BRISTOL AIRPORT (UK) No.3 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2022

Company number: 05403024

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2022

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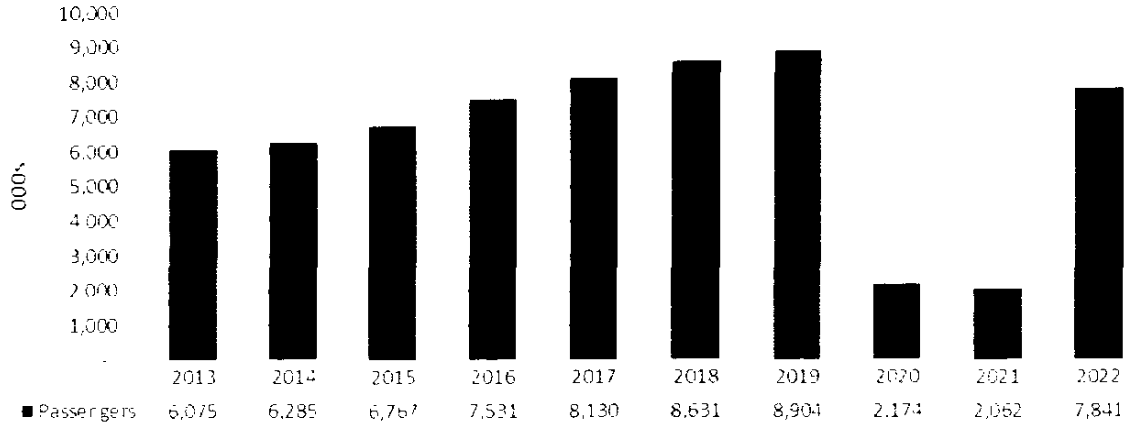
BRISTOL AIRPORT (UK) No.3 LIMITED

STRATEGIC REPORT

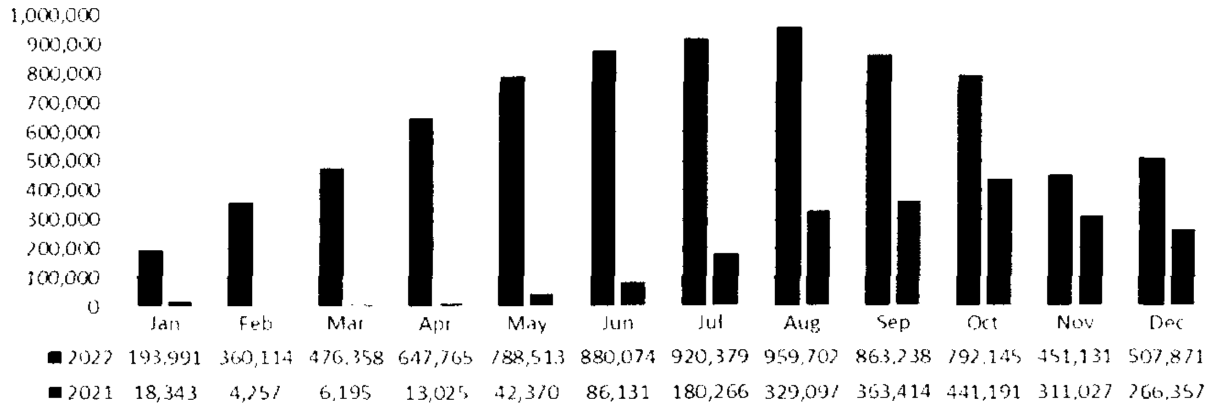
Review of the business

Bristol Airport (BRS) recovered strongly in 2022 following the removal of government restrictions on travel which were introduced in response to the Coronavirus pandemic. These restrictions adversely impacted passenger volumes significantly in the previous two years. Passenger numbers recovered to 7.8m in 2022, reaching 88.1% of pre-pandemic 2019 levels and being 280% higher than in 2021. The speed of the recovery at BRS relative to 2019 was the highest of any major UK airport. The growth in passenger volumes along with stronger revenue yields meant turnover increased to £140.0m (2021: £32.0m) which resulted in the Group (Bristol Airport (UK) No.3 Limited and its subsidiaries) generating profits once again, reporting an operating profit of £27.0m (2021: £45.2m loss).

Passenger Volumes



2022 v 2021 Monthly Passenger Volumes



Passenger volumes in January and February were affected by government restrictions on travel introduced in response to the Omicron variant of Covid-19. However, when those restrictions were removed in March, passenger numbers grew strongly and as the year progressed were over 90% of the 2019 pre-pandemic volumes from April to September and exceeding 2019 volumes in October. Passenger numbers for the year were 7.8m, significantly ahead of the volumes experienced in the previous two years due to Covid and over 88% of 2019 pre-pandemic passenger numbers.

EasyJet continues to be the largest airline operating at BRS, although at 53.8% (2021: 60.0%) they accounted for a smaller proportion of total passengers compared to 2021. Ryanair is the second largest carrier at 20.9% (2021: 24.4%), but like easyJet has seen their share of total passengers reduce in 2022. Jet2 is now the third largest carrier with 10.5% (2021: 4.7%). TUI is fourth with 9.9% (2021: 5.0%) and KLM remains the fifth largest airline with 1.7% (2021: 2.1%). These five airlines accounted for 96.9% of passengers in the year, 0.7% higher than 2021. The slight increase in the proportion of passengers being carried by the five largest operators is primarily due to the expansion of the Jet2 operations following their launch at BRS in 2021.

The significant growth in passenger numbers directly impacted revenue with turnover increasing by £108.0m (337%). The increase in passenger volumes accounts for most of this increase, supported by the strength of the revenue yields, which were 15.0% higher than 2021.

The increase in passenger volumes, combined with inflationary pressures and the operational challenges, caused by the rapid speed of recovery meant operating costs also increased significantly compared to 2021. However, operating costs per passenger were lower at £14.42 (2021: £40.61) given the increased passenger volumes in 2022. As activity levels at the airport increased employee numbers have risen with the average number of employees increasing from 254 in 2021 to 285 this year. This increase in headcount, along with pay rises, meant payroll costs increased by 29.0% to £17.0m (2021: £13.2m). Other operating costs increased to £54.4m (2021: £27.4m) due to a combination of the increase in passenger volumes, rising supplier costs and additional expenditure incurred to deal with the operational challenges experienced as a result of the unprecedented increase in passenger volumes during the year. Depreciation costs were 3.6% (£1.5m) lower, reflecting the reduced level of capital expenditure over the last three years, along with more assets becoming fully written down in the last 12 months.

There was no other operating income in the year (2021: £6.6m) as the airport received no government grants in 2022. In 2021 the airport received £5.9m from the Airport and Ground Operations Support Scheme and £0.7m from the government's Job Retention Scheme.

The recovery in passenger volumes driving the 337% increase in turnover to £140.0m meant the Group generated an operating profit of £27.0m in the year, which was £72.1m higher than the loss incurred in 2021.

The Group has continued to invest in the business with £9.6m (2021: £8.4m) incurred on capital projects in the year. Expenditure was limited during the first half of the year as the business recovered from the pandemic and took a cautious approach to investment. However, in the second half of the year expenditure increased with some larger projects, such as the East apron expansion which had been put on hold during the pandemic, recommencing. Other material projects in the year included design work on new car parking capacity and the purchase of a new fire tender and new security equipment.

The shareholders' deficit increased by £17.8m in the year to £298.5m. This reflects the loss for the year of £25.6m (2021: £99.5m) partly offset by a credit of £7.4m (2021: £5.3m) relating to the mark to market valuation of the Group's interest rate swaps as well as a credit of £0.4m (2021: £3.3m) relating to the revaluation of the Group's defined benefit pension deficit.

Vision Statement

Bristol Airport's vision is: "**to be everyone's favourite airport, delivering a future we can all be proud of**".

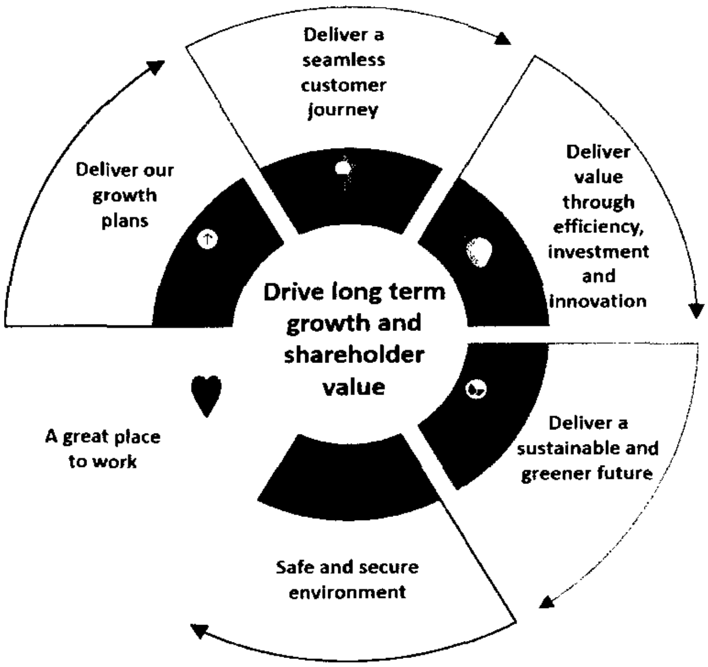
"To be everyone's favourite airport" will be achieved by providing a seamless customer experience that makes Bristol Airport everyone's first choice to fly from and to, attracting airlines by operating efficiently and being an employer of choice.

Vision Statement (continued)

"Delivering a future we can all be proud of" involves growing the airport in a sustainable manner that meets the needs of all key stakeholders, caring for our communities, the environment, and our region. Growth will deliver value for our shareholders and rewarding careers for our colleagues.

Strategy, Culture and Values

The airport's vision will be realised through six core strategic intents which are illustrated and explained below.



Delivering a Seamless Customer Journey

The airport is a complex, fast-paced and dynamic environment with a variety of different partner organisations working collaboratively to enable our customers to start or end their journeys at Bristol Airport. Our goal is to work as one airport team to deliver an easy, personal, seamless and memorable experience which drives increased levels of satisfaction and loyalty. We will deliver this through continued collaborative working with airline customers and business partners, including ground handling agents. Engagement with our airlines and business partners is essential to the smooth-running of the airport and this is achieved through regular engagement sessions with operational and senior management as well as day-to-day operational meetings to review performance and consider where improvements can be made. We also utilise customer insight to better understand our customers needs and inform the development of our infrastructure, products and services to positively influence their experience.

In readiness for the 2023 seasons, redevelopment of some of the Airport's retail and catering facilities is underway. The redevelopment will deliver further improvements to the shopping and dining experience for customers before boarding their flight, as well as providing enhanced facilities to the retail and eateries in the departure lounge. The developments to the retail facilities include a refresh of the World Duty Free store, a completely new-look bar and restaurant and the opening of a Boots health and beauty store.

