

London Luton Airport Limited

**London Luton Airport Limited
Annual report and financial statements
for the year ended 31 March 2025**

Registered in England & Wales

Registered number: 02020381

London Luton Airport Limited

Company Information

Directors

Name	Date Appointed	Date Resigned
A Ambia	19 March 2024	20 May 2025
MA Khan	21 May 2025	
R Brighthouse	01 March 2024	
T Saleem	21 May 2025	
MY Hanif	23 May 2023	
J Hussain	21 May 2019	
CR Isles	23 May 2023	
P Kehoe CBE	31 January 2024	
J Kerr	01 October 2024	
K Malik	21 May 2019	20 May 2025
AJA Nicholls	21 May 2019	20 May 2025
NJ Platts	01 August 2023	
NS Prowse	10 May 2023	28 May 2024
RA Robinson OBE	28 May 2024	
J Taylor	23 May 2023	
MD Turner	16 August 2021	13 June 2025

Company number 02020381

Registered Office Hart House Business Centre
Kimpton Road
Luton
United Kingdom
LU2 0LA

Auditors Azets Audit Services
6th Floor Bank House
8 Cherry Street
Birmingham
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B2 5AL

London Luton Airport Limited

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London Luton Airport Limited

Strategic report for the year ended 31 March 2025

The directors present their strategic report on London Luton Airport Limited (“the company”) trading as Luton Rising for the financial year ending 31 March 2025.

Principal activities

The company’s principal activities before August 1998 were the ownership, operation and management of London Luton Airport. In August 1998 the company granted a concession contract to an unrelated company, London Luton Airport Operations Limited (LLAOL), to operate the airport on its behalf in return for a concession fee. The trading name Luton Rising was introduced in 2021 to address confusion with the airport operator and to identify a new era in the history of Luton Borough Council’s (LBC) airport company.

The company continues to own the land, buildings and infrastructure at the airport. In addition to the airport assets, the company owns the Luton DART (Direct Air-Rail Transit) network, a passenger cable car shuttle service that connects Luton Airport Parkway national rail station to the airport.

Other owned property includes Hart House, a Grade 2 listed property offering office space suitable for start-up and growth SMEs, Airport Executive Park within the airport perimeter offering commercial units in a sought-after location, and Morton House, a business, skills and innovation center in Luton designed for local SME business activities. Morton House started operational activity in January 2025 and is progressing well towards full occupation in November 2025. Future significant development opportunities include Bartlett Square for providing future commercial office and hotel space, and land adjacent to the airport formerly known as New Century Park.

Overview of the business

The company’s principal source of income continues to be the concession fee which is complemented by revenues from Luton DART and other owned properties.

Concession Agreement

In 1998, Luton Rising entered into a 30-year concession agreement with LLAOL for the “exclusive right” to carry out airport services at London Luton Airport (IATA: LTN) which alongside core airport services, permits LLAOL to provide any other business, activity, facility or service ordinarily provided at airports. The concession has subsequently been extended and is currently due to expire in September 2032. The concession fee payable by LLAOL is based on work-load units, each unit being one passenger or 100kg of freight.

Luton DART Impairment

The Luton DART mass passenger transport system connects Luton Airport Parkway station to Luton Airport terminal. This transport system became fully operational and open for service to the public on 27 March 2023. During the year the company carried out an impairment assessment to determine the recoverable value of the DART, following which a reversal of impairment of £7,306,000 was recognised.

Valuation of the airport

In 2025 an updated valuation including the reversionary value of the airport when the current concession agreement ends in September 2032 was completed. This valuation was carried out with our valuation advisors CBRE Ltd. The methodology for valuation of the airport is consistent with prior year reporting.

London Luton Airport Limited

Strategic report for the year ended 31 March 2025 (continued)

The airport continues to be reported as an investment property in these accounts, the valuation as at 31 March 2025 was £1.79bn (2024: £1.54bn).

Mission Statement

Luton Rising exists to optimise shareholder value through sustainable financial returns and improved social value for the people of Luton and surrounding communities.

This is delivered across four (4) key areas:

- Delivery of commercial assets that improve the return of the airport concession;
- Management and leverage of our non-airport assets;
- Optimising LLAOL’s development and management of the airport (our single, biggest asset);
- Engagement with the Luton community on our leadership and support for Luton 2040.

Principal risks and uncertainties

The key business risk and uncertainty for the company is loss of income from a decline in airport passenger volume, this being the key determinant of both the concession income and revenue from Luton DART. The airport operator is deemed to be in the best position to manage the main risk through its contractual relationships with airline operators. Luton DART passenger volume is also highly sensitive to disruption of the rail network serving Luton Airport Parkway Station.

These, coupled with potential macro-economic exposures such as high inflation and subsequent impact on disposable income, remain under consideration.

Business Transformation

Over the year we adopted our new organisational structure:



Existing roles were realigned to the new structure and 15 additional roles were identified.

In November 2024 we initiated a 10-year strategic review which was accepted by LBC and subsequently commenced the practical outworkings thereon.

London Luton Airport Limited

Strategic report for the year ended 31 March 2025 (continued)

Preparation for Airport Expansion

A decision on our application for a Development Consent Order (“DCO”) to expand the airport passenger capacity to 32 million passengers per annum (mppa) was expected on or before 10 August 2024. In the event there were delays to this:

	Reason	New decision expected date
24 May 24	General Election	4 Oct 24
12 Sep 24	To allow time to provide further information	3 Jan 25
17 Dec 24	To allow the new Secretary of State time to decide	3 Apr 25

The Secretary of State granted permission for the DCO to proceed on 05 April 2025.

The importance of the DCO to the airport’s growth led the company to engage a Programme Director for DCO Implementation, charged with setting up a new project ‘DCO Pre-Implementation Works’ that will undertake all activities leading up to serving of Article 44/Notice to Grow, a requirement for expansion.

