the intangible asset. Airspace modernisation and controlled air space - amortised over the remaining life of the aerodrome license to operate Instrument landing procedures - amortised over 5 years which is the standard period between reviews.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date.

TYPE	AMORTISATION
License to operate	25 Years
Instrument Flight Procedures (IFP)	5 Years
Air Space Modernisation	Remaining life of License to operate - fully amortised in 2044
Controlled Airspace	Remaining life of License to operate - fully amortised in 2044



Accounting Policies cont

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, except freehold land, over the estimated useful lives of the assets at the following rates:

Type	Depreciation	Category
Land	No depreciation	Land and buildings
Freehold Buildings - Landside	4% reducing balance	Land and buildings
Hotel Buildings	3% straight line	Land and buildings
Motor Vehicles	20% reducing balance	Vehicles
Fire Vehicles	10% straight line	Vehicles
Fixtures and Fittings	12.5%-25% reducing balance	Fixtures and fittings
Computer Hardware and Software	33% reducing balance	Airfields Property, Plant & Machinery
Freehold Buildings - Airside	2.5% reducing balance	Airfields Property, Plant & Machinery
Nav aids	10% reducing balance	Airfields Property, Plant & Machinery
Plant, Machinery and Equipment	14.5% reducing balance	Airfields Property, Plant & Machinery
Runways, Aprons and Roads	2.5% reducing balance	Airfields Property, Plant & Machinery

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for relief from there recognition of share premium, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises materials and is calculated using weighted average. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. There is no difference between replacement value and book value of stocks.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Leases

Rentals paid under operating leases are charged to the Profit and Loss Account in equal amounts over the term of the lease. Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the lease term. The capital elements

of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant rate of charge on the balance of the capital repayments outstanding.

The Group also recognises income from leasing land and buildings. The lease income is recognised to the Profit and Loss Account in equal amounts over the term of the lease.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Group's taxable profits and its results as stated the financial statements that arise from the inclusion of gains and losses in tax assessments in year different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference.

Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the

timing difference and it is probable that it will not reverse in the foreseeable future.

Exceptional items

Items which are material either because of their size or their nature and which are outside of business as usual activity, are presented separately in the Profit and Loss Account. The separate reporting of exceptional items helps provide a better picture of the Group's underlying performance.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling at the end of the month in which the transaction took place. Foreign currency assets and liabilities are translated into sterling at the year end rates. All foreign currency differences are dealt with through the profit and loss account.

Borrowing costs

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time as the assets are considered substantially ready for their intended use, i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short period of time from money borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalised and deducted from the total capitalised borrowing costs.

Pensions

The Group operates a defined contribution plan for all staff, the costs of which are recognised as they fall due for payment.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Accounting Policies cont



Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

(b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current year or prior periods.

(c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

(d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Other debt instruments not meeting these conditions are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset, to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Impairment of assets

At each Balance Sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the

asset does not generate cash flows that are independent from other assets, The Group estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher value of fair value less costs to sell and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Profit and Loss Account.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Dividend Income

Dividend income is recognised when the Company's right to receive has been established, this is when the written resolutions have been signed by the Board.

Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest receivable is recognised in line with the terms of the agreement.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has

been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Key sources of estimation uncertainty

Indicator for impairment

The Group's main cash generating unit (CGU), the Airport, saw annual traffic reduce by 5% in a London market that grew by 1%. Consequently, a formal impairment review was performed.

Multiple used for valuation

The fair value less costs to sell method was used for the purposes of determining fair value, given there has been an active market, both domestically and in Europe for airports in recent years. Several similar transactions are reported publically whilst others are known due to the Group's shareholder involvement.

These similar transactions constitute level 2 inputs under the hierarchy of values. Recent relevant transactions include the sales of Edinburgh Airport Edinburgh Airport (2024) and the Aberdeen, Glasgow and Southampton (AGS) group of airports (2024) where multiples of 20x have been achieved. These are commercial airports which differ to Farnborough Airport which is a dedicated business aviation airport, as a result the multiple may not be directly applicable. Using a multiple of 12x, a comparatively low multiple in the context of recent transactions, a headroom of £18.9m exists.