A Great Place to Work

People are at the heart of our business and our success is dependent on them. Our aspirations for our people are as follows:

- Ensure every colleague is engaged with the Group's vision and values, understands their personal contribution, has the information and opportunity to perform to their potential, and feels valued.
- Create a culture of learning, development, high performance and continuous improvement.
- Ensure we provide a workplace that is safe, secure and actively supports employee well-being.
- Ensure that our workplaces and teams positively embrace and promote diversity and inclusion.

During the year Bristol Airport secured a 1 Star Best Companies accreditation which signifies that the Group is taking workplace engagement seriously and is a 'very good' company to work for. The airport has recently become a member of Inclusive Employers – the UK's first and leading member organisation for employers looking to build inclusive workplaces. We are also inaugural members of the UK Airports Diversity Forum, whereby ideas and best practice are shared with other airports.

The airport's approach to diversity and employee engagement are outlined in the Directors' Report.

Deliver Value Through Efficiency, Investment and Innovation

As the airport develops, ensuring a focus on value through efficiency, investment and innovation will be essential to maintaining a sustainable and flexible business model.

The airport's Continuous Improvement programme brings together colleagues from across the organisation to deliver innovative solutions to real business challenges – driving improvements in customer service, efficiency and commercial performance. Through the programme, new technologies have been successfully trialed across a number of our key operational processes. Opportunities to reduce process waste and streamline activity have also been realised. By empowering colleagues to deliver, supported with tailored development activity, the plan is to continue to embed Continuous Improvement into the culture of the business.

To support Continuous Improvement the airport has invested in various digital technologies which support front line operations and back office activities. Key focus areas for Continuous Improvement include:

- Improving the passenger experience through the use of digital technologies and embracing leading-edge technology to make the passenger's journey as seamless as possible;
- Utilising data to improve the performance of core operational processes and to enhance the level of insight into the customer journey;
- Improving the efficiency and effectiveness of our back-office and management activities through digitisation and automation, enhanced reporting, insight and business performance management.

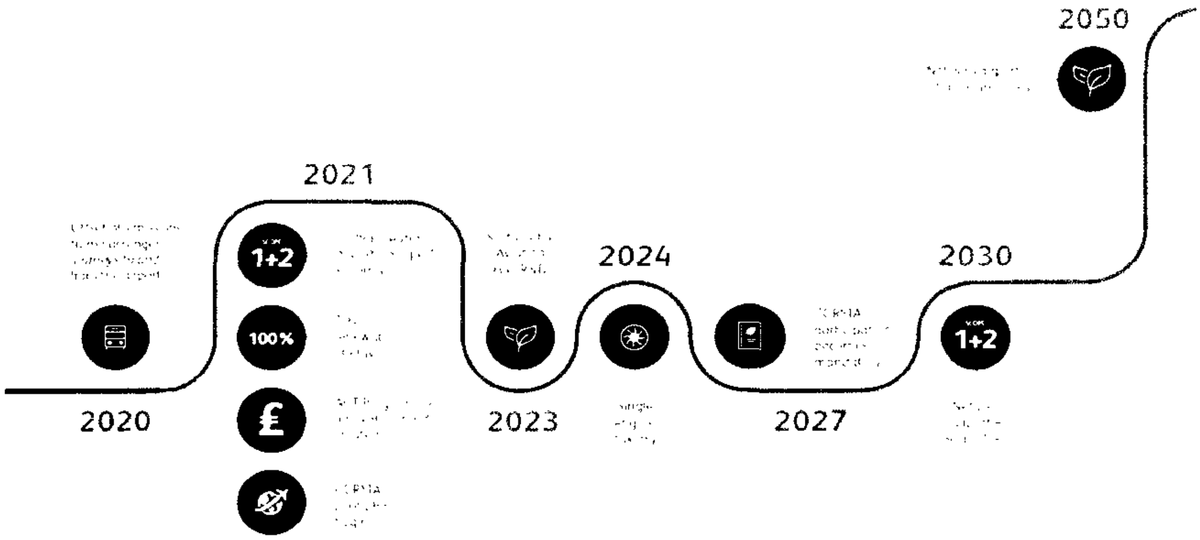
As the airport steps up its investment programme to support increasing passenger numbers, focus will remain on procuring best-value, quality services and responsibly sourced products. Bristol Airport has developed longstanding relationships with its suppliers and business partners over many years and ensures that key suppliers understand the business and integrate into its operations.

Deliver a Sustainable and Greener Future

In the airport's vision and strategy there is clear recognition that the future of the business needs to be underpinned with sustainability principles. The airport has identified four core areas for strategic development:

1. Carbon Emissions

The airport published its first Carbon Roadmap in July 2019, outlining the airport's direct and indirect emissions and the journey to tackle these. In 2021, the airport achieved carbon neutrality for its operations (Scope 1 and 2), four years ahead of schedule. This was achieved following the structured, internationally recognised and independently-accredited airport Carbon Accreditation Scheme (ACAS). The Carbon Roadmap has been updated this year and is shown below:



The airport has purchased offsets to support its carbon neutrality status. All offsets are either accredited against the Verified Carbon or Gold standard covering renewable generation from wind and solar plus organic waste management treatments. Through its energy contracts and onsite solar generation the airport still has in place a 100 per cent renewable electricity supply and in 2022 produced an Emissions, Carbon and Climate Change Action Plan detailing more specifically how the airport will reach its aim to achieve net zero operations by 2030 (Scope 1 and 2 emissions). Bristol Airport has made three key commitments; to be a net zero airfield, with net zero buildings and operate a net zero fleet of vehicles. During 2022, the airport continued to invest in new electric vehicles including a fully electric bus for airside operations. Scope 1 and 2 Carbon Emissions reduced by 20 per cent compared to 2019, when passenger volumes were higher. Plans have recently been approved to introduce further on-site solar generation.

Deliver a Sustainable and Greener Future (continued)

To generate innovation in tackling Scope 3 Carbon Emissions the airport operates a £250,000 Aviation Carbon Transition (ACT) Programme. This started in 2021 and provides individual grants of up to £50,000 to organisations developing technology that could help the aviation industry transition to zero carbon emission flight. New partnerships with five organisations supporting innovation projects have been established in the first round of funding from the ACT Programme. These include Buckinghamshire New University, easyJet, Jet2.com, The National Wildflower Centre and Johns Associates Limited. Areas of focus include research into tackling surface access and commuting emissions through the implementation of a number of feasible and controllable employee transport to work scheme and initiatives; developing airport infrastructure to accelerate the electrification of airside vehicles and equipment; transforming spaces across the airport site through creative ecology, feeding into the airport's wider biodiversity ambitions and supporting the enhancement of habitats; and the investigation of maximising opportunities for airfield grassland carbon sequestration through innovative biochar absorption.

During 2022 the airport also extended its partnership with easyJet to trial a range of initiatives with a long-term ambition to achieve net-zero operations at the airport. In June 2022, Bristol Airport joined forces with nine leading organisations to launch the Hydrogen South West consortium. The consortium will enable cross-sector partnerships to make, move, and use hydrogen across the South West and beyond. The infrastructure ecosystem of key industries aims to decarbonise transport, commerce, and power, while driving sustainable growth, upskilling the region and delivering new job opportunities.

The airport is also part of a successful Future Flight Phase 3 Government funded project with the aim to develop a proof of concept of electric vertical take-off and landing (eVTOL) aircraft. Bristol Airport is part of a consortium of specialists including Atkins, NATS, Virgin Airways, Vertical Airspace, Skyports, Connect Place Catpult amongst others in the delivery of the project over the coming months.

2. **Use of Resources**

In 2022, 1,388 tonnes of waste were produced at the airport. In comparison to 2019 (the most comparative year pre Covid pandemic) this represented a 17% reduction. However, the airport's onsite recycling rate did fall to 50% compared to 57% in 2021[1]. This was mainly due to the rate of recovery by the airport with passenger traffic increasing dramatically in a relatively short space of time. The airport is seeking to achieve recycling rates in line with or better than those seen in 2022 during 2023.

The remaining waste which could not be recycled on site was disposed at a nearby Waste to Energy plant in Avonmouth. This is now the eighth year Bristol Airport has been a zero-landfill operation.

3. **Local Community**

The airport operates a noise insulation grant scheme designed to provide replacement windows and loft insulation to eligible properties in the communities around the airport. This scheme made grants to 20 individual residents during 2022 for new window installations, totalling over £43,000.

Over the last year Bristol Airport's Local Community Fund made grants totalling £80,000 to support local community projects. In total, 18 individual projects were awarded funding with grants ranging from £850 up to £10,000. This includes grants for an outdoor play area for Winford Primary School; play equipment for Backwell Baby and Toddler Group; a beehive project for The Woodland Warrior Programme CIC; nature conservation equipment for the Avon Wildlife Trust. In total, nearly £1.4 million has been granted to projects in the surrounding community of Bristol Airport since the fund was set up in 2012.

[1] The recycling figure does not include International Catering Waste (ICW) as currently, due to legislation, this must be incinerated and cannot be recycled.

Deliver a Sustainable and Greener Future (continued)

4. Transport Access

As with most sectors, public transport provision and use was affected during the pandemic and existing public transport services were changed, or were temporarily suspended, during this period. During 2022 both the A1 and A3 Airport Flyer services were reinstated in full, with frequency on the A1 service increased from October. Bristol Airport employees and Business Partner colleagues can take advantage of free travel on these services when travelling to / from the airport for work purposes.

Bristol Airport successfully retained its ISO14001 accreditation for its Environmental Management System in November 2022, which covers all airport operations, ensuring all activities are monitored and managed, allowing for continuous environmental improvement.

Deliver Our Plans to Grow

At the heart of our vision is an ambition to maintain and build on Bristol's position as the major airport serving the South West of the UK. Following the removal of government restrictions on air travel in March 2022 the airport has seen a strong recovery in passenger numbers, being the most recovered airport amongst the top 15 in the UK according to CAA data. The airport has also grown its share of the South West market from 70% in 2019 to 79% in 2022[2]. The airport is well positioned for future growth with a strong catchment area, strong passenger demographics and a solid and diversified mix of leading airlines with a comprehensive range of destinations.

On 31st January 2023 the High Court dismissed the legal challenge brought against the Planning Inspectorate's permission for Bristol Airport's expanded capacity. The Planning Inspectorate decided in February 2022 to allow Bristol Airport to increase its cap on passengers from 10 million passengers each year to 12 million. The airport's plans include investment in the terminal building, parking facilities, and public transport links. This decision was challenged in the High Court but dismissed by the judge who heard the case. Expanded capacity will add 800 jobs at Bristol Airport and up to a further 5,000 regionally, adding an estimated £430 million to the South West's economy.