Other Management Initiatives

In February 2025 a supplemental agreement extended the concession period by 12 days to allow LLAOL to acquire leases for buildings Hangars 60 and 1277, with an obligation to redevelop them as two maintenance and repair hangars. The ownership of these buildings will transfer at nil cost to the company as per the terms of the concession. The additional properties were purchased by LLAOL at a cost of £5m and are currently being renovated by them with a budget of £8m, for occupation in financial year 2025/26. Leases attracting £1m rental revenue for the concessionaire are in place with a reversionary interest in favour of the company for the period post concession.

In early 2025 the company initiated works at Wigmore Valley Park for improved play park and skate park facilities and other park improvements.

Delivery of Social Value to the Community

We are a socially impactful company which has donated a total of £7.7m to charitable local organisations and community engagement activities this year. Our social impact comes not only from the substantial financial contributions we make, but it is also reflected in how we grow our business in a socially responsible manner.

Key Performance Indicators (KPIs)

In the year to March 2025 the company recorded revenue of £87.0m (FY24: £76.7m), achieved an operating profit before impairment reversal and change in fair value of £51.3m (FY24: operating profit of £46.0m before impairment and change in fair value), and net assets increased to £1,158.1m (FY24: £963.4m).

DART modal share was 18.8% for the year (FY24: 16.0%). Modal share is defined as the proportion of passengers who arrive and depart from the airport via Luton DART rather than by other means.

London Luton Airport Limited

Strategic report for the year ended 31 March 2025 (continued)

Given the straightforward nature of the business, the company's directors are of the opinion that further analysis using KPI's is not currently necessary for an understanding of the development, performance or position of the business.

Financial risk management

The company does not have any external borrowing relationships with banks or finance houses. The company's debenture loans are from Luton Borough Council, the shareholder, and held at fair value at inception.

The company is not, therefore, exposed to financial risks resulting from changes in the market debt process or credit risk. The company manages its liquidity risk through borrowing and treasury management. The company does not use financial derivatives and as such no hedge accounting is required.

Price risk:

The company's operations are not directly exposed to commodity price risk.

Credit risk:

The company is exposed to credit risk in respect of LLAOL which pays the concession fee on a quarterly basis in arrears. LLAOL is bound by an open book accounting policy with the company, allowing the company to monitor LLAOL's financial performance and viability. An annual internal review is undertaken to ensure that the liquidity and financial position of LLAOL is sufficient to meet its obligations under the concession agreement.

The company has tenants secured on normal commercial terms and employs appropriate credit control techniques to manage payment arrangements.

The company maintains prudent treasury strategies to minimise risk to its cash and investments.

Liquidity risk:

The company receives concession income quarterly. It actively manages its short-term investments and cash holdings to ensure sufficient funds are available for its operational activities.

Interest rate cash flow risk:

The company has both interest-bearing assets and interest-bearing liabilities. Interest-bearing assets include cash balances which earn interest at a variable rate. The company's debt is predominantly at fixed rates, reducing exposure to fluctuating interest rates. The directors will review the appropriateness of this and determine a suitable policy should the company's operations change in size or nature.

London Luton Airport Limited

Strategic report for the year ended 31 March 2025 (continued)

Corporate social responsibility

The year ended 31 March 2025 saw the continuation of the company's Community Funding Programme, which sets out the ways in which the company will contribute to the social, environmental and economic wellbeing of the communities surrounding London Luton Airport. Details of the Community Funding Programme are available on the company's website at lutonrising.org.uk.

Section 172 of the Companies Act 2006 requires directors to act in ways they consider, in good faith, would be most likely to promote the success of the company for the benefits of its members as a whole, and in doing so have regard to –

- a) The likely consequence of decisions in the long-term
- b) The interests of the company's employees
- c) The need to foster the company's business relationship with suppliers, customers and others
- d) The impact of the company's operations on the community and environment
- e) The desirability of the company maintaining a reputation for high standards of business conduct
- f) The need to act fairly as between members of the company

The agenda page of each meeting of the Board of Directors includes a paragraph reminding directors of the need to be mindful of their duty under s.172 in reaching their decisions and each report they consider includes a section where the report author sets out the implications of the proposals within that report for each of the matters, where appropriate, as set out above to which they must have regard.

The company has a strict prompt payment policy that helps to foster good relationships with our suppliers.

Our Strategy & Development team is responsible for developing relationships with key stakeholders and this has been prominent through the statutory Planning Inspector Hearings of our proposal to seek a Development Consent Order for the expansion of the airport. Links with neighbouring local authorities have been established through the London Luton Airport Regional Forum chaired by the Leader of Luton Borough Council. As part of our recent consultation, we held several in-person sessions with communities both in and around Luton as well as more informal engagement with business, community, faith leaders and groups.

Our most enduring engagement with our local community is through our sustained support for our Community Funding Programme which provided £7.7m in the year to local voluntary and community groups. This programme has been operating for almost twenty years, which has led to the creation of some enduring and valued relationships, demonstrating to the community that the company places value, both in policy and practice, on its positive social impact.

Similarly, the adoption of our "Green Controlled Growth" approach to airport expansion has demonstrated that we are serious in listening and responding to those who are concerned with the environmental impacts of the aviation industry.

By order of the Board



P Kehoe CBE

Chairman

9 December 2025

London Luton Airport Limited

Directors' report for the year ended 31 March 2025.

The directors present their report and the audited financial statements for the financial year ending 31 March 2025.

Future developments

Future developments for the company are set out in the Strategic Report.

Results and dividends

The company's profit for the financial year is £194.7m (FY24: £307.4m). The Board does not recommend the payment of a dividend for the year ended 31 March 2025 (FY24: nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements were:

Name	Date Appointed	Date Resigned
A Ambia	19 March 2024	20 May 2025
R Brighthouse	01 March 2024	
MA Khan	21 May 2025	
MY Hanif	23 May 2023	
J Hussain	21 May 2019	
T Saleem	21 May 2025	
CR Isles	23 May 2023	
P Kehoe CBE	31 January 2024	
J Kerr	01 October 2024	
K Malik	21 May 2019	20 May 2025
AJA Nicholls	21 May 2019	20 May 2025
NJ Platts	01 August 2023	
NS Prowse	10 May 2023	28 May 2024
R Robinson	28 May 2024	
J Taylor	23 May 2023	
MD Turner	16 August 2021	13 June 2024
JV Young	19 May 2015	04 May 2024

Dr Romano Pagliari attended Board meetings in an advisory capacity. He is not a director of the company and has no voting rights.