Sensitivity

If a multiple of 11x was applied an impairment of £28.0m would exist.

3. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the Group's activities after deduction of value added tax. All group companies operate in the United Kingdom. In the opinion of the Directors, the Group operates the following classes of business, as disclosed in the Directors' Report, which are all based in the UK.

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

	2024 £	2023 £
Airport operations	104,129,577	100,750,378
Hotel operations	12,472,544	11,627,953
	<u>116,602,121</u>	<u>112,378,331</u>

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

	2024 £	2023 £
Rendering of services	71,963,610	66,174,034
Sale of goods	44,638,511	46,204,297
	<u>116,602,121</u>	<u>112,378,331</u>

4. Employees and Directors

	2024 £	2023 £
Wages and salaries	16,108,104	16,165,533
Social security costs	2,034,608	1,710,497
Other pension costs	562,958	528,002
	<u>18,705,670</u>	<u>18,404,032</u>

The average monthly number of Group employees (including executive Directors) during the year was as follows:

	2024 No.	2023 No.
Production and distribution	366	367
Sales and administration	44	44
	<u>410</u>	<u>411</u>

The Company had an average number of 4 employees (including Directors) (2023: 4) and no staff costs (2023: £nil).

The Directors received remuneration of £2,898,375 from the Group for their services during the year (2023: £1,282,278).

There were no pension contributions for these Directors.

The highest paid director's remuneration was £2,778,375 (2023: £1,174,109), which included the vesting and payment of remuneration linked to the Group's long-term incentive plan.

5. Exceptional Items

	2024 £	2023 £
Professional fees incurred on a contingent additional price dispute linked to the 2019 acquisition	225,515	1,762,438
Professional fees supporting the current planning application	1,222,527	1,977,245
	<u>1,448,042</u>	<u>3,739,683</u>

6. Finance Costs (NET)

	2024 £	2023 £
Interest payable and similar expenses	38,901,387	33,309,669
Bank interest (receivable) / payable	(263,113)	2,227
Interest earned on corporation tax payments on account	(42,489)	-
Fair value (gain) / loss on derivative	(5,043,573)	9,471,534
Finance costs (net)	<u>33,552,212</u>	<u>42,783,430</u>

INTEREST PAYABLE AND SIMILAR EXPENSES

Bank loans and overdrafts	20,450,237	14,908,932
Shareholders loan	18,451,150	18,400,737
TOTAL	<u>38,901,387</u>	<u>33,309,669</u>

Capitalised borrowing costs from re-financing debt	<u>507,500</u>	<u>5,177,124</u>
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7. Loss Before Taxation

	Note	2024 £	2023 £
THIS IS STATED AFTER CHARGING/(CREDITING):			
Auditor's remuneration:			
- audit of the Company		17,790	16,780
- audit of the subsidiaries of the Company		122,140	125,314
- taxation compliance services		72,000	73,720
- other taxation advisory services		44,976	10,250
Depreciation of tangible fixed assets (note 11)		6,640,083	5,435,620
Amortisation of intangible fixed assets (note 10)		23,998,159	23,786,355
Amortisation of debt issue costs		1,154,481	2,827,293
Loss / (profit) on disposal of fixed assets		2,278	(4,970)
(Gains) / Loss on fair value movement of derivatives		(5,043,573)	9,471,534

8. Taxation

Analysis of the tax (debit) / credit

The tax credit on the loss for the year was as follows:

	2024 £	2023 £
CURRENT TAX:		
UK corporation tax	5,826,056	4,037,505
Adjustment in respect of previous periods	(270,892)	(126,658)
Total current tax	5,555,164	3,910,847
DEFERRED TAX:		
Origination and reversal of timing differences	(7,337,556)	(8,925,964)
Adjustments in respect of previous periods	170,458	229,463
Effect of changes in tax rates	-	(209,966)
Total deferred tax	(7,167,098)	(8,906,467)
TAX ON LOSS	(1,611,934)	(4,995,620)

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than (2023: higher than) the standard rate of corporation tax in the UK. The difference is explained overleaf:

	2024 £	2023 £
LOSS BEFORE TAX	(15,591,103)	(31,483,759)
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 23.52%)	(3,897,776)	(7,398,683)
EFFECTS OF:		
Expenses not deductible for tax purposes	2,422,581	2,585,035
Income not taxable	(9,723)	(74,812)
Adjustments to tax charge in respect of previous periods	(100,434)	102,805
Origination and reversal of timing difference	(26,582)	-
Effect of changes in tax rates	-	(209,965)
TOTAL TAX CREDIT	(1,611,934)	(4,995,620)

The enactment of the Finance (No.2) Act 2024 on 24 May 2024 confirmed the main rate of corporation tax would remain at 25%. The corporation tax rate was increased in April 2023 from 19% which is why in prior year a blended rate of 23.52% was used.

Deferred tax balances as at 31 December 2024 have been measured at 25%.

9. Dividends

	GROUP		COMPANY	
	2024 £	2023 £	2024 £	2023 £
Dividends declared to Parent	(33,350,000)	(37,075,000)	(33,350,000)	(37,075,000)
	(33,350,000)	(37,075,000)	(33,350,000)	(37,075,000)

Interim dividends were declared during 2024 totalling £33.4m (2023: 37.1m), equating to £66,700 per share (2023: £75,000), this was paid to the parent; Farnborough Airport Midco Limited.

10. Intangible Fixed Assets

GROUP	Airspace Change and IFP £	License to operate £	Total £
VALUATION			
At 1 January 2024	546,396	599,558,702	600,105,098
Additions	104,323	-	104,323
Write off	-	-	-
At 31 December 2024	650,719	599,558,702	600,209,421
AMORTISATION			
At 1 January 2024	8,083	106,159,594	106,167,677
Charge for the year	27,356	23,970,804	23,998,160
At December 2024	35,439	130,130,398	130,165,837
NET BOOK VALUE			
At 31 December 2023	538,313	493,399,108	493,937,421
At 31 December 2024	615,280	469,428,304	470,043,584

Management has identified the main intangible asset that meets the recognition criteria of FRS102 is the licence to operate the Farnborough Airport that arose on acquisition in 2019. The licence to operate is being amortised on a straight line basis over a 25 year period. The Group is the freehold owner of Farnborough Airport.

11. Tangible Fixed Assets

GROUP	Land and buildings £	Airfields £	Fixtures & fittings tools and equipment £
VALUATION			
At 1 January 2024	101,296,870	121,427,243	10,463,547
Additions	1,944,048	7,862,464	981,927
Transfers	28,397	50,317,463	-
Disposals	-	(33,155)	(4,054)
At 31 December 2024	103,269,315	179,574,015	11,441,420
DEPRECIATION			
At 1 January 2024	14,805,294	52,279,842	9,154,374
Charge for year	1,586,055	4,292,931	642,591
Eliminated on disposals	-	(17,460)	(2,280)
At 31 December 2024	16,391,349	56,555,313	9,794,685
NET BOOK VALUE			
At 31 December 2023	86,491,576	69,147,401	1,309,173
At 31 December 2024	86,877,966	123,018,702	1,646,735



Tangible Fixed Assets cont.

→ GROUP	Motor vehicles £	Assets under construction £	Total £
COST			
At 1 January 2024	2,828,257	52,113,590	288,129,508
Additions	648,581	2,369,867	13,806,887
Transfers	-	(50,345,860)	-
Disposals	-	-	(37,209)
At 31 December 2024	3,476,838	4,137,597	301,899,186
DEPRECIATION			
At 1 January 2024	1,806,215	-	78,045,725
Charge for year	118,507	-	6,640,083
Eliminated on disposals	-	-	(19,740)
At 31 December 2024	1,924,722	-	84,666,068
NET BOOK VALUE			
At 31 December 2023	1,022,042	52,113,590	210,083,783
At 31 December 2024	1,552,116	4,137,597	217,233,116

Included in land and buildings for 2024 is land with a net book value of £30,626,534 (2023: £30,432,769).

12. Investments

COMPANY	Shares in Group undertakings £
COST	
At 1 January 2024	618,159,569
Additions	-
At 31 December 2024	618,159,569
NET BOOK VALUE	
At 31 December 2023	618,159,569
At 31 December 2024	618,159,569

The parent Company and the Group have direct investments in the following subsidiary undertakings, associates and other significant investments.