Although there was increasing passenger demand at the airport before the Covid-19 pandemic, demonstrated by a number of successive years of growth in passenger numbers, analysis of Civil Aviation Authority data suggested that leakage of traffic from South West England and South Wales to London airports remained significant. Further investment in facilities alongside enhancements to Bristol's route network (including new destinations and increased frequency on existing services) will seek to address this leakage by providing more options for customers currently choosing to make surface journeys to the South East in order to fly.

Inbound tourism represents another opportunity for the region and the business. An estimated 1.5 million journeys were made by overseas residents using Bristol Airport in 2019, generating benefits for the visitor economy in Bristol, Bath, Somerset and the wider South West and South Wales. Additions to the route network, combined with overseas marketing campaigns in partnership with destination management organisations in the region, are expected to further support the visitor economy and business growth.

Culture and Values

Delivering on the airport's vision requires a forward-looking and engaged workforce that embraces a culture of change, together with a strong sense of local issues and teamwork. In support of our vision, five core values were identified, in consultation with colleagues, which are continually being embedded across the business in recruitment campaigns, competency frameworks, performance management and our communications.

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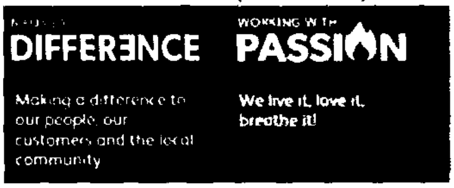
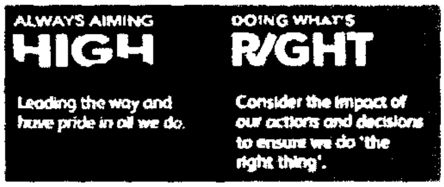
[2] CAA Terminal Pax data, based on % vs 5 South West Airports

The airport's values are illustrated in the graphic below:

Culture and Values (continued)





Strategic KPI's

To ensure delivery across all of our key strategic priorities the airport has developed a balanced scorecard that informs the Board on performance of the business. The full dashboard contains 20 *measures of performance, however, the top four have been highlighted below.*

	2022 Actual	2021 Actual	
EBITDA[1] per passenger	£8.75	(£0.96)	Higher turnover, generated from increased passengers and better yields meant EBITDA per passenger was positive.
Number of Accidents (employees, passengers and visitors)	523	95	The increase is predominantly due to the increase in passenger numbers, which included medical and first aid requests.
Employee Turnover (excluding redundancies)	20.1%	14.3%	The increase in headcount, along with more movement of employees across all sectors accounts for the higher employee turnover.
Carbon Emissions (CO^2) [2] Per passenger	4,667,000 kg *0.60 kg/pax*	3,923,000 kg 1.90 kg/pax	The increase in passenger volumes and airport operations *meant CO^2 emissions were* higher this year.

[1] EBITDA is unadjusted earnings before interest, tax, depreciation and amortization.

[2] The carbon emissions figure represents the volume of CO^2 emissions generated from the use of electricity and gas at BRS, where the energy is supplied directly by the airport.

Section 172 Statement

The directors of the airport have clear regard to their responsibilities and in particular the requirements set out in section 172(1)(a) to (f). The Board of Directors meet on a regular basis and ensure that the key aspects of their responsibilities are discharged at these meetings. Key aspects of the Board Agenda in 2022 that demonstrate compliance with Section 172(1)(a) to (f) are as follows:

Section 172(1)(a) to (f) Requirements	Board Agenda Item(s)
Likely consequences of any decision in the long term	• The Board met to consider the key strategic issues for the business as it recovered from the pandemic. These included the airport's plans for future growth and related aviation strategy; investment, financing and operating plans to support growing numbers of passengers and priorities for the airport's Target Operating Model. • The airport's Business Plan was updated and reviewed by the Board during the year. This important strategic plan provides a framework for decision-making which balances short and long term considerations. • The Audit and Risk Committee ("ARC") of the Board meets quarterly and considers the key risks to the achievement of the Company's strategic goals. During the year the ARC assessed the emerging risk landscape and considered the appropriate level of risk to tolerate in the execution of the airport's strategy. • The Board ensured that it considered the implications of short-term actions on the long-term value of the business, these discussions included: o Aviation strategy o Commercial strategy o Operational strategy o Sustainability o Future growth o Talent retention and succession planning o Planning appeal process o Digital and Data Strategy
Interests of the Group's employees	• The Board endorsed a 5-year People Strategy in 2018, to deliver the strategic priority of creating "A Great Place to Work", and the skills and capabilities to deliver our business plan objectives. This strategy is reviewed and updated annually to meet the changing needs of the business, and again endorsed by the Board. Monthly updates are reviewed in relation to well-being, engagement, and learning and development. • There has been a continued focus on health and well-being in 2022, recognising the work and personal challenges of the recovery from the pandemic, including individual, monthly check-ins. • Best Companies surveys have been completed during the year to support management's understanding of overall engagement and morale and to inform the development of future plans. The Board have oversight of the findings from these surveys and the related action plans. • Finally, the Board plays a critical oversight role on Health and Safety policy and governance, monitoring performance against leading targets, and challenging management to achieve even higher standards of attainment.

Section 172 Statement (continued)

Section 172(1)(a) to (f) Requirements	Board Agenda Item(s)
Need to foster the Group's business relationships with suppliers, customers and others	• Other key stakeholders of the group are considered to be: ○ Regulators - who are particularly interested in safety and security standards, consumers' interests, use of airspace and the environmental impact of aviation; ○ Suppliers - who are looking for continued business growth opportunities; ○ Lenders - who are interested in financial performance and the ability to service and repay borrowings; ○ Unions - who are interested in protecting and furthering the interests of their members; ○ Trade bodies - who represent the interests of airports and engage with government and other regulatory bodies on airport matters. • The relationship with these key stakeholders has been critical in ensuring that the airport could appropriately respond to the surge in passenger numbers which followed the removal of government restrictions on travel. • The relationship with regulators, suppliers, customers, lenders and other key stakeholders (e.g. unions and trade bodies) has been critical in ensuring the airport could appropriately respond to the surge in passenger numbers which followed the removal of government restrictions on travel. • Regular consultation forums with key business stakeholders have continued throughout 2022 and the feedback from those forums is taken into account in the Company's decision-making processes both at Executive and Board level. The key decisions informed by these consultation forums throughout 2022 related to the scale-up of operations in line with the recovery in demand.
The impact of the Group's operations on the community and the environment	• During 2022 the Board regularly considered reports on the Company's airside operational and environmental performance. • The Bristol Airport Consultative Committee has continued to meet throughout 2022. The aim is to create a forum to enable communities in the vicinity of the airport, local authorities, local business representatives and other interested parties to exchange information and ideas. It is independently chaired and membership comprises stakeholders from local communities, business groups and airport users. • Issues are regularly discussed directly with community representatives and members of the public at the airport Consultative Committee, as well as through direct engagement with the community (e.g. hosting community drop-ins), with reports provided to the Board on key issues. • Environmental Improvement, Community and Public Transport Funds are in place to mitigate impacts on local community. How these funds are used is decided by local elected representatives and North Somerset Council Officers (public transport only).

Section 172 Statement (continued)

Section 172(1)(a) to (f) Requirements	Board Agenda Item(s)
The impact of the Group's operations on the community and the environment (continued)	• The 12 mppa planning permission and associated legal agreements include a comprehensive set of measures designed to mitigate the adverse impacts of the growth of Bristol Airport on local communities and the environment and deliver benefits where possible. Developed with the Board, this package of measures reflects extensive environmental assessment work, engagement with North Somerset Council officers and other stakeholders and consultation with the local community. • Through its Annual Monitoring Report BRS monitors various key metrics relating to the impacts of the airport's operations. This ongoing monitoring allows the Board to identify if and where mitigation is needed to address the ongoing operational impacts of the business on the environmental and communities. • As also set out in the Strategic Report, the Group has maintained its ISO14001 environmental management systems standard accreditation in 2022.
The desirability of the Group maintaining a reputation for high standards of business conduct	• The Audit and Risk Committee of the Board meets quarterly where the governance requirements of the business are reviewed and monitored and various policies relating to the way the Board wish the business to operate are approved. The ARC discussed compliance with these policies and obtained assurance from management that these policies had been regularly reviewed and communicated clearly to all staff to ensure they are embedded in the culture and standards of the organisation.
The need to act fairly as between members of the Group	• The Board includes three independent non-Executive Directors (including the Chair of the Board) who provide impartial guidance to the board to ensure the Group considers the interests of all members. Minutes from all Board Meetings are shared with the members of the Group and a management agreement is in place between Ontario Airport Investments Limited and the minority shareholders to ensure their interests are reflected at the Board.

Principal risks and uncertainties

Bristol Airport strives to be everyone's favourite airport and deliver a future we can all be proud of. Whilst the sector faces challenges, we work to make the most of the opportunities the future holds whilst taking appropriate account of the potential events that could impact our ability to achieve our objectives.

Bristol Airport is committed to taking an integrated, pragmatic approach to risk management with a view to achieving our strategic objectives. Our overall aim is to embed a culture of enterprise risk management (ERM) throughout the organisation, both at a corporate level and within operational and service delivery areas.

Principal risks and uncertainties (continued)

The airport's ERM approach aims to:

- Support effective decision making;
- Ensure a consistent and effective approach to risk management while allowing for innovation and development
- Foster and encourage a risk-aware culture where risk management is seen as a tool to support decision-making rather than a corrective measure; and
- Enable the provision of greater assurance to stakeholders that risks have been identified and that appropriate steps have been taken to manage risk to an appropriate level.

Principal Risks
Principal Risks are those risks external and internal to Bristol Airport that, if they occurred, may require a change in strategic direction. They are linked to the 10 key risk areas as identified by the Board and Executive.

Divisional Risks
Divisional Risks are those possible events in direct control of our airport operations. They relate to the potential breakdown or inadequacy of the control environment in place.

Project Risks
Project risks are considered as part of any key project, as defined by the organisation, or new business proposal. Project risks refer in granularity to those events that will result in the final product not achieving its desired outcome.

Key areas of focus during 2022 are set out below:

Funding and Economy
We strive to deliver an effective, coherent, and consistent strategy to respond to our competitors and changes in macroeconomic conditions in the operating environment with a view to increasing market share and profitability. We are committed to working with our partner commercial organisations to deliver value. There is currently an element of uncertainty around the demand environment and consumers' propensity to spend on holidays and travel. We are working in close partnership with all our business partners to monitor consumer behaviour and respond accordingly. Our core focus is to generate sufficient cash flow or secure access to funding to settle the Group's liabilities as required and to secure funding to support growth. This enables us to deliver on our strategic objectives and operate effectively as a business.