Employees

The company has no employees (FY24: nil). Services to the company are carried out by employees of Luton Borough Council and the company is charged for these as set out in Note 6.

London Luton Airport Limited

Directors' report for the year ended 31 March 2025 (continued)

Financial risk management

This has been described within the Strategic Report in accordance with Companies Act 2006, s.414C(11).

Directors' insurance

The company maintains insurance policies on behalf of all the directors against liabilities arising from negligence, breach of duty, and breach of trust in relation to the company.

Going concern

The financial statements are prepared on a going concern basis, which assumes the company will continue to operate and exist for the foreseeable future, being at least 12 months from the approval of these financial statements.

The directors have prepared cash flow forecasts for the company extending for a period of at least 12 months from the date of approval of these financial statements which demonstrate that the company is able to meet its liabilities as they fall due for the foreseeable future.

The outlook for international travel continues to demonstrate sustainability. The directors note sustained growth and recovery continued throughout the year with an outturn of c.98% of passenger levels compared to pre-Covid levels at March 2025.

For the reasons set out above and holding a support letter provided by LBC, the directors believe that the company will have adequate resources to continue to develop the business in the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Subsequent events

The company's application for a Development Consent Order to expand the airport was accepted for examination by the Planning Inspectorate for England (PINS) in March 2023. The Examination Period began in August 2023 and concluded in February 2024 with PINS submitting their recommendation to the Secretary of State for Transport in May 2024. A favourable decision was made by the Secretary of State on the 5 April 2025.

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Directors' report for the year ended 31 March 2025 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 situation of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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Directors' report for the year ended 31 March 2025 (continued)

Charitable donations

The company has, through its Community Funding Programme, made donations during the financial year amounting to £7.7m (2024: £7.7m) to local charitable organisations based or operating in Luton and the surrounding area. Payments are shown across the seven funding themes of the programme as follows:

	2025	2024
	£'000	£'000
Children, Families & Young People	929	1,008
Citizen Enablement	62	667
Community Involvement	564	492
Community Safety	461	458
Environment & Economy	26	23
Health & Wellbeing	1,336	726
Leisure & Culture	4,312	4,316
	7,690	7,690

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Directors' report for the year ended 31 March 2025 (continued)

Carbon emissions

London Luton Airport Limited is committed to demonstrating its consumption of carbon during the year as a way of showing how it is progressing to deliver upon its Net Zero strategy. The reporting scope for carbon emissions, at present, is limited specifically to non-air operations.

In summary, 521 tonnes of carbon equivalent (tCO₂e) as noted in the table following was emitted during the year (2024 518 tCO₂e). There has been a 1% increase in carbon emissions compared to the prior year. In this year's report the introduction of the Luton Direct Air-rail Transit (DART) and the resultant offset of suspending the previous transport provision to the airport provided by a fleet of buses has been included.

Emissions Source (tCO ₂ e)	FY25	FY24	% Difference
Electricity	468	446	+5%
Natural Gas	0.3	30	-99%
Waste	6	7	-21%
Water	0.4	1	-57%
Business Travel	3	3	No change
Employee commuting	44	31	+41%
Grand Total (tCO₂e)	521	518	+1%

Overall, total emissions have remained broadly consistent since FY24 and have increased by 1%. The largest contributor is electricity due to operations from the DART. Emissions from natural gas, water and waste emissions have reduced.

Electricity emissions have increased by 5%, likely due to the increase in passengers using the DART.

Natural gas emissions has reduced significantly and is almost zero following efforts from Luton Rising to move all sites to electric heating systems.

There was no change seen in business travel emissions as, due to a lack of current data, the same approximation was used for the last two years of business travel data.

Employee commuting has increased by 41%, which is likely down to the improvements made to data collected within the staff survey, improving accuracy.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per million passengers. In 2025 this was 30.6 (2024: 31.8). This metric is considered the most relevant to the company's activities and provides a good comparison of performance over time.

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Directors' report for the year ended 31 March 2025 (continued)

The DART is a new airport transfer service introduced in April 2023 which replaces a bus service. The DART takes passengers between Luton Airport Parkway and London Luton Airport Terminal and is electrically powered, offering a mode of transport that is less emission intensive in comparison to the bus it replaces.

DART ticket numbers for FY25 have been used to compare the emissions savings from passengers using the DART instead of the previously used bus. It was assumed that each ticket is a two-way journey, and the DART covers a return distance of 4.6 km, while the bus covers a return distance of 5.1 km. Using the light rail/tram conversion factor for DART, the total emissions for the 9-month period amounted to 349.5 tCO₂e. For a bus service, using the local bus (not London) conversion factor, the total emissions would have amounted to 1,306 tCO₂e for the same period. This means that the FY25, it is estimated that the DART saved a total of 957 tCO₂e in comparison to passengers using the bus service. In FY25, the DART saved 957 tCO₂e in comparison to passengers using a bus service.

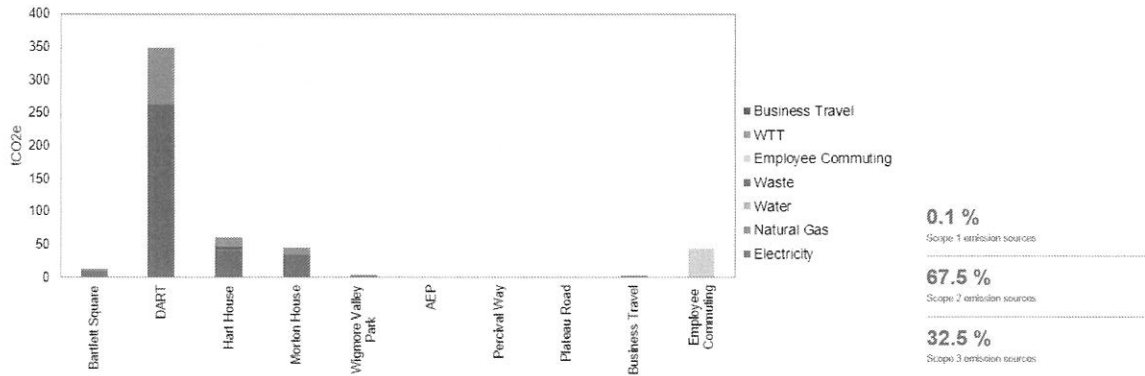
This information is provided for context only on the emissions reduction impact of the DART and assumes that all passengers who bought a DART ticket would have used the bus.