Subsidiary undertakings	Principal activity	Holding	%
Farnborough Airport (Holdings) Limited	Holding company	Ordinary	100
Farnborough Airport Limited	Operation of airport	Ordinary	100
Farnborough Airport Freehold Limited	Dormant	Ordinary	100
Farnborough Airport Freehold No.2 Limited	Dormant	Ordinary	100
Farnborough Airport Freehold No.3 Limited	Dormant	Ordinary	100
Farnborough Enterprises Limited	Property owner	Ordinary	100
Farnborough Enterprises No.2 Limited	Property owner	Ordinary	100
Farnborough Hotel Limited	Holding company	Ordinary	100
Aviator Hotel (Farnborough) Limited	Operation of hotel	Ordinary	100

Investments cont.



The registered address of the UK subsidiaries are:

Subsidiary undertakings	Registered office address
Farnborough Airport (Holdings) Limited	3 Bunhill Row, London, England, EC1Y 8YZ
Farnborough Airport Limited	
Farnborough Airport Freehold Limited	
Farnborough Airport Freehold No.2 Limited	
Farnborough Enterprises No.2 Limited	
Farnborough Enterprises Limited	
Farnborough Hotel Limited	
Farnborough Airport Freehold No.3 Limited	
Aviator Hotel (Farnborough) Limited	

13. Stocks

	GROUP	
	2024 £	2023 £
Raw materials and consumables	669,511	767,078

There are no material differences between the replacement cost of stock and the Balance Sheet amounts.

14. Debtors

	GROUP		COMPANY	
	2024 £	2023 £	2024 £	2023 £
Amounts falling due within one year:				
Trade debtors	9,765,339	8,975,514	-	-
Other debtors	98,971	156,117	-	-
Other taxation	-	1,396,702	-	-
Prepayments and accrued income	2,631,851	3,662,795	181,981	285,986
	12,496,161	14,191,128	181,981	285,986
Amounts falling due after more than one year:				
Amounts owed by Group subsidiaries	-	-	8,850,000	9,800,000
	12,496,161	14,191,128	9,031,981	10,085,986

Amounts owed by Group subsidiaries is held with Farnborough Enterprises Limited, is non-interest bearing, repayable on demand and will not be called due by the Company for 12 months from the date of signing the Financial Statements.

15. Creditors: Amounts Falling Due Within One Year

	GROUP		COMPANY	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	4,517,564	7,525,478	-	-
Corporation tax	(31,591)	(290,935)	-	-
Other creditors including taxation and social security	1,141,470	1,222,725	-	-
Accruals and deferred income	12,547,189	11,582,964	2,223,518	2,132,673
Amounts owed to Group subsidiary	-	-	38,532,841	12,232,841
	18,174,632	20,040,232	40,756,359	14,365,514

Amounts owed to the parent and subsidiaries are repayable on demand and do not bear interest.

16. Creditors: Amounts Falling Due After More Than One Year

	GROUP		COMPANY	
	2024 £	2023 £	2024 £	2023 £
Bank loan	281,118,559	238,171,577	281,118,559	238,171,577
Shareholders loan	306,678,948	306,678,948	306,678,948	306,678,948
Other	3,391,046	8,434,620	3,391,046	8,434,620
	591,188,553	553,285,145	591,188,553	553,285,145

As at 31 December 2024, the Group had external financing consisting of a £240m term loan and £45m drawn down on the capex facility. This is offset by the debt issue costs. Further details regarding the loan terms and banking covenants in place have been disclosed in the Strategic Report (page 13) and forms part of this note by cross reference.

The shareholders loan has interest payable at 6% with a maturity date of 7 September 2035. Interest is settled quarterly.

Other creditors includes the fair value of the interest rate derivatives, which at 31 December 2024 was at a loss of £3.4m (2023: £8.4m).