Capacity and Operations
We are committed to futureproofing the airport operations to support our strategic direction. As part of this, flexibility is a key element of the Group's 2023 Business Plan, with detailed action plans to support different demand scenarios whilst focusing on long term growth. Core to this is our dedication to implementing and maintaining a robust and agile change management process, communication techniques and tools to achieve the required outcomes. Effective engagement with employees, stakeholders and other key parties is core to achieving the change required to deliver against our strategic aims.

Safety, Security and Compliance
Operating an airport represents a unique set of challenges and requirements that must be maintained to ensure the safety of everyone working and travelling through our site. We are committed to ensuring the safety of everyone operating in and around the airfield and uphold the highest standards of safety and regulatory compliance. We are committed to complying with legal or regulatory requirements and continue to build on our existing internal controls to ensure that we continue to grow and evolve as the landscape changes around us.

Principal risks and uncertainties (continued)

Cyber Security
We are committed to protecting and enhancing our existing IT infrastructure and key IT components which are essential to ensuring the efficient operation of our business processes and a seamless customer journey for our passengers. We are committed to complying with legal or regulatory requirements relating to data security and data privacy during our business activities and continue to build on our existing cyber maturity to ensure that we continue to grow and evolve as the threat landscape changes around us.

Climate Change
The airport has assessed the implications for Climate Change on its business model and considers the following impacts to be material to its future strategies and plans:

- Severe weather – the airport has historically been impacted by severe weather and other natural events, such as heavy storms, snow and volcanic ash clouds. With longer-term predictions of changing climatic conditions the airport may need to adapt its business model and risk profile to deal with these events on a more frequent basis. Ongoing monitoring of weather patterns and planning for operational mitigations will be required to manage this risk.
- Public attitudes to flying – as the drive towards a low carbon economy intensifies there could be a tipping point where public appetite for flying reduces as a result of environmental concerns. This could have an impact on the ability of the airport to grow in the longer term. This risk is being addressed by the aviation industry as a whole, both globally and domestically. Through the UK body Sustainable Aviation, the UK aviation industry has committed to cut carbon emissions to zero by 2050 whilst accommodating 70% growth in passengers during the same period. Internationally the Carbon Offsetting and Reduction Scheme for International Aviation or CORSIA is a global agreement to address emissions from flights.
- Regulation and taxation – UK Government has committed itself to the UK economy being carbon zero by 2050. If the aviation industry cannot achieve net zero emissions by this date through technology and offsetting then there is the potential for regulation or taxation to discourage flying. As per above, the airport is managing the risk through engaging with the aviation industry's own ambition to move to carbon zero by 2050 as well as making its own commitments to being net zero for its direct emissions by 2030.

Future developments

Bristol Airport and its business partners predict continued growth in 2023. The operational areas of the business are currently preparing for the peak season with an increase in recruitment and engagement with key business partners.

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

David Kerr
Director
27 April 2023

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and audited consolidated financial statements for Bristol Airport (UK) No.3 Limited ("BAUK3"), a limited Company incorporated in the United Kingdom, for the year ended 31 December 2022.

In this report, 'Company' refers to Bristol Airport (UK) No.3 Limited and 'Group' refers to the consolidation of Bristol Airport (UK) No.3 Limited and its subsidiaries (note 13).

Principal activities

The principal activities of the Group are the ownership, operation and management of Bristol Airport, including the provision of the services and facilities required. The principal activity of the Company is that of a holding Company.

Financial matters

The results for the year are given in the profit and loss account on page 24. The directors do not recommend the payment of a dividend (2021: £nil).

Future developments

The Group's objectives and future developments are discussed in the Strategic Report on pages 2 to 14.

Going concern

The group has consolidated net liabilities of (£298,494,000) (2021:(£280,704,000)) and made a consolidated loss of £25,636,000 (2021£99,485,000) in the financial year. The group continues to adopt a going concern basis in preparing its financial statements as it meets its day-to-day working capital requirements through a combination of debt facilities and funding from its subsidiaries. The directors have reviewed forecasts covering a period of at least twelve months from the date of approval of the financial statements and have confidence in the continued support from its subsidiaries to meet the group's current liabilities. This coupled with the successful amendment and restatement of the group's revolving credit and capex facilities in April 2023 have resulted in the directors concluding that it is appropriate to prepare the financial statements on a going concern basis.

Financial risk management

Objectives and policies

The Group manages financial risks as part of its overall risk management strategy. The objective of risk management for Bristol Airport is to ensure delivery of strategic objectives within the approved Business Plan by monitoring and managing the risks that could impact delivery of these objectives in a consistent and action-oriented approach.

Price risk, credit risk. liquidity risk,cash flow risk and interest rate risk

The Group is exposed to price risk which is managed through various strategies to minimise the impact of price rises. Wage inflation is one of the main risks which is managed through negotiating pay agreements with employees. Other exposures include general market inflation and construction cost inflation, which are mitigated through the use of fixed price contracts and other cost controls built into supplier contracts.

Credit risk is managed through customer credit checks pre-contract, with regular review and monitoring of credit exposures thereafter. Over the last few years, with the heightened risk of business failures this monitoring has been increased and payment plans agreed with specific customers where required.

Financial risk management (continued)

Price risk, credit risk. liquidity risk,cash flow risk and interest rate risk (continued)

Liquidity and cashflow risk are controlled through regular review of the future cashflow requirements of the business and tight control of working capital. During the pandemic the Group arranged access to additional liquidity facilities, which included a £90m shareholder-backed facility put in place in 2021.

Interest rate risk is managed through the interest rate swaps detailed in note 15.

Streamlined Energy and Carbon Reporting (SECR)

Scope 1 and 2 consumption and CO^2e emission data has been calculated for Bristol Airport Limited in line with the 2019 UK government environmental reporting guidance, using the published KWh gross calorific value and $KgCO^2e$ emissions factors from the 2022 BEIS Database.

Utility and Scope	2022 UK consumption (kWh)	2022 UK emissions (tCO^2e)	2021 UK consumption (kWh)	2021 UK emissions (tCO^2e)
Grid-Supplied electricity (scope 2)	15,684,000	3,033	16,335,172	3,468
Gaseous and other fuels (scope 1)	6,653,772	1,489	3,723,265	773
Transportation (scope 1 and 3)	36,990	9	33,499	8
Total	**22,374,768**	**4,531**	**20,091,936**	**4,249**

Scope 1 consumption and emissions relate to direct combustion of natural gas and fuels utilised for transportation operations, scope 2 relate to indirect emissions on the consumption of purchased electricity used in the operation of the business and scope 3 are emissions from business mileage undertaken by employees in private vehicles. This data does not include other emissions, such as refrigerants which are included in the SECR report. The Group has no consumption outside the UK.

Intensity Metric	2022 UK Intensity Metric	2021 UK Intensity Metric
tCO^2e per £m revenue	33.5	134.1
tCO^2e per thousand passengers	0.60	2.06

Bristol Airport's SECR report was prepared by Net Zero Compliance (a division of Inspired Energy PLC). Details of the Group's carbon emission targets and initiatives taken to reduce emissions are provided in the Strategic Report on page 6.

Bristol Airport in the community

In 2022 Bristol Airport Limited provided £171,000 (2021: £172,000) to Bristol Airport Community Fund CIC to be donated to local community groups for the benefit of 38 individual projects totalling £123,000 (2021: £160,000) in the local area, such as outdoor play areas, sports facilities, and support for nature conservation schemes. Contributions included amounts made to local residents for noise insultation for properties most impacted by aircraft noise. Since the Local Community Fund was established in 2012 it has contributed nearly £1.4million to local community projects.

Our chosen charity throughout 2022 was the Teenage Cancer Trust. Teenage Cancer Trust is a cancer care and support charity that exists to improve the cancer experience of young people aged 13–24. The charity funds specialised nurses, youth workers and hospital units in the NHS, so young people have dedicated staff and facilities to support them throughout treatment. Throughout 2022, the airport raised over £3,600 for the charity.

Bristol Airport in the community (continued)
In December 2022, over 100 participants took part in the Bristol Airport 'Run the Runways' challenge. The event was held to raise funds for Breast Cancer Now, Teenage Cancer Trust and Aviation Action. In total, the event raised over £1,600 for the three charities.

Other notable charitable donations in 2022 included food donations to the Bristol North West Foodbank, the annual Poppy Appeal collection for the Royal British Legion and the airport partnered with the Rotary Club in Bristol to raise funds for Ukrainian medical equipment.

Political contributions

No political contributions were made in the year (2021: £nil).

Disabled employees

All applications for employment are always fully and equally considered on the basis of the aptitude, ability, knowledge, experience, skills and potential of the candidate in relation to the role specification. In the event of an employee becoming disabled and unable to fully undertake all aspects of their role, every effort is made to ensure continued employment through making reasonable adjustments. This may include a wide range of actions including but not limited to arranging appropriate training, providing additional facilities or adjustments to work patterns or the workplace. Our values define that all employees should receive equal opportunities to learn and develop.

Engagement and employees

The Group places enormous value on engagement and consultation with employees, and so there is a full-time Internal Communications & Engagement role to support this. In addition, there is an Employee Forum, representing the various teams and departments, which meets monthly to provide two-way feedback, and regular meetings are held with union representatives. Engagement surveys were conducted twice during the year, in May and November, to ascertain how colleagues were feeling and where any improvements could be made, both receiving response rates in excess of 80%. Decisions and feedback from consultation with employees is provided through the Group's intranet site 'Connect', updates from the People Team and the Quarterly Business Review.

Employee matters are promoted to the directors through updates at Board meetings. This includes communication of survey results when they are undertaken and monthly reporting of key performance indicators such as, attrition rates, learning and development initiatives and employee engagement. In addition, reward and recognition matters are discussed at the Remuneration Committee. Any actions resulting from Board discussions on employee matters would be built into the People Plan.

As detailed in the Strategic Report, engagement with suppliers, customers and other stakeholders is critical for the Group to deliver its objectives.

Directors

The directors who held office during the year and up to the date of signing this report, unless otherwise stated, are as follows:

David Kerr
Scott Kamins (appointed 15 September 2022)
Victor Scheibehenne (resigned 15 September 2022)

There are no contracts or arrangements with the Company or any of its subsidiary undertakings in which any of the directors are materially interested and which are significant in relation to the business of the Company or any of its subsidiary undertakings taken as a whole.

During the year the Group has taken out qualifying third party indemnity insurance for the benefit of its directors, which remains in force at the date of this report.

Registered office
The address of the Company's registered office is Lulsgate House, Bristol Airport, Bristol, BS48 3DW.

Directors' responsibilities statement

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law including Financial Reporting Standard FRS 102, "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)".

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 Group 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.

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that there is no relevant audit information (that is, information needed by the Group's auditor in connection with preparing their report) of which the Group's auditor is unaware, and the directors have taken all steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that the Group'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.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 23 to the financial statements.