This report has followed the 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) in its preparation.

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Directors' report for the year ended 31 March 2025 (continued)

Total Emissions by Site



Now that the DART is fully operational its electricity emissions dominate the GHG inventory, making up a 67% share of total emissions.

Since last year's GHG inventory Morton House has become fully operational, now accounting for 9% of total emissions. Other sizeable contributors to GHG emissions are Hart House and employee commuting, accounting for 12% and 9% of total emissions, respectively.

Other sites and business travel account for minimal shares of total emissions.

Independent auditors

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the Board

P Kehoe
Chairman

9 December 2025

London Luton Airport Limited

Independent auditor's report to the members of London Luton Airport Limited

Qualified Opinion

We have audited the financial statements of London Luton Airport Limited (the 'company') for the year ended 31 March 2025 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standards 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report, the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- Have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

In the period to 31 March 2023 the directors have valued the company's principal asset, the freehold site on which London Luton Airport is operated at £1,160,800,000. A discount rate of 10.5% had been used in deriving the 31 March 2023 valuation. In our opinion, a higher discount rate of between 11.5-12% at 31 March 2023 should have been adopted, which reflected the increased risk present within the valuation associated with the post concession period cashflows from 15 August 2032.

Factoring into the valuation the impact of the aforementioned matters would result in the following valuation ranges which we consider to be reasonable: an airport valuation of between £950,000,000 and £1,012,400,000 at 31 March 2023.

The directors' valuations fall outside of these ranges. In order to fall within the valuation range that we consider to be reasonable the valuation at 31 March 2023 would need to be reduced by at least £148,400,000. This would also change the fair value movement recorded in the profit and loss account in both the current and comparative period.

In addition, were the valuation reduced by £148,400,000, the deferred tax liability would also reduce by £37,100,000 at 31 March 2023 with this amount being credited to the tax charge in the profit and loss account. The net adjustment to net assets would be a reduction of £111,300,000 at 31 March 2023.

As a result of these matters, our audit opinion on the 2023 financial statements was modified accordingly.

As the investment property balances mentioned and associated deferred tax balances have a consequential impact on the 2024 corresponding year change in fair value of investment properties and tax on profit or loss financial statement line items within the profit and loss account along with the statement of cashflows and associated disclosures, our audit opinion on the current period's financial statements is also modified because of the effects of this matter on the comparability of the current period's figures and the corresponding figures.

Any references within the strategic report or director's report to these investment property valuations or associated balances such as profit/loss for the comparative year would also need to be amended.

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Independent auditor's report to the members of London Luton Airport Limited (continued)

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 qualified 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of the directors with respect to going concerns 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 during 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.

As described in the basis for qualified opinion section of our report, our opinion is qualified in relation to the valuation at 31 March 2023 of the company's principal asset, the freehold site on which London Luton Airport is operated. Given that the strategic report and director's report refers to the investment property valuations and associated balances such as profit/loss for the comparative year, we have concluded that where the other information refers to these related balances, it is materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of our audit:

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

London Luton Airport Limited

Independent auditor's report to the members of London Luton Airport Limited (continued)

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, 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 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 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

London Luton Airport Limited

Independent auditor's report to the members of London Luton Airport Limited (continued)

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud. In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of noncompliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

London Luton Airport Limited

Independent auditor's report to the members of London Luton Airport Limited (continued)

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.

**Ben Sheldon ACA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services**

Date.....

**Statutory Auditor
Chartered Accountants**

**6th Floor, Bank House
8 Cherry Street
Birmingham
United Kingdom
B2 5AL**

London Luton Airport Limited

Profit and loss account for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	5	86,957	76,635
Cost of sales	3	(7,913)	(1,455)
Gross profit		79,044	75,180
Administrative expenses		(27,748)	(29,196)
Reversal of Impairment /(Impairment) of property plant and equipment	11	7,306	20,487
Change in fair value of investment properties	10	236,458	385,365
Operating profit/(loss)		295,060	451,836
Interest receivable and similar income		1,576	880
Interest payable and similar expenses	8	(35,258)	(33,923)
Profit/(Loss) before taxation		261,378	418,793
Tax on profit/(loss)	9	(66,702)	(111,403)
Profit /(Loss) for the financial year		194,676	307,390

London Luton Airport Limited

Statement of comprehensive income for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Profit /(loss) for the financial year		194,676	307,390
Re-measurements of net defined benefit obligation	17	57	107
Deferred Tax Adjustment		51	(53)
Net defined benefit obligation	17	(50)	(54)
Total comprehensive income /(expense) for the financial year		194,734	307,390

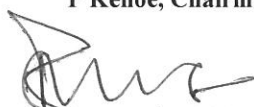
London Luton Airport Limited

Balance sheet as at 31 March 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Investment properties	10	1,928,347	1,677,271
Property, plant & equipment	11	120,942	116,813
Total Fixed Assets		2,049,289	1,794,084
Current assets			
Debtors	12	28,896	30,879
Cash at bank and in hand	20	20,683	9,385
Total current assets		49,579	40,264
Creditors: amounts falling due within one year	13	(14,261)	(15,138)
Net current assets / (liabilities)		35,318	25,127
Total assets less current liabilities		2,084,607	1,819,211
Creditors: amounts falling due after more than one year	14	(507,140)	(499,333)
Provisions for liabilities	16	(418,386)	(355,400)
Pension deficit	17	(974)	(1,105)
Net assets		1,158,107	963,373
Capital and reserves			
Called up share capital	18	44,837	44,837
Retained earnings		1,113,270	918,536
Total shareholders' funds		1,158,107	963,373

The financial statements on pages 21 to 41 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