Borrowings are repayable as follows:

	BANK LOAN	SHAREHOLDERS LOAN
	2024 £	2024 £
Between one and five years	281,118,559	-
After five years	-	306,678,948
TOTAL	281,118,559	306,678,948

17. Provisions for Liabilities

	Long term incentive plan £	Deferred Tax £	Total £
Provision at start of year	2,421,637	121,006,063	123,427,700
Amounts becoming payable within one year	(3,654,205)	-	(3,654,205)
Charged / (credited) to Profit and Loss Account	1,468,607	(7,167,098)	(5,698,491)
Provision at the end of the year	236,039	113,838,965	114,075,004

The long term incentive plan provision is for amounts accrued at 31 December 2024 but where payment is falling due after more than one year. Two long term incentive schemes became payable at period end; the first that was based on the internal rate of return to the shareholder at 31 December 2024 and the second based on the rolling three year EBITDA from 2022 to 2024. Both remaining long term incentive schemes are based on rolling three year EBITDAs, 2023 to 2025 and 2024 to 2026.

Deferred tax	2024 £	2023 £
Accelerated capital allowances	12,174,649	10,353,626
Corporate interest restriction	(15,666,120)	(12,653,807)
Deferred tax on fair value adjustments on acquisitions	117,357,076	123,349,778
Other timing differences	(26,640)	(43,534)
Provision for deferred tax at the end of the year	113,838,965	121,006,063
COMPANY	2024 £	2023 £
Provision at start of year	(12,653,807)	(6,322,994)
Charged to the Profit and Loss Account	(3,012,314)	(6,330,813)
Provision for deferred tax at the end of the year	(15,666,121)	(12,653,807)
Corporate interest restriction	(15,666,121)	(12,653,807)
Provision for deferred tax at the end of the year	(15,666,121)	(12,653,807)

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

18. Called Up Share Capital

ALLOTTED, ISSUED AND FULLY PAID:				
Number:	Class	Nominal Value	2024 £	2023 £
500	Ordinary shares	£1 each	500	500

The profit and loss account reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

19. Reconciliation of Profit Before Taxation To Cash Generated From Operations

	2024 £	2023 £
Operating profit	17,961,109	11,299,671
Adjustments to cash flows from non-cash items:		
Depreciation and amortisation	30,638,243	32,049,268
Fair value gain / (loss) on derivative	-	(9,471,534)
Loss / (profit) on sale of tangible fixed assets	2,278	(4,970)
Operating cash flow before fixed assets	48,601,630	33,872,435
Decrease in stocks	97,567	29,462
Decrease in trade and other debtors	1,694,967	3,173,021
(Decrease) / Increase in trade and other creditors	(2,203,726)	7,312,683
Cash generated from operations	48,190,438	44,387,601
Income taxes paid	(5,256,800)	(3,998,380)
Interest paid	(19,205,680)	(9,944,551)
Net cash flows generated from operating activities	23,727,958	30,444,670

Net debt reconciliation	2024 £	Cashflows	Other non-cash charges	2023 £
Cash at bank and in hand	6,321,517	(2,107,021)	-	8,428,538
	6,321,517	(2,107,021)	-	8,428,538
Bank loans	(281,118,559)	(41,792,500)	(1,154,481)	(238,171,577)
Shareholder loans	(306,678,948)	-	-	(306,678,948)
Net debt	(581,475,989)	(43,899,521)	(1,154,481)	(536,421,987)

20. Financial Instruments

The carrying values of the Group's financial assets and liabilities are summarised by category below:

	Note	GROUP	
		2024 £	2023 £
Financial assets (see note 14)			
Measured at amortised cost (trade and other receivables)		9,864,310	9,131,631
		9,864,310	9,131,631
Financial liabilities (see note 15 and 16)			
Measured at fair value (derivative financial asset)		3,391,046	8,434,620
Measured at amortised cost (trade and other creditors)		5,659,034	8,748,203
Bank and shareholder loans		587,797,507	544,850,525
		596,847,587	562,033,348

21. Derivative Financial Instruments

The hedged cash flows are expected to occur and to affect profit or loss over the year to maturity of the interest rate swaps. Fair value gains of £5,043,573 (2023: loss of £9,471,554) were recognised in the Profit and Loss Account, the Group has not applied hedge accounting.