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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

David Kerr
Director
27 April 2023

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bristol Airport (UK) No. 3 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 31 December 2022 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 statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- *the statement of accounting policies; and*
- the related notes 1 to 23.

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 frameworks 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 included UK Companies Act, pensions legislation, tax legislation, Department for Transport regulation, Civil Aviation Authority, International Civil Aviation Organisation and other regulatory aerodrome requirements, 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 Data

Protection Act legislation, the Licensing Act, health and safety legislation, and environmental legislation.

We discussed among the audit engagement team relevant internal specialists such as financial instruments, pensions, tax and IT specialists 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 or non-compliance with laws and regulations in the following areas, and our procedures performed to address them are described below:

- Completeness of liabilities; the risk of fraud relates to the ability of management to potentially misstate profit through an understatement of liabilities. We have obtained and understanding of relevant controls over completeness of liabilities, performed analytical reviews to determine the liabilities expected and assessed the validity of costs capitalised or deferred on the balance sheet.
- Defined benefit pension liability assumptions; specifically inflation, discount rate and life expectancy; the risk of fraud relates to the ability of management to potentially misstate profit through an understatement of liabilities. We have obtained an understanding of relevant controls over the determination of assumptions in deriving the pension liability and engaged Deloitte pension specialists to support us in assessing the appropriateness of relevant assumptions input into the defined benefit pension scheme liability calculations.

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 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 has 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.

Andrew Wright

Andrew Wright (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom
27 April 2023

BRISTOL AIRPORT (UK) No.3 LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2022

	Note	Year ended 31 Dec 2022 £000	Year ended 31 Dec 2021 £000
Turnover	5	140,016	32,012
Staff costs	6	(16,972)	(13,152)
Depreciation and amortisation	11 / 12	(41,637)	(43,178)
Other operating charges		(54,439)	(27,402)
Other operating income	9	-	6,555
Operating profit/(loss)		26,968	(45,165)
Finance costs (net)	8	(46,852)	(45,934)
Profit on disposal of tangible fixed assets		-	21
Loss before taxation	9	(19,884)	(91,078)
Tax on loss	10	(5,752)	(8,407)
Loss for the financial year		(25,636)	(99,485)

All amounts relate to continuing operations.

BRISTOL AIRPORT (UK) No.3 LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	Year ended 31 Dec 2022 £000	Year ended 31 Dec 2021 £000
Loss for the financial year		(25,636)	(99,485)
Other comprehensive income/(expense)			
Remeasurement of net defined benefit obligations	21	533	3,872
Change in value of hedging instruments	15	7,408	5,313
Total tax on components of comprehensive income	16	(95)	(579)
Other comprehensive income for the year, net of tax		7,846	8,606
Total comprehensive (expense) for the year		(17,790)	(90,879)

BRISTOL AIRPORT (UK) No.3 LIMITED

CONSOLIDATED BALANCE SHEET

At 31 December 2022

	Note	31 Dec 2022 £000	31 Dec 2022 £000	31 Dec 2021 £000	31 Dec 2021 £000
Fixed assets					
Intangible assets	11		193,262		204,800
Tangible assets	12		454,807		475,339
			648,069		680,139
Current assets					
Stocks		322		327	
Debtors	14	17,533		9,567	
Cash at bank and in hand		67,789		21,241	
		85,644		31,135	
Creditors: amounts falling due within one year	15	(106,066)		(42,623)	
Net current liabilities			(20,422)		(11,488)
Total assets less current liabilities			627,647		668,651
Creditors: amounts falling due after more than one year	15		(867,028)		(890,797)
Provision for liabilities	16		(57,316)		(55,043)
Pension and similar obligations	21		(1,797)		(3,515)
Net liabilities			(298,494)		(280,704)
Capital and reserves					
Called up share capital	17		59,083		59,083
Revaluation reserve			125,514		125,514
Hedging reserve			4,980		(2,429)
Profit and loss account			(488,071)		(462,872)
Shareholders' deficit			(298,494)		(280,704)

The notes on pages 31 to 58 are an integral part of these financial statements.

The financial statements on pages 24 to 58 were approved by the Board of Directors on 27 April 2023 and were signed on its behalf by:

David Kerr
Director

BRISTOL AIRPORT (UK) No.3 LIMITED

COMPANY BALANCE SHEET

At 31 December 2022

	Note	31 Dec 2022		31 Dec 2021	
		£000	£000	£000	£000
Fixed assets					
Investments	13		171,524		170,940
Current assets					
Debtors	14	-		-	
Cash at bank and in hand		4,574		4,581	
		4,574		4,581	
Creditors: amounts falling due within one year	15	(1,928)		(895)	
Net current assets			2,646		3,686
Total assets less current liabilities			174,170		174,626
Creditors: amounts falling due after more than one year	15		(187,893)		(177,104)
Net (liabilities) / assets			(13,723)		(2,478)
Capital and reserves					
Called up share capital	17		59,083		59,083
Profit and loss account			(72,806)		(61,561)
Total equity			(13,723)		(2,478)

The notes on pages 31 to 58 are an integral part of these financial statements.

The loss for the financial year dealt with in the financial statements of the parent company was £11,245,000 (2021: £10,352,000 loss). 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 financial statements on pages 24 to 58 were approved by the Board of Directors on 27 April 2023 and were signed on its behalf by:

David Kerr
Director

Company number: 05403024

BRISTOL AIRPORT (UK) No.3 LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Note	Called-up share capital £000	Revaluation reserve £000	Hedging reserve £000	Profit and loss account £000	Total equity £000
Balance as at 1 January 2021	17	59,083	125,514	(7,741)	(366,681)	(189,825)
Loss for the financial year		-	-	-	(99,485)	(99,485)
Other comprehensive income for the year						
- interest rate swaps		-	-	5,313	-	5,313
- pension valuation		-	-	-	3,293	3,293
Total comprehensive (expense) for the year		-	-	5,313	(96,192)	(90,879)
Balance as at 31 December 2021	17	59,083	125,514	(2,428)	(462,873)	(280,704)

	Note	Called-up share capital £000	Revaluation reserve £000	Hedging reserve £000	Profit and loss account £000	Total equity £000
Balance as at 1 January 2022	17	59,083	125,514	(2,428)	(462,873)	(280,704)
Loss for the financial year		-	-	-	(25,636)	(25,636)
Other comprehensive income for the year						
- interest rate swaps		-	-	7,408	-	7,408
- pension valuation		-	-	-	438	438
Total comprehensive income/(expense) for the year		-	-	7,408	(25,198)	(17,790)
Balance as at 31 December 2022	17	59,083	125,514	4,980	(488,071)	(298,494)

BRISTOL AIRPORT (UK) No.3 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Note	Called-up share capital £000	Profit and loss account £000	Total equity £000
Balance as at 1 January 2021	17	59,083	(51,208)	7,875
Loss and total comprehensive expense for the year		-	(10,353)	(10,353)
Balance as at 31 December 2021	17	59,083	(61,561)	(2,478)

	Note	Called-up share capital £000	Profit and loss account £000	Total equity £000
Balance as at 1 January 2022	17	59,083	(61,561)	(2,478)
Loss and total comprehensive expense for the year		-	(11,245)	(11,245)
Balance as at 31 December 2022	17	59,083	(72,806)	(13,723)

BRISTOL AIRPORT (UK) No.3 LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

	Note	Year ended 31 Dec 2022 £000	Year ended 31 Dec 2021 £000
Net cash from operating activities	19	75,798	(6,010)
Taxation received/(paid)		(3,619)	11
Net cash generated from operating activities		72,179	(5,999)
Cash flow from investing activities			
Purchase of tangible fixed assets		(10,616)	(9,440)
Proceeds from disposal of tangible fixed assets		-	21
Interest received		387	21
Net cash used in investing activities		(10,229)	(9,398)
Cash flow from financing activities			
Repayment of obligations under finance leases		(461)	(578)
Receipts from loan facilities		700	39,651
Interest paid		(15,641)	(14,017)
Net cash used in financing activities		(15,402)	25,056
Net increase/(decrease) in cash and cash equivalents	19	46,548	9,659
Cash and cash equivalents at the beginning of the year		21,241	11,582
Cash and cash equivalents at the end of the year	19	67,789	21,241

All cash and cash equivalents are held as cash at the bank or in hand.

Restrictions on cash and cash equivalents

The balance at the end of the year includes £4,575,000 (2021: £14,570,000) held in Debt Service Reserve Accounts to fund the finance costs of the group's third party debt. The prior year balance was split between two DSRAs, one held by the company (£4,367,000) and the other in South West Airports Limited (£10,204,000). The company DSRA is required to fund finance charges payable in relation to the Liquidity Facility through to 12 March 2026 (Note 15). The South West Airports Limited DSRA was required to fund finance charges payable under the other bank and institutional loan facilities (note 15) for the period through to 30 September 2022.

1 GENERAL INFORMATION

Bristol Airport (UK) No.3 Limited (the company) 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 58.

The principal activities of the company and its subsidiaries (the group) and the nature of the group's operations are set out in the Strategic Report on pages 2 to 14.

2 STATEMENT OF COMPLIANCE

The financial statements of Bristol Airport (UK) No.3 Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The functional currency of Bristol Airport (UK) No.3 Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

Going concern

The group has consolidated net liabilities of (£298,494,000) (2021:(£280,704,000)) and made a consolidated loss of £25,636,000 (2021£99,485,000) in the financial year. The group continues to adopt a going concern basis in preparing its financial statements as it meets its day-to-day working capital requirements through a combination of debt facilities and funding from its subsidiaries. The directors have reviewed forecasts covering a period of at least twelve months from the date of approval of the financial statements and have confidence in the continued support from its subsidiaries to meet the group's current liabilities. This coupled with the successful amendment and restatement of the group's revolving credit and capex facilities in April 2023 have resulted in the directors concluding that it is appropriate to prepare the financial statements on a going concern basis.

Consolidation

The group consolidated financial statements include the financial statements of the company and all its subsidiary undertakings made up to 31 December 2022. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the company has not been presented separately in the group financial statements.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

Other exemptions taken are in relation to section 11 and 12 requirements for certain financial instrument disclosures.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions.

The company has taken advantage of the exemption from preparing a statement of cash flows and the disclosure of remuneration of key management personnel, on the basis that it is a qualifying entity and the cash flows of the company form part of the consolidated cash flow statement, included in the consolidated financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the group and value added taxes. The group bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The group recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group retains no continuing involvement or control over the goods and services; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to each group's sales channels have been met.

Dividend and interest income

(i) Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably.

(ii) Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(i) Defined contribution pension plans

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of the plan assets at the reporting date.

(ii) Defined benefit pension plan

The group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors, including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on plan assets, less amounts included in net interest, are disclosed as a 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

(a) the increase in pension benefit liability arising from employee service during the period; and
(b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'Finance expense'.