P Kehoe, Chairman



9 December 2025

Registered Number 02020381

London Luton Airport Limited

Statement of changes in equity for the year ended 31 March 2025

	Called up share capital	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000
Balance at 1 April 2024	44,837	918,536	963,373
Profit/(Loss) for the financial year		194,676	194,676
Other comprehensive income		58	58
Total comprehensive income for the financial year	0	194,734	194,734
Total transactions with owners – dividends		0	0
Balance at 31 March 2025	44,837	1,113,270	1,158,107
Balance at 1 April 2023	44,837	611,146	655,983
Profit/(Loss) for the financial year		307,390	307,390
Other comprehensive expense		0	0
Total comprehensive income for the financial year	0	307,390	307,390
Total Transactions with owners - dividends		0	0
Balance at 31 March 2024	44,837	918,536	963,373

London Luton Airport Limited

Statement of cash flows for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Profit/(Loss) for the financial year		194,676	307,390
Adjustments for:			
Impairment /(reversal of impairment) of DART	11	(7,306)	(20,487)
Depreciation	11	3,177	3,164
Taxation charge/(credit)	9	66,702	111,403
Interest payable and similar expenses	8	35,258	33,923
Interest receivable and similar income		(1,575)	(880)
Change in fair value of investment properties	10	(236,458)	(385,365)
Decrease/(increase) in debtors		(1,732)	942
(Decrease)/increase in creditors		(856)	(519)
(Decrease)/increase in provisions		(74)	-
Corporation Tax Paid		(21)	-
Net cash generated from operating activities		51,792	49,572
Cash flows from investing activities			
Purchase of tangible assets		(14,618)	(14,077)
Interest received		1,575	880
Net cash used in investing activities		(13,043)	(13,197)
Cash flows from financing activities			
Interest paid	8	(35,258)	(39,925)
Receipts from LBC loan facility	14	7,807	12,200
Dividends paid		-	-
Net cash generated from (used in) financing activities		(27,451)	(27,725)
Net increase in cash and cash equivalents		11,298	8,650
Cash and cash equivalents at the beginning of year		9,385	735
Cash and cash equivalents at 31st March 2025		20,683	9,385

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025

General Information

London Luton Airport Limited (“the company”) is the owner of London Luton Airport, together with several other investment properties and parcels of land. The company operates entirely in the UK. The airport is leased to London Luton Airport Operations Limited (“LLAOL”) as set out in Note 4. The company is a private company limited by shares and incorporated in England and Wales. The registered office is shown on the company information page.

1. Statement of compliance

The individual financial statements of London Luton Airport Limited have been prepared in compliance with United Kingdom Accounting Standards, comprising 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.

2. Accounting policies

The accountancy policies have been applied consistently to the prior year.

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of investment properties and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

Going Concern

The financial statements are prepared on a going concern basis, which assumes the company will continue to operate and exist for the foreseeable future, being at least 12 months from the approval of these financial statements.

The directors have prepared cash flow forecasts for the company extending for a period of at least 12 months from the date of approval of these financial statements which demonstrate that the company is able to meet its liabilities as they fall due for the foreseeable future.

The outlook for international travel continued to demonstrate growth. The directors note sustained growth and recovery continued throughout the year with an outturn of c.98% of passenger levels compared to pre-Covid levels by March 2025.

For the reasons set out above and with a support letter provided by LBC, the directors believe that the company will have adequate resources to continue to develop the business in the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

2. Accounting policies (continued)

Turnover

Turnover relating to concession income is recognised in line with the concession contract, see notes 4 and 5 for further details. DART revenue is recognised when earned through the ticketing systems deployed. Other property income represents amounts falling due under rental agreements.

Leased assets

As a lessee, rental costs under operating leases are charged to the profit and loss account on a straight-line basis over the periods of the leases.

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.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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

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 based on amounts expected to be paid to the tax authorities.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

2. Accounting policies (continued)

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Pension costs

Certain employees of the airport business prior to the granting of the Concession Contract had taken early retirement, and the company had agreed to enhance their pension benefits. A provision was made, in the financial year that the employees had retired, to reflect the present value of the anticipated future costs of providing the enhanced benefits.

The balance represents the company's unfunded obligation to make annual contributions to the Bedfordshire Local Government Pension Scheme in respect of former employees' entitlement to pension augmentations arising on redundancy.

An actuarial valuation for the purposes of settling London Luton Airport Limited's actual contributions was carried out at 31 March 2010 by Hymans Robertson LLP on the instructions of the then administering authority, Bedfordshire County Council. The results of this valuation have been projected forward to 31 March 2025 by Barnett Waddingham LLP on the instruction of the current administering authority, Bedford Borough Council, and reflected in these financial statements. The scheme is a defined benefits scheme.

The provision has been assessed in accordance with the advice of an independent actuary using the following principal assumptions.

	% pa
Pension increase rate	2.90
Discount rate	5.60

Investment properties

The company includes investment properties at their fair value at the balance sheet date on the basis of the external valuer's valuation. Any gains or losses from the change in fair value are recorded through the profit and loss account.

The company's freehold and leasehold properties were valued on 31 March 2025 by an external valuer, CBRE Ltd. The valuations were prepared in accordance with the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards as they apply in the UK (updated and amended in 2019) and the Global Standards (updated in 2020) which incorporates the International Valuation Standards (IVS). The RICS Valuation – Professional Standards are often informally referred to as the "Red Book". In accordance with the Red Book and FRS 102, CBRE Ltd adopted Fair Value as the basis of valuation.

Further investment properties are included within "Assets in the course of construction" in Note 10. This principally consists of costs incurred to date in progressing the company's Development Consent Order (DCO) to obtain the necessary permissions for the expansion of the airport. These assets are held at fair value which, given the early stage of these projects, is estimated to be the costs incurred to this point.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

2. Accounting policies (continued)

Assets in the course of construction

Assets in the course of construction are stated at cost and not depreciated until they are ready for use. These assets include expenditure to construct the submission of the Development Consent Order (DCO) application with the expectation to receive government consent and approval to expand London Luton Airport to 32m passengers per year and future commercial development of Bartlett Square.