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curve derived from quoted interest rates. The interest rate swaps are settled on a half yearly basis. The weighted average fixed rate is 5% with the floating rate aligned to the term loan. The Group will settle the difference between the fixed and floating interest rate on a net basis. Gains of £275,583 (2023: Gains of £1,266,293) were recognised in the Profit and Loss Account during the year.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

	Average contract fixed interest rate		Notional principal value		Value of derivatives	
	2024 %	2023 %	2024 £m	2023 £m	2024 £m	2023 £m
Less than 1 year	-	-	-	-	-	-
1-2 years	-	-	-	-	-	-
2-5 years	5.01%	5.01%	183.5	183.5	(3.4)	(8.4)
More than 5 years	-	-	-	-	-	-

In addition to the above contract, there are separate instruments totaling £88.2m with a cap of 5.00% and a floor of 2.96%.

22. Lessors Operating Leases

The Group leases land and buildings, the majority of leases contain break clauses and are cancellable within 90 days. There are a small number of un-cancellable operating leases; the minimum lease payments of these are disclosed as follows:

	2024 £	2023 £
Not later than one year	3,821,123	3,779,568
One to five years	10,527,239	10,026,635
Later than five years	23,366,549	24,137,268

23. Employee Benefits

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the year ended 31 December 2024 was £562,958 (2023: £528,002). As at 31 December 2024 £68,043 remained unpaid (2023: £67,163).

Long term incentive plan

The Group has long term incentive plans in place for the leadership team to reward performance and assist in retaining talent. The level of remuneration payable under these schemes is directly linked to the long term financial performance of the Group with payments due in 2025, 2026 and 2027 depending on performance. As at 31 December 2024 a total of £3,890,243 has been accrued in the Company for these schemes (2023: £3,296,592). Amounts payable in 2025 are disclosed in accruals in note 15 and amounts payable after 2025 are disclosed as a provision in note 17.

24. Contingencies and Commitments

The Group completed its construction of its new hangar in March 2024 but has a £0.7m retention commitment to pay the lead contractor, in 2025, once any snagging defects are signed off.

The Group started enabling works on Project Varsity, a new terminal facility, in September 2024. The Group has committed to £6.6m, at period end, £1.7m had been billed and £0.9m paid.

A new Rosenbauer Aircraft Rescue and Fire Fighting vehicle has been put on order for £1.1m, of which £0.3m has been invoiced and paid in the form of a deposit at period end, with delivery expected in 2025.

25. Related Party Transactions

Farnborough Airport MidCo Limited ("MidCo"), a Company incorporated in the United Kingdom which holds 100% of the equity in the Company entered into a loan agreement with the Company in September 2019. Under the terms of the loan MidCo loaned £300m at an interest rate of 6% per annum to the Company. Any unpaid interest is added to the outstanding principal. The loan is repayable in September 2035. All interest accrued in the period was settled in the period (£18.5m), leaving a balance of £306.7m as at 31 December 2024.

26. Profit Attributable to the Company

As permitted by Section 408 of the Companies Act 2006, no separate Profit and Loss Account or Statement of Comprehensive Income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's Balance Sheet.

27. Ultimate Parent Company and Controlling Party

The Company's ultimate parent company and controlling party at the Balance Sheet date is Macquarie European Infrastructure Fund 6 SCSp, a company incorporated in Luxembourg. This is also the parent undertaking of the largest Group which includes the Company for which Group accounts are prepared. The Group accounts are available from Level 4, 20 Boulevard Royal, L- 2449, Luxembourg.

The parent undertaking of the smallest such group is Farnborough Airport HoldCo Limited (formerly MEIF 6 Parker Holdings Limited), a company registered at 3 Bunhill Row, London, EC1Y 8YZ. The Group accounts are available from Companies House, Crown Way, Cardiff CF14 3UZ.

The Company's immediate controlling party is Farnborough Airport MidCo Limited (formerly MEIF 6 Parker Investments Limited) by virtue of their shareholding.

28. Subsequent Events

In April 2025, Farnborough Airport Freehold (No.2) Limited and Farnborough Airport Freehold (No.3) Limited, two subsidiaries, were dissolved. In May 2025, another subsidiary, Farnborough Airport Freehold Limited was liquidated. These subsidiaries, as listed in note 12, were dormant at year-end.



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