(iv) Annual bonus plan

3 PRINCIPAL ACCOUNTING POLICIES (continued)

Employee benefits (continued)

The group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the group has a legal or constructive obligation to make payments under the plan, as a result of past events, and a reliable estimate of the obligation can be made.

(v) Long-term incentive plan

The group operates a long-term incentive plan for senior managers and directors in leadership positions. The incentive plan operates on a three-year rolling cycle. An expense is recognised in the profit and loss account when the group has a legal or constructive obligation to make payments under the plan, as a result of past events, and a reliable estimate of the obligation can be made.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period-end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the amounts expected to be paid to the authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are variances between taxable profits and total comprehensive income, as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in the tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrealised tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period-end and that are expected to apply to the reversal of the timing difference.

Intangible assets

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued, plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Contingent consideration is initially recognised at an estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured, but subsequently becomes probable and

measurable; or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration, over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGUs') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life, which is estimated to be 25 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the profit and loss account. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life unless such lives are indefinite.

Tangible assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Some assets are held at fair value based on the fair value on acquisition and this is reflected in the valuation reserve.

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated lives, as follows:

- Runways and aprons	5 to 50 years
- Freehold land and buildings	3 to 50 years
- Plant and equipment	3 to 25 years
- Fixtures and fittings	3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

Leased assets (continued)

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset. Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

(ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Rental income for buildings under operating leases is recognised on a straight-line basis over the term of the relevant lease.

Government grants

Government grants are treated as deferred income, of which a proportion is released to the profit and loss account over the expected useful life of the asset, in equal annual instalments.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost, less accumulated impairment losses, where applicable.

Stock

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

Stock (continued)

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes, duties, transportation and handling costs, directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price, less costs to complete and sell, and an impairment charge is recognised in the profit and loss account.

Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Financial Instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are recognised at their transaction price.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from other group companies are initially recognised at their transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted at the market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Loan arrangement fees are classified as finance costs and are amortised through the profit and loss account over the period of the loan facilities.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. Changes in the fair value of derivatives are recognised in the profit and loss account in finance costs, or finance income, as appropriate, unless they are included in the hedging arrangement.

(iii) Hedging arrangements

The group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in the fair value of the hedging instrument, since the inception of the hedge, over the cumulative change in the fair value of the hedged item, since the inception of the hedge) is recognised in the profit and loss account.

The gain or loss recognised in the other comprehensive income is reclassified to the profit and loss account when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction

3 PRINCIPAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

is no longer highly probable, the hedged debt instrument is de-recognised or the hedging instrument is terminated.

Related party transactions

The group discloses transactions with related parties which are not wholly-owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the group's accounting policies

It is the view of the directors that there are no critical judgements that have been applied to the group's accounting policies.

Key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Defined benefit pension scheme

The group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on various factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds.

Management estimates these factors determining the net pension obligations in the balance sheet. The assumptions reflect historical experience and current trends. Management has considered a range of defined benefit pension assumptions and is satisfied that what has been used is appropriate. The key sensitivities are detailed below.

	Change in defined benefit obligations At 31 Dec 2022
Increase/decrease in discount rate of 0.5%	+7%/-7%
Increase/decrease in inflation rate of 0.5%	+7%/-6%
Increase/decrease in long-term life expectancy by 1 year	+3%/-3%

See note 21 for the disclosures relating to the defined benefit scheme.

5 TURNOVER

The whole of the turnover and loss before taxation derives from the group's principal activities within the United Kingdom, which the directors regard as one class of business. The groupings used below are the same as those that the directors use to make their decisions.

The revenue recognised in the year of £140,016,000 (2020: £32,012,000) can be entirely categorised as the rendering of services. The main income streams within the turnover figure are aeronautical revenue charged to airlines, car park revenue charged to passengers and concession revenue generated from the various concessions operated at the airport.

The two primary categories for management are aeronautical and commercial revenue. Commercial revenue when referenced in these financial statements is the combination of car park revenue, concession revenue and other revenue.

	Year ended 31 Dec 22 £000	Year ended 31 Dec 21 £000
Aeronautical revenue	44,810	10,236
Car park revenue	53,315	10,903
Concession revenue	35,470	7,871
Other revenue	6,421	3,002
	140,016	32,012

6 EMPLOYEE NUMBERS AND COSTS

The monthly average number of persons employed by the group (including directors) during the year was as follows:

	Group Year ended 31 Dec 2022 Number	Group Year ended 31 Dec 2021 Number
Operational employees	220	193
Administrative employees	65	61
	285	254

The aggregate payroll costs of these persons were as follows:

	Group Year ended 31 Dec 2022 £000	Group Year ended 31 Dec 2021 £000
Wages and salaries	14,244	11,077
Social security costs	1,494	1,143
Other pension costs	1,234	932,
	16,972	13,152

The company did not have any employees in 2022 (2021: nil).

7 DIRECTORS' REMUNERATION

No directors of the company received remuneration for their services from the group or the company in the year (2021: nil). The directors were remunerated for their services to the company through Bristol Airport Limited.

8 FINANCE COSTS (NET)

	Year ended 31 Dec 2022 £000	Year ended 31 Dec 2021 £000
Bank interest receivable	387	21
Interest payable on bank loans	(15,582)	(14,087)
Interest payable on shareholder loans	(31,255)	(31,255)
Amortisation of loan issue costs	(347)	(486)
Finance charges on hire purchase contracts and finance leases	(1)	(28)
Net interest expense on pension benefits	(54)	(99)
	(46,852)	(45,934)

9 LOSS BEFORE TAXATION

	Year ended 31 Dec 2022 £000	Year ended 31 Dec 2021 £000
Loss before taxation is stated after charging / (crediting):		
Depreciation of tangible fixed assets (note 12)	30,099	31,640
Amortisation of goodwill (note 11)	11,538	11,538
Insurance claims	-	(625)
Other Operating Charges includes:		
- Job Retention Scheme	-	(656)
- Airport & Ground Operators Support Scheme grants	-	(5,899)
Fees payable to the company's auditor:		
- Audit of the company financial statements	24	20
- Audit of subsidiary financial statements	183	132
- Non-audit fees	7	-
Rentals payable under operating leases		
- Plant and machinery	276	82

10 TAX ON LOSS

Tax on loss:	**Group** Year ended 31 Dec 2022 £000	**Group** Year ended 31 Dec 2021 £000
Current tax		
- Corporation tax on loss for the year	3,574	(380)
- Adjustment in respect of prior years	-	30
	3,574	(350)
Deferred tax:		
- Origination and reversal of timing differences	1,749	(4,808)
- Impact of change in tax rate	50	13,277
- Tax losses	(2)	-
- Adjustment in respect of prior years	381	288
	2,178	8,757
Tax charge / (credit) for the year	5,752	8,407

The company's profits for this accounting period are taxed at an effective rate of 19% (2021: 19.00%).

Factors affecting the tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2021: 19.00%). The differences are explained below:

	Group Year ended 31 Dec 2022 £000	**Group** Year ended 31 Dec 2021 £000
Loss before taxation	(19,884)	(91,078)
Loss before taxation multiplied by the blended standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(3,778)	(17,305)
Effects of:		
- Expenses not deductible for tax purposes	9,231	9,889
- Impact of change in tax rates	50	13,293
- Income not taxable	-	(10)
- Deferred tax not recognised	(425)	2,452
- Adjustment in respect of prior years	381	88
- Other timing differences	428	-
- Benefits of tax incentives	(135)	-
Current tax charge for the year	5,752	8,407

10 TAX ON LOSS (continued)

Factors that may affect future tax charges:

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing Covid-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These measures have been substantively enacted before the balance sheet date. As a result, the closing deferred tax balances have been remeasured at the tax rate that the temporary differences are expected to reverse. This resulted in a £50,000 tax charge to the income statement.

11 INTANGIBLE FIXED ASSETS

Group

	Goodwill £000	Total £000
Cost		
As at 1 Jan and 31 Dec 2022	288,451	288,451
Amortisation		
As at 1 Jan 2022	(83,651)	(83,651)
Charge for year	(11,538)	(11,538)
As at 31 Dec 2022	(95,189)	(95,189)
Net book value		
As at 31 Dec 2022	193,262	193,262
As at 31 Dec 2021	204,800	204,800

12 TANGIBLE FIXED ASSETS

Group

	Runways and aprons	Other freehold land and buildings	Plant and equipment	Fixtures and fittings	Assets in the course of construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
As at 1 Jan 2022	104,873	400,470	75,885	7,691	14,715	603,634
Additions	-	1,459	1,562	1,125	5,421	9,567
Disposals	(293)	(17)	(30)	(46)	-	(386)
Reclassifications	41	(41)	(14,755)	14,755	-	-
Transfers	-	1,201	797	1,917	(3,915)	-
As at 31 Dec 2022	104,621	403,072	63,459	25,442	16,221	612,815
Accumulated depreciation						
As at 1 Jan 2022	(24,714)	(67,176)	(31,288)	(5,117)	-	(128,295)
Disposals	293	17	30	46	-	386
Charge for year	(4,066)	(14,354)	(7,989)	(3,690)	-	(30,099)
Reclassifications	(30)	30	8,087	(8,087)	-	-
As at 31 Dec 2022	(28,517)	(81,483)	(31,160)	(16,848)	-	(158,008)
Net book value						
As at 31 Dec 2022	76,104	321,589	32,299	8,594	16,221	454,807
As at 31 Dec 2021	80,159	333,294	44,597	2,574	14,715	475,339

Depreciation is not provided on the land element of freehold property which amounts to £8,069,000 (2021: £8,069,000).

Plant and equipment includes hire purchase assets totalling £1,383,000 (2021: £2,120,000) with accumulated depreciation of £553,000 (2021: £656,000) and depreciation in the year of £277,000 (2021: £326,000). The assets under finance lease are secured against the lease obligations.

The airport has incurred costs to date of £5,318,000 (2021: £4,995,000) on the original planning application and the appeal process to seek permission to grow to 12 mppa (from 10 mppa). These costs are held in assets in the course of construction. Management intends to commence depreciation of these costs once construction of related assets has commenced.

Office Equipment Assets have been reclassified from Plant and equipment into Fixtures and fittings.

13 FIXED ASSET INVESTMENTS

Company	31 Dec 2022 £000	31 Dec 2021 £000
Cost and net book value		
Investment in subsidiary undertakings (unlisted)	140,614	140,614
Loan to group undertaking	30,910	30,326
	171,524	170,940

Company – Loan to group undertakings	£000
As at 1 Jan 2022	30,326
Accrued interest	981
As at 31 Dec 2022	31,307

The directors believe that the carrying value of the investments is supported by the underlying cash flows expected to be realised.