Property, Plant and Equipment

Property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to working condition for its intended use, dismantling and restoration costs and borrowing cost which are capitalised. This classification includes the Luton DART infrastructure asset which opened for commercial use on 27 March 2023 and was then transferred from assets in the course of construction. Depreciation on a straight line basis by the system components making up this infrastructure asset has been applied. The depreciation rates used range from 2% to 20%.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

Impairment policy

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when management deem testing for the asset is necessary, the company estimate the asset's recoverable amount.

The recoverable amount is the higher of an assets fair value less costs of disposal and its value in use. In assessing the value-in-use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

3. Critical accounting judgements and estimation of 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.

a) Critical judgements in applying the entity's accounting policies

The company has exercised judgement in classifying the costs incurred to date in progressing the DCO as an investment property, carried at fair value which is considered to equate to cost at the present time. Further, the judgement that the costs incurred cannot be reasonably divided into separate phases of expansion within the application is also a significant judgement.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

3. Critical accounting judgements and estimation of uncertainty (continued)

b) Critical accounting estimates and assumptions

Fair value of investment properties

The valuation, undertaken by CBRE Ltd, took into account forecasted future cash flows based primarily on passenger growth and was discounted using a discount rate of 7.28% (FY24: 10.50%) prior to the expiry of the current concession on 4 September 2032 (being an estimate of the company's long term weighted average cost of capital on a pre-tax basis). For the period after 4 September 2032 a discount rate of 12.25% (FY24:10.50%) was applied.

The calculation of the valuation involves significant judgement in respect of the volume of passengers, the concession fee rate and the appropriate discount rate to be applied, together with the relevant company costs of operating the airport. Management reviews actual results and market data where possible to form the most accurate judgements possible.

The discounted cash flow (DCF) analysis assumes a reversionary value of the airport at the expiry of the current concession on 04 September 2032, subsequently amended including assumptions on exit yield and income. The Directors consulted with industry specialists on determining the appropriate yield. The valuation was made in accordance with the RICS Appraisal and Valuation Manual.

DART impairment

The calculation of DART impairment involves significant judgement in respect of the volume of passengers, the price of tickets and the appropriate discount rate to be applied, together with the costs of operating the DART. Management reviews actual results and market data where possible to make the most accurate judgements possible.

Property, plant and equipment are assessed for impairment when an impairment trigger in accordance with FRS102 s27 is identified. As at 31 March 2025 a review of the forecast net cashflows in relation to the construction of the DART system was performed. The costs capitalised in the course of construction were £360.7m as at 31 March 2025. The recoverable amount was determined based on a value in use calculation which requires the use of assumptions. The recoverable amount was calculated as £121.4m, indicating that a reversal of impairment of £7.3m partially offsetting the carrying impairment of £239.8m reported in March 2024.

The recoverable amount is calculated based on discounted cash flow projections of the business over an asset useful economic life of 40 years where the recoverable amount is calculated using a pre-tax discount rate of 10.50%-12.0%.

Short term projections are based on the latest forecast approved by the Board and longer-term projections reflect 2.5% per annum inflation.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

3. Critical accounting judgements and estimation of uncertainty (continued)

The sensitivity analysis below shows the impact on the valuation of reasonably possible changes to the respective assumptions:-

		Increase/ (decrease) in asset valuation (£'m)
Operating Costs Growth	+10%	(12.2)
	-10%	12.2
Discount Rate	+0.5%	(8.3)
	-0.5%	9.3
Useful economic life	+10 years	1.5
	-10 years	(4.6)

	2025	2024
DART Cost of Sales	£'000	£'000
Ticket Sales	14,298	12,834
Cost of Sales	(7,913)	(1,455)
Gross Profit / (Loss)	6,385	11,379

Capitalisation of development project costs

The directors have reviewed each of the company's development projects to assess whether the costs incurred on them still meet the criteria for capitalisation, including the future expansion of the airport. On the basis of the forecast passenger numbers, provided by a number of sources both commissioned by and independent of the company, there is sufficient probability that future economic benefits will flow to the company to justify the continued capitalisation of the costs related to these projects and that the fair values of these is not less than the costs incurred.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

4. Concession Agreement

On 20 August 1998 ('the concession date') the company entered into a concession agreement with an unrelated entity, London Luton Airport Operations Limited ("LLAOL").

Under the terms of this agreement, LLAOL was granted a concession to operate the airport for a period of 30 years ('the concession period') and a lease over the company's land and buildings. In return LLAOL undertook to pay an annual concession fee to the company of £3 million as a minimum fixed payment or a greater amount based on workload units (being each departing and arriving passenger and each 100 tonnes of freight) as prescribed in the concession agreement and, subject to the continuing growth of passenger numbers, fund an extensive capital investment programme. At the end of the concession period, the assets, liabilities and operations of the airport revert to the ownership and use of the company.

At the concession date, the trading assets and liabilities of the company were transferred to LLAOL at book value. No profit or loss arose on the transfer of these assets and liabilities. The employees of the company were also transferred to LLAOL.

As the company no longer operates the airport itself, the land and buildings of the airport have become investment properties. At the instruction of the company, CBRE Ltd have valued the freehold interest in London Luton Airport as at 31 March 2025.

In August 2012 a supplemental agreement to the concession contract was reached between the company and LLAOL. This agreement committed LLAOL to undertake a significant programme of development works to increase the airport's capacity to handle throughput of up to 18 million passengers per year, in return for an extension of the concession period to 31 March 2031. The concession agreement was further amended in January 2014 to provide for a scheme to rebate the concession fee rate payable by the airport operator in certain circumstances, to encourage passenger growth.