Subsidiary undertakings

The subsidiary undertakings of Bristol Airport (UK) No.3 Limited are detailed below. All the companies are incorporated in Great Britain.

Company	Principal activity	Class and percentage of shares held
South West Airports Limited ("SWAL")	Holding company	100% Ordinary shares
Bristol Airport Limited	The ownership, operation and management of Bristol Airport	100% Ordinary shares
Bristol City Airport Limited	Dormant	100% Ordinary shares
Bristol Airport Developments Limited	Development company	100% Ordinary shares
Bristol Airport Community Fund CIC	Activities that benefit the communities surrounding Bristol Airport	100% Guarantee

South West Airports Limited owns 100% of the share capital of Bristol Airport Limited. Bristol Airport Limited owns 100% of the share capital of Bristol City Airport Limited, Bristol Airport Developments Limited and Bristol Airport Community Fund CIC. The registered address for all the subsidiaries is Bristol Airport, Bristol, BS48 3DW.

14 DEBTORS

	Group 31 Dec 2022 £000	Company 31 Dec 2022 £000	Group 31 Dec 2021 £000	Company 31 Dec 2021 £000
Trade debtors	7,601	-	5,310	-
Amounts owed by related party undertakings	-	-	-	-
Other debtors	5,186	-	354	-
Prepayments and accrued income	4,746	-	3,903	-
	17,533	-	9,567	-

15 CREDITORS

	Group 31 Dec 2022 £000	Company 31 Dec 2022 £000	Group 31 Dec 2021 £000	Company 31 Dec 2021 £000
Amounts falling due within one year				
Trade creditors	7,406	-	3,842	-
Bank Loans due within 1 year	32,072	-	-	-
Amounts owed to related party undertakings – non-interest bearing	-	1,909	-	874
Taxation and social security	780	-	977	-
Obligations under finance leases	192	-	461	-
Accruals and deferred income	65,616	19	37,343	21
	106,066	1,928	42,623	895

Accruals and deferred income include £623,000 (2021: £677,000) in relation to fixed asset grants. The grants are being released to the profit and loss account over the life of the assets to which they relate, with £55,000 (2021: £55,000) released in the year. There are no unfulfilled conditions or other contingencies attaching to this grant.

15 CREDITORS (continued)

	Group 31 Dec 2022 £000	Company 31 Dec 2022 £000	Group 31 Dec 2021 £000	Company 31 Dec 2021 £000
Amounts falling due after more than one year				
Bank loans	431,400	35,400	462,772	34,700
Deferred loan issue costs	(1,615)	(382)	(1,959)	(500)
Derivative financial instruments (note 19)	-	-	2,428	-
Obligations under finance leases	-	-	231	-
Accruals and deferred income	570		622	-
Amounts owed to group undertakings – Shareholder Loans	436,673	152,875	426,703	142,904
	867,028	187,893	890,797	177,104

The fair value gain in the year in relation to the derivative financial instruments was £7,408,000 (2021: £5,313,000), which under the hedge accounting rules has been taken to the cash flow hedge reserve.

There were no impairment losses in the year (2021: £nil) in relation to any of the financial instruments held by the group.

Borrowings are repayable as follows:

	Group 31 Dec 2022 £'000	Company 31 Dec 2022 £'000	Group 31 Dec 2021 £'000	Company 31 Dec 2021 £'000
Bank loans and Overdrafts				
Between one and five years	175,400	35,400	156,772	34,700
After five years	256,000	-	306,000	-
	431,400	35,400	462,772	34,700
Deferred loan issue costs				
Between one and five years	(1,166)	(382)	(1,073)	(500)
After five years	(449)	-	(886)	-
	(1,615)	(382)	(1,959)	(500)
Derivative financial instruments				
Between one and five years	-	-	2,428	-
	-	-	2,428	-
Amounts owed to group undertakings				
After five years	436,673	152,874	426,703	142,904
	436,673	152,874	426,703	142,904

15 CREDITORS (continued)

Finance leases are repayable as follows:

	31 Dec 2022 £000 Motor vehicles	31 Dec 2021 £000 Motor vehicles
Rentals due within one year	192	461
Rentals due between two to five years	-	231
Present value of lease obligations	192	692

Bank and Institutional Loans

The group entered into a £216.1 million Facilities Agreement on 7 May 2015. This agreement consisted of four facilities: Senior Term Facilities A and B, a Revolving Facility and a Capex Facility. The group also entered into a £130 million 15 year Note Purchase Agreement (NPA) on 7 May 2015.

The group undertook a further refinancing exercise in 2017 entering into an additional £50 million 10 year NPA on 18 July 2017 and increasing the Capex Facility from £75 million to £115 million with the existing bank lenders. The facility was then reduced to £40 million from 12 March 2021 as part of the waiver agreement reached with the lenders.

15 CREDITORS (continued)

Bank and Institutional Loans (continued)

In 2019 a further refinancing exercise was completed with the group entering into a £80 million 15 year NPA and a £46 million 20 year NPA.

As at 31 December, the outstanding facilities and utilisation of each were as follows:

	Facility 31 Dec 2022 £000	Utilised 31 Dec 2022 £000	Facility 31 Dec 2021 £000	Utilised 31 Dec 2021 £000
Senior Term Facility B	90,000	90,000	90,000	90,000
Revolving Facility	5,000	5,000	5,000	5,000
Capex Facility	40,000	27,072	40,000	27,072
Senior Notes	306,000	306,000	306,000	306,000
Liquidity Facility	90,000	35,400	90,000	34,700
	531,000	463,472	531,000	462,772

The Senior Term Facility B was fully utilised on day one and is repayable in full on the Termination Date of 15 May 2025.

The Revolving Facility is available to be utilised for general corporate and working capital purposes. Any loan under this facility is repayable in full on the last day of each interest period and may then be subsequently redrawn. Any balance of the outstanding loan amount is then repayable in full on the Termination Date of 15 May 2023.

The Capex Facility is available to be utilised to fund 75% of capital expenditure and 60% with effect from 12 March 2021. Any loan under this facility is repayable in full on the last day of each interest period and may then be subsequently redrawn. Any balance of the outstanding loan amount is then repayable in full on the Termination Date of 15 May 2023.

The 10, 15 and 20 year Senior Notes were fully utilised on day one. They are repayable in full on their maturity dates of 26 July 2027, 15 May 2030, 17 December 2034 and 17 December 2039 respectively.

The Liquidity Facility is available to be utilised to support liquidity requirements of the group. The facility was originally set up as a £60m facility on 12 March 2021 and subsequently extended to a £90m facility on 29 December 2021. This is a five-year facility which is repayable in full on 12 March 2026.

Interest on the bank loans is charged at a floating rate based on Sterling LIBOR up to 30 June 2022 and SONIA with effect from 1 July 2022. The company has completed all the necessary steps for the transition from LIBOR to SONIA. Interest on the 10 and 15-year institutional loans, entered into in 2017 and 2015, is charged at a fixed rate of 2.83% and 3.68% respectively. Interest on the 15 and 20-year institutional loans entered into in 2020 is charged at a fixed rate of 2.44% and 2.81% respectively. The interest on both the bank and institutional loans are *secured via a fixed and floating charge over the assets of the group.*

The floating interest on the bank loans has been partially hedged by means of three interest rate swaps. All of the swaps cover the period from 19 May 2015 to 7 May 2025 at fixed interest rates and set notional amounts, which are detailed in the table below. The interest rate swaps settle on a six-monthly basis. The floating rate on the interest rate swaps is six months' LIBOR

15 CREDITORS (continued)

up to 30 June 2022 and SONIA with effect from 1 July 2022. Settlement is made on the difference between the fixed and floating interest rate on a net basis.

All three interest rate swap contracts are designated as hedges of the variable interest rate risk of the group's floating rate borrowings. The hedged cash flows are expected to occur half yearly and to affect profit or loss over the period to maturity of the interest rate swaps.

	Principal £	Interest rate	Fair value at 31 Dec 2022 £000	Fair value at 31 Dec 2021 £000
AIB Group (UK) PLC	5,000,000	2.1150%	276	(93)
Barclays Bank PLC	30,000,000	2.1020%	1,675	(792)
Commonwealth Bank of Australia	55,000,000	2.1425%	3,028	(1,543)
			4,979	(2,428)

The fair values are based on the mark-to-market valuations provided by the swap counter parties. The values are based on the present value of future cash flows estimated and discounted based on the applicable yield curve derived from the quoted interest rates. A negative figure indicates a liability.

Loan arrangement fees and other refinancing costs of £5,773,000 (2021: £5,773,000) were incurred in obtaining the loans for the period of the Facility, Note Purchase Agreements and Additional Liquidity Facility. At the year-end the unamortised balance was £1,615,000 (2021: £1,959,000), with £344,000 (2021: £320,000) charged to the profit and loss account in the year.

Amounts owed to shareholders

	Issuer	Interest rate per annum	Capital at 31 Dec 2022 £000	Capital at 31 Dec 2021 £000
2027 Unsecured Loan notes – issued 31 December 2020	BAUK3	7.5%	132,934	132,934
2027 Unsecured Loan notes – issued 31 December 2020	SWAL	7.5%	283,799	283,799
			416,733	416,733

The loans have a fixed interest rate of 7.5% and are unsecured with no set repayment plan, but have a final maturity date of 31 December 2027.

During the year, no interest was paid on the loan notes (2021: £nil). The interest accrued at 31 December was £62,510,000 (2021: £31,255,000)

16 PROVISION FOR LIABILITIES

Deferred tax	Group 2022 £000	Group 2021 £000
As at 1 January	55,043	45,706
Adjustment in respect of prior years	381	288
Deferred tax arising in the year	1,797	8,470
	57,221	54,464
Deferred tax (credited) to equity for the year	95	579
As at 31 December	57,316	55,043

The deferred tax liability comprises:

	Group 31 Dec 2022 £000	Group 31 Dec 2021 £000
Fixed asset timing differences	58,465	57,682
Other timing differences	(117)	(46)
Losses	(588)	(1,756)
Deferred tax excluding that relating to pension liability	57,760	55,880
Pension (note 21)	(444)	(837)
Total deferred tax liability	57,316	55,043

During the year beginning 1 January 2023, the group expects to utilise deferred tax assets of £51,000 relating to the forecast use of losses (2021: £1,011,000). It also expects deferred tax liabilities of £2,159,000 (2021: £1,709,000) to reverse relating to the future depreciation of assets recognised on consolidation. The balance of the net deferred tax liability of £55,394,000 (2021: £54,345,000) is expected to be payable after more than one year.

The group has an unrecognised deferred tax asset of £31,438,000 (2021: £32,321,000) relating to carried-forward non-trading losses and carry forward interest restrictions that are not expected to be fully utilised in the foreseeable future.

The company had unused tax losses carried forward as at 31 December 2022 of £201,000 (2021: £556,000).