In April 2020 LLAOL informed the company that, in their belief, because of the pandemic being declared, a Special Force Majeure event had occurred and that the provisions of clause 10.5 of the Concession Agreement had come into effect. This necessitated an extended period of negotiation: firstly between the company and LLAOL which culminated in a settlement being reached in May 2021; and, secondly between the company and its shareholder to agree a plan to support the company financially to enable it to continue as a going concern until such time as its income is sufficient to meet its expenses; this plan was approved in June 2021.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

4. Concession Agreement (continued)

A consequence of the Covid-19 pandemic resulted in the activation of a 'Special Force Majeure' provision as specified within the Concession Agreement. This provision provided for compensation to be paid to the airport operator (LLAOL), as a result of circumstances that were beyond its control. Subsequently, on 19th November 2021, both parties agreed a full and final settlement which resulted in the following primary financial outcomes:

- a) A further Supplemental Agreement and Settlement Agreement, both of which are dated 19 November 2021.
- b) The Supplemental Agreement extended the concession term, previously due to expire 31 March 2031 to 15 August 2032. The Supplemental Agreement adopts the 5-year adjustment mechanism in the Settlement Agreement, the operation of which can see small adjustments to the term of the concession up to a maximum period of 31 December 2032. Currently the end concession date is 4 September 2032 following adjustment for this year.
- c) A Special Force Majeure (SFM) settlement of £45m, payable by the company to the airport operator, with phased amounts payable during each of the financial years ended 31 March 2021, 2022, and 2023. These payments were as follows:
 - 31 March 2021 - £10,203,845
 - 31 March 2022 - £13,200,000
 - 31 March 2023 - £21,607, 859.

It was agreed by both parties that the SFM payment due as at 31 March 2021 as per the schedule above would be discharged and offset against the concession fee accrued to the company during the year to 31 March 2022.

- d) A variable payment termed 'Payment Adjustment Mechanism' (PAM) will activate when there is a difference between actual and forecast passengers travelling during the year. Both parties have agreed rates per passengers payable/ receivable if the passenger forecast is / is not achieved i.e. calculated as (actual PAX- minus base target PAX) x agreed rate per passenger). This PAM will terminate on 31 March 2026.

5. Turnover

	2025	2024
	£'000	£'000
Ticket Sales - DART	14,298	12,834
Concession Income	71,790	61,954
Other property income	869	1,847
Total Income	86,957	76,635

All turnover arose in the United Kingdom.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

6. Operating profit /(loss)

	2025	2024
	£'000	£'000
<hr/>		
Operating profit /(loss) is stated after the following amounts have been charged:		
Operating leases - land and buildings	3,610	3,180
Charge for enhanced pension payments	54	54
Charitable donations	7,690	7,690
Auditor's remuneration:		
The audit of the company	153	120

The shareholder, Luton Borough Council, provides professional services to the company. Charges to the company for these services amounted to £3,825k (2024: £3,654k). The operating lease for a car park on the airport premises and for the adjacent area of Wigmore Valley Park of £3,518k (2024: £3,086k) is on commercial terms. Luton Borough Council is the company's controlling party by virtue of its majority shareholding. Services to the company are carried out by employees of Luton Borough Council and the company is charged for these, therefore there is no key management personnel compensation.

Accounting and tax advisory services have been provided by Azets totaling £10k (2024 - £5k).

7. Directors' emoluments

Directors' emoluments for the financial year amounted to £nil (2024: £nil). The directors are either council members who do not qualify for remuneration, employees of Luton Borough Council or consultants.

8. Interest payable and similar expenses

	2025	2024
	£'000	£'000
<hr/>		
Interest on Debenture Loans - repayable after more than 5 years	35,258	33,923

The total interest paid in the year was £41,067k (2024: £39,925k), of which £5,809k (2024: £6,002k) in relation to the company's development projects was capitalised.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

9. Tax on profit

	2025	2024
	£'000	£'000
Current tax		
United Kingdom corporation tax on profits of the financial year	1,233	526
Deferred tax:		
Origination and reversing of timing differences	68,449	102,718
Adjustments in respect of prior years	(2,980)	8,158
Total deferred tax	65,469	110,876
Total tax (credit)/charge on profit	66,702	111,403
	2025	2024
	£'000	£'000
Profit /(Loss) before tax	261,378	418,793
Profit /(Loss) before tax multiplied by standard rate in the UK of 25% (2024: 25%)	65,344	104,698
Effects of:		
Expenses non-deductible for tax purposes	3,292	(99,813)
Deferred tax not provided for	440	(67)
Enhanced costs revalued properties	0	98,134
Income not Taxable	(1,044)	0
Adjustments in respect of prior years	(2,980)	8,158
Thin cap adjustment	1,650	292
Total tax charge/ (credit)	66,702	111,403

The tax assessed for the financial year is higher (2024: higher) than the standard rate of corporation tax in the UK of 25% (2024: 25%).

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

10. Investment properties

The interest in the airport and other properties has been valued in accordance with their circumstances and the principles set out in notes 2 and 3.

The "Assets in the course of construction" includes £11,545k (2024: £11,948k) in respect of the commercial development sites at Bartlett Square and Century Park and £94,170k (2024: £87,838k) in respect of the Future Luton project (Development Consent Order).

	Airport	Other Properties	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
Balance at 31st March 2024	1,543,800	28,400	105,071	1,677,271
Additions in year	-	-	14,618	14,618
Transfer between Asset Classes	-	13,237	(13,237)	-
Fair value adjustment	246,200	(9,742)	-	236,458
Balance at 31st March 2025	1,790,000	31,895	106,452	1,928,347

11. Property, plant & equipment

	DART £'000
Cost	
At 01 April 2024	359,790
Additions / (Corrections) in year	-
Balance at 31 March 2025	359,790
Depreciation and impairment	
At 01 April 2024	(242,977)
Depreciation charged in the year	(3,177)
Transfer between asset classes	-
Reversal of impairment in the year	7,306
Balance at 31 March 2025	(238,848)
Carrying amount	
Balance at 31 March 2025	120,942
Balance at 31 March 2024	116,813

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

12. Debtors	2025	2024
	£'000	£'000
Trade Debtors	1,132	1,013
Other Debtors and accrued concession fee income	16,227	15,499
Prepayments and other accrued income	2,080	1,195
Deferred tax (note 15)	9,457	13,172
Debtors at 31 March 2025	28,896	30,879

13. Creditors: amounts falling due within one year	2025	2024
	£'000	£'000
Corporation tax	434	455
Other creditors	13,827	14,683
Creditors: amounts falling due within one year at 31 March 2025	14,261	15,138