17 CAPITAL AND RESERVES

Group and company

All issued ordinary shares were fully paid in cash at par.

	31 Dec 2022 Number	31 Dec 2022 £	31 Dec 2021 Number	31 Dec 2021 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	59,082,737	59,082,737	59,082,737	59,082,737
Ordinary A shares of £0.01 each	100	1	100	1
	59,082,837	59,082,738	59,082,837	59,082,738

The ordinary shares have full voting rights except for the right to vote on a resolution to appoint or remove a director. The ordinary A shares only have rights to vote on a resolution to appoint or remove a director.

The group and company's other reserves are as follows:

- The profit and loss account reserve represents cumulative profits or losses, net of dividends paid and other adjustments.
- The hedging reserve represents the culmulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments. Amounts accumulated in this reserve are reclassified to profit and loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.
- The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which were revalued to fair value on acquisition.

18 COMMITMENTS

Capital expenditure

Total capital commitments at the end of the year for which no provision has been made are as follows:

Tangible fixed assets	**Group** 31 Dec 2022 £000	**Company** 31 Dec 2022 £000	**Group** 31 Dec 2021 £000	**Company** 31 Dec 2021 £000
Contracted for but not provided	9,147	-	1,218	-

18 COMMITMENTS (continued)

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group 31 Dec 2022		Group 31 Dec 2021	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
- within one year	-	69	-	63
- within two to five years	-	9	-	-
	-	78	-	63

The company had no operating lease commitments at 31 December 2022 (2021: none).

Guarantees

There is a charge over the assets of Bristol Airport Limited (BAL), as BAL is a guarantor to the bank loans in SWAL. The balance of the bank loans at the end of the year was £428,072,000 (2021: £428,072,000).

Operating lease arrangement where the group is the lessor

The future minimum rental receivable under non-cancelling operating leases is as follows:

	31 Dec 2022 £000 Property rental	31 Dec 2021 £000 Property rental
Not later than one year	412	875
Later than one year and not later than five years	1,696	3,473
Later than five years	37,085	32,633
	39,193	36,981

These non-cancellable leases have remaining terms of between 1 and 96 years. All leases include a provision for upward rent reviews in accordance with specific lease terms at prevailing market conditions.

19 NOTES TO THE CASH FLOW STATEMENT

Cash flow from operating activities

	Year ended 31 Dec 2022 £000	Year ended 31 Dec 2021 £000
Loss for the financial year	(25,636)	(99,485)
Adjustment for:		
Tax	5,752	8,407
Net interest expense	46,852	45,934
Profit on disposal of tangible fixed assets	-	(21)
	26,968	(45,165)
Operating (loss) / profit		
Amortisation of intangible assets	11,538	11,538
Depreciation of tangible assets	30,099	31,640
Post-employment benefits less payments	(1,239)	(617)
Working capital movements		
- Decrease/(Increase) in stocks	5	20
- (Increase)/Decrease in debtors	(2,985)	(5,405)
- Increase/(decrease) payables	11,412	1,979
Cash flow from operating activities	75,798	(6,010)

Analysis of changes in net debt

	At 1 Jan 2022 £000	Cash flows £000	Non-cash changes £000	At 31 Dec 2022 £000
Cash at bank and in hand	21,241	46,548	-	67,789
Cash and cash equivalents	21,241	46,548	-	67,789
Bank loans	(462,772)	(700)	-	(463,472)
Amounts owed to group undertakings	(416,733)	-	-	(416,733)
Finance leases	(654)	461	-	(193)
Derivative financial instruments	(2,428)	-	7,408	4,980
Total	(861,346)	46,309	7,408	(807,629)

20 RELATED PARTY TRANSACTIONS

The company and SWAL both have shareholder loans in place with UK Airports Midco Limited, which is the immediate parent company of BAUK3. Interest on the loans is only repayable as and when the companies have sufficient funds. There were no capital repayments in the year. Further details on these loans are included in note 15 and the amount of interest paid in the year and the balance due at the year-end are detailed below:

	Capital 31 Dec 2022 £000	Interest paid year ended 31 Dec 2022 £000	Interest accrued At 31 Dec 2022 £000	Capital 31 Dec 2021 £000	Interest paid year ended 31 Dec 2021 £000	Interest accrued At 31 Dec 2021 £000
BAUK3 Unsecured Notes	132,934	-	19,940	132,934	-	9,970
SWAL Unsecured Notes	283,799	-	42,750	283,799	-	21,285
	416,733	-	62,510	416,733	-	31,255

Key management personnel remuneration

The total emoluments in 2022 for key management personnel are £2,120,000 (2021: £1,517,000).

21 POST-EMPLOYMENT BENEFITS

Pension service charge

The pension charge for the year ended 31 December 2022 was £1,234,000 (2021: £932,000). This consisted of £199,000 (2021: £263,000) in respect of the Bristol Airport Pension Scheme (BAPS) and the unfunded pension provision and a net charge of £1,035,000 (2021: £669,000) for the Stakeholder scheme and other pension-related costs. At 31 December 2022, the group had no pension contributions prepaid or outstanding (2021: £nil).

Defined Contribution Scheme

The group has set up a group Stakeholder Pension Plan for most new employees. All eligible employees are offered membership of the scheme and the group contributes between 2% and 9% of pensionable salary, dependent on the level of employee contributions.

Defined Benefit Scheme

The group operates a defined benefit pension scheme, BAPS, which is funded.

Contributions are paid to the scheme at rates recommended by the actuary and the assets of the scheme are held and managed independently of the group's finances by independent investment managers appointed by the trustees of the scheme.

The latest formal valuation of the scheme was carried out as at 1 April 2020. This was the eighth triennial valuation of the scheme since it came into existence on 5 December 1997.

The valuation indicated that the fair value of the scheme's assets was £61,956,000 which amounted to 89% of its liabilities (technical provisions). The level of employer contributions, required to meet future service cost would have increased to 34.8%. However, the scheme was closed to future accrual with effect from 31 July 2021. The company has agreed a deficit recovery plan with the scheme with £1,848,000 payable in the period up to April 2023 and then £1,848,000 per annum through to March 2027.

The main assumptions used by the actuary to calculate the scheme's technical provisions are set out in the Statement of Funding Principles and summarised below.

Inflation rate:	RPI	2.80% pa
	CPI	2.20% pa
Discount rate:	Pre-retirement	3.30% pa
	Post-retirement	1.55% pa
Salary growth:		2.50% pa
Pension increases:	Post 88 GMP	2.00% pa
	Excess (LPI)	2.80% pa
	Excess (RPI)	2.20% pa

21 POST-EMPLOYMENT BENEFITS (continued)

The last full actuarial valuation of the defined benefit scheme was carried out at 1 April 2020 and updated for the purposes of FRS 102 'Employee Benefits' to 31 December 2022 by a qualified independent actuary.

The major assumptions used by the actuary in the FRS 102 valuations were:

		31 Dec 2022 Per annum	31 Dec 2021 Per annum
Rate of increase in salaries		-	3.20%
Rate of increase in pensions in payment – CPI		1.9%	2.05%
Rate of increase in pensions in payment – LPI		3.05%	3.35%
Rate of increase in deferred pensions		2.55%	2.90%
Discount rate		4.90%	1.90%
Inflation assumption – RPI		3.15%	3.50%
Inflation assumption – CPI		2.55%	2.90%
Life expectancy at age 65 for:		Years	Years
Current pensioners	Men	21.9	21.9
	Women	24.3	24.3
Future pensioners	Men	23.2	23.2
	Women	25.7	25.7

Analysis of amount charged to the profit and loss account

	31 Dec 2022 £000	31 Dec 2021 £000
Defined benefit scheme		
- Current service cost (including scheme expenses)	(199)	(561)
- Curtailment / Settlement gain	-	298
Defined contribution scheme	(1,035)	(669)
Total charge to operating profit	(1,234)	(932)
Defined benefit scheme		
- Net interest expense	(54)	(99)
Total charge to the profit and loss account	(1,288)	(1,031)

The net interest expense (finance charge) in the profit and loss account of £54,000 (2021: £99,000) is the sum of interest income on scheme assets of £1,328,000 (2021: £882,000) and the interest expense on scheme liabilities of £1,382,000 (2021: £981,000).

21 POST-EMPLOYMENT BENEFITS (continued)

Balance sheet analysis

	31 Dec 2022 £000	31 Dec 2021 £000
Market value of assets	43,281	71,103
Funded liabilities	(44,700)	(73,866)
Unfunded liabilities	(378)	(752)
Present value of liabilities	(45,078)	(74,618)
Deficit	(1,797)	(3,515)
Related deferred tax asset (note 16)		837
Net deficit after deferred tax	(1,797)	(2,678)

Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000
As at 1 January 2022	71,103	(74,618)	(3,515)
Benefits received/(paid)	(3,640)	3,640	-
Employer contributions	1,241	-	1,241
Scheme expenses	-	-	-
Current service cost	-	(2)	(2)
Interest income/(expense)	(26,751)	27,284	533
Remeasurement gains/(losses)	71,103	(74,618)	(3,515)
- Actuarial (loss)/gains	(3,640)	3,640	-
As at 31 December 2022	43,281	(45,078)	(1,797)

Total cost recognised as an expense:

	31 Dec 2022 £000	31 Dec 2021 £000
Current service cost (including scheme expenses)	(199)	(561)
Past service costs	-	
Interest expense	(54)	(99)
Curtailment/settlement gains	-	298
	(253)	(362)

21 POST-EMPLOYMENT BENEFITS (continued)

The fair value of the plan assets as a percentage of total plan was:

	31 Dec 2022		31 Dec 2021	
	%	£000	%	£000
Multi-asset funds	41.1	17,800	60.3	42,851
Low Risk Bonds	18.8	8,119	12.0	8,538
Cash & Net Current Assets	0.6	269	1.2	858
Liability driven investments	39.5	17,093	26.5	18,856
	100.0	43,281	100.0	71,103

22 ULTIMATE HOLDING COMPANY

The smallest and largest group to consolidate the results of Bristol Airport (UK) No.3 Limited is that headed by the company itself. Copies of the Financial Statements of the group are available from the registered address: Lulsgate House, Bristol Airport, Bristol, BS48 3DW.

The immediate parent company is UK Airports Midco Limited, a company incorporated in the United Kingdom and registered at the following address: 10th Floor, 30 St Mary Ave, London, England, EC3A 8BF

The ultimate parent company is Ontario Teachers' Pension Plan Board, a pension plan in Canada registered at the same address as the immediate parent company.

23 POST BALANCE SHEET EVENT

Subsequent to the year end, on 3 April 2023 the Group completed the amendment and restatement of its revolving credit and capex facilities, comprising a £10m revolving credit facility and £140m capex facility each with a five-year term, maturing in April 2028. These new facilities will support the investment planned at the airport to enable future growth in passenger numbers.