Included within other creditors are amounts due to the sole shareholder Luton Borough Council totaling £0.153m (2024: £0.003m)

14. Creditors: amounts falling due after more than one year	2025	2024
	£'000	£'000
Debenture loans		
Debenture loan 1 – interest fixed at 12%	3,153	3,153
Debenture loans 2 & 3 – interest at 4% over three months LIBOR	7,216	7,216
Debenture loan 4 – interest 4% over six months LIBOR	1,788	1,788
Debenture loan 5 – interest fixed at 12.125%	3,102	3,102
Debenture loan 6 – interest at 4% over six months LIBOR	1,662	1,662
Debenture loan 7 – interest at 7.58% over three months LIBOR	11,000	11,000
Debenture loan 8 – interest fixed at 11.5%	12,000	12,000
Debenture loan 9 – interest fixed at 11.5%	3,000	3,000
Debenture loan 10 – 115 – interest fixed at 8%	464,219	456,412
Creditors: amounts falling due after more than one year at 31 March 2025	507,140	499,333

The debenture loans are from Luton Borough Council, the shareholder and a further £7.8m was drawn down in the year. The repayment in full in a single payment of the principal in respect of debenture loans 1 to 6 is scheduled for 30 March 2028, loan 7 is for 01 April 2031 and loans 8 to 115 is for 31 December 2032. The debentures are secured on the total assets of the company.

It was also agreed that a further £20m of credit would be set aside if required from the operation of the Payment Adjustment Mechanism. This would not be financed by a loan but through the issue of redeemable preference shares.

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

15. Deferred tax asset

The deferred tax asset represents the following:

	2025	2024
	£'000	£'000
Deferred tax at 1 April	13,172	12,642
Deferred tax charge in the profit and loss account	(3,715)	530
Deferred tax asset at year end	9,457	13,172

16. Provisions for liabilities

The deferred tax liability primarily arises in relation to investment properties and fixed assets.

	2025	2024
	£'000	£'000
Balance at 1 April	355,400	243,938
Deferred tax in respect of fair value adjustments in year	62,986	111,462
Balance at year end	418,386	355,400

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

17. Pension commitments

Certain employees of the airport business prior to the granting of the concession contract had taken early retirement, and the company had agreed to enhance their pension benefits. A provision was made, in the financial year that the employee had retired, to reflect the present value of the anticipated future costs of providing the enhanced benefits.

The balance represents the company's unfunded obligation to make annual contributions to the Bedfordshire Local Government Pension Scheme (LGPS) in respect of former employees' entitlement to pension augmentations arising on redundancy. The LGPS is a defined benefit statutory scheme. The cost charged to the company is based on the actual cost attributable to the former employees.

a) Defined benefit scheme

An actuarial valuation of the Bedfordshire Pension Fund for the purposes of settling London Luton Airport Limited's actual contributions was carried out at 31 March 2024. The results of this valuation have been projected forward to 31 March 2025 by Barnett Waddingham LLP. The major assumptions used by the actuary were:

	2025 %	2024 %
Pension increase rate	2.90%	2.95%
Discount rate	5.60%	4.80%

b) The mortality assumptions used were as follows:

	2025 years	2024 years
Longevity at age 65 for current pensioners:		
- Men	21.1	21.1
- Women	24.0	23.9

	2025 £'000	2024 £'000
Pension value of scheme liabilities	(974)	(1,105)

c) Reconciliation of present value of scheme liabilities

	2025 £'000	2024 £'000
At 1 April	1,105	1,187
Interest cost	50	54
Unfunded benefits paid	(124)	(131)
Re-measurement of net defined benefit obligation	(57)	(5)
Present value of scheme liabilities at 31 March 2025	974	1,105

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

18. Called up share capital

At 01 April 2024 and 31 March 2025, the company's total authorised and issued share capital comprised 44,837,002 ordinary shares of £1, all of which were issued prior to the year and none of which the company held in treasury. Luton Borough Council is the company's sole shareholder. In the reporting period the company did not issue, retire or purchase any of its shares.

The company's entire authorised share capital is £60,000,000 comprising 60,000,000 ordinary shares. All of these shares are of the same class and carry equal voting rights and rank equally for dividends. The company has no securities in issue conferring special rights regarding control of the company.

	2025	2024
	£'000	£'000
60,000,000 (2024: 60,000,000) Authorised ordinary shares £1 each	60,000	60,000
44,837,002 (2024: 44,837,002) Allotted and fully paid	44,837	44,837

19. Operating lease commitments and contingencies

At 31 March 2025 the company was committed to making the following total payments in respect of operating leases relating to land and buildings.

	2025	2024
	£'000	£'000
Amounts payable in less than one year	2,916	2,270
Amounts payable between two and five years	11,665	8,875
Amounts payable in excess of five years	2,916	5,596

20. Financial Instruments

	2025	2024
	£'000	£'000
Financial assets		
Cash	20,683	9,385
Financial assets that are debt instruments measured at amortised cost	18,392	30,879
Financial liabilities		
Financial liabilities measured at amortised cost	519,035	514,016

London Luton Airport Limited

Notes to the financial statements for the year ended 31 March 2025 (continued)

21. Related parties

There are no transactions with related parties not wholly owned by the group headed by Luton Borough Council. The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned by the group headed by Luton Borough Council.

Charitable donations of £1.7m were made to the Culture Trust where some of the Trustees also served as directors of the company.

22. Parent entity and ultimate controlling party

The immediate and ultimate parent undertaking and controlling party is Luton Borough Council.

Luton Borough Council is the parent undertaking to consolidate these financial statements at 31 March 2025. The consolidated financial statements of Luton Borough Council are available from Town Hall, George Street, Luton, LU1 2BQ.

23. Subsequent events

The company's application for a Development Consent Order (DCO) to expand the airport to 32 million passengers per annum was accepted for examination by the Planning Inspectorate for England (PINS) in March 2023. The Examination Period began in August 2023 and concluded in February 2024 with PINS submitting their recommendation to the Secretary of State for Transport in May 2024. The Secretary of State gave a positive decision in April 2025 for the development to proceed.

