

daa plc

Unaudited Interim Condensed Consolidated
Financial Statements
for the six months ended
June 30, 2023

daa plc

Reports and unaudited interim condensed consolidated financial statements

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Interim report

The Directors have pleasure in presenting the unaudited interim condensed consolidated financial statements for the six months ended June 30, 2023 prepared in accordance with FRS104 Interim Financial Reporting.

Introduction

After a turbulent few years passenger numbers at both Dublin and Cork airports have recovered to pre-COVID levels for the six months ended June 30, 2023. During the first six months, a total of 17.1 million (June 30, 2022: 13.0 million) passengers passed through both airports which is a 32% increase on the comparative six-month period.

	January to June 2023 m	January to June 2022 m	% Change
Passengers	17.1	13.0	32%
Turnover	€458.8	€295.6	55%
Group EBITDA	€121.9	€97.7	25%
Group profit after tax	€52.6	€23.6	123%

Total Group turnover for the six months ended June 30, 2023 was €458.8 million (2022: €295.6 million), an increase of 55%. The improved domestic passenger numbers contributed to a 57% increase in domestic revenue to €337.1 million (June 30, 2022: €214.2 million).

Aeronautical revenue increased by 102% to €130.3 million (June 30, 2022: €64.5 million) and non-aeronautical revenue increased by 38% to €206.8 million (June 30, 2022: €149.7 million). Non-aeronautical revenue was primarily driven by strong food and beverage sales, retail sales, improved concessionaire revenue and increased use of carparking, lounge and other airport facilities.

The Group's international retail, consultancy and management business, operated through Aer Rianta International cpt (ARI) and daa International (daal) also continued to grow in the first half of 2023 with combined revenue of €121.7 million (June 30, 2022: €81.4 million), an increase in international revenue of 49% from the comparative period in 2022. The rise in revenue in daa's 24 international retail stores in 13 countries was driven by the combination of increased passenger volumes and increased passenger spend since 2022 for ARI, while daal has continued to grow its business.

Operational Performance

Dublin Airport facilitated more than 15.8 million passengers in the first six months of 2023, an increase of 32% compared to the same period in 2022 and up 2% on 2019 levels. Forty-six scheduled passenger airlines operated at Dublin Airport during the first half of 2023 and this included two new airlines.

Cork Airport welcomed 1.3 million passengers in the first half of 2023, an 8% increase on 2019. This year Cork Airport is expected to exceed 2019 passenger levels.

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Interim report

Our domestic retail stores also performed strongly in this period with revenue growth of 45% in the period versus the same period last year. This is driven by a continued growth in passenger numbers and passenger average spends, helped by the return in 2022 of duty free for UK destined passengers.

Dublin Airport delivered a marked improvement in the overall passenger experience compared to the prior period. Having experienced challenges with the rebound of passenger traffic in early 2022, significant improvements have been delivered across all key aspects of the passenger journey and Dublin Airport's overall passenger satisfaction rating is now back to the standards that we routinely delivered pre-COVID.

Security queue times at Dublin Airport have improved month on month and the passenger experience is significantly improved with 92.1% of passengers getting through security in less than 20 minutes between January and June 2023.

daa has been actively engaged in maintaining safety in relation to illegal drone operations at our airports. We acted quickly on this matter and following the purchase of counter-drone equipment, the training of relevant personnel and having recently received the necessary approvals, the technology is now fully operational and available for use as required.

The shortage of car parking facilities at Dublin Airport as a result of the closure of the QuickPark site continues to be an area of focus. Our bid to buy the QuickPark site remains under review by the Competition and Consumer Protection Commission (CCPC), pending a Phase 2 investigation by CCPC and until this matter is resolved the availability of this site as a car park in the future remains uncertain.

Total domestic operating costs (payroll and materials and services) for the period January to June were €189.3 million, representing an increase of 17% on the same period in 2022 primarily driven by resumption of normalised operations post-COVID. Our focus on recruitment continued into the early part of 2023 and our domestic full time equivalent employee numbers increased from 2,682 at the end of the prior period to 2,949 at June 30, 2023.

Capital Investment

Capital investment in the six-month period amounted to €81.3 million (June 30, 2022: €68.4 million, net of grants received of €2.3 million).

The spend to date this year includes investment in critical taxiways and stands on Dublin's airfield, the completion of a Hold Baggage Screening project in Terminal 1, spend on sustainability initiatives and the deployment of new C3 screening equipment in both terminals in Dublin Airport.

A key focus for infrastructure development at present and into 2024 will be securing planning permission to increase the capacity of Dublin Airport to 40 million passengers per annum and allow for the delivery of critical required capacity enhancements such as new piers, taxiways and other airside facilities.

International Overview

Aer Rianta International cpt (ARI)

ARI, our retail travel business continued to perform strongly across all its key locations for the six-month period to June 2023. Revenue generated by ARI's international business was €106.0 million, a 42% increase, compared to revenues of €74.8 million for the same period in 2022.

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Interim report

Trading has continued to be strong across our international retail locations, and we are very well positioned to capitalise on the substantial growth drivers across these locations. Following COVID-19 there is an increased pipeline of retail tenders coming to market. ARI is actively exploring opportunities to increase its current footprint of 26 airports across 13 countries and build on the success of winning the tender to operate duty retail in seven Portuguese airports in 2022.

Our strategy for incremental, profitable growth continues to deliver, as we prepare for the opening of a new Abu Dhabi store and the commencement of trading in November 2023. Our Portuguese business, Portugal Duty Free, in partnership with ANA Aeroportos de Portugal has had a successful period, as passenger numbers increased, arising from a post-lockdown growth in tourism travel. A significant refurbishment programme of the airport's retail space will commence in October 2023.

The number of international trading stores within ARI declined from 25 to 24 during the first six months of 2023 due to ARI Auckland not being selected as the preferred operator of choice, as Auckland Airport transitioned from a dual retail operator model to a single retail operator model. We exited this business at the end of May 2023.

daa International (daal)

daal's business has continued to grow during the first six months of 2023, generating revenues of €15.7 million, an increase of €9.1 million compared to the same period in 2022.

The daal team has just completed the second successful Hajj at the King Abdulaziz International Airport (KAIA) in Jeddah. daal provides operations, facilities maintenance and commercial services to KAIA, which is one of the fastest growing airports in the world.

At King Khalid International Airport (KKIA), daal continued to provide operational management services at Terminal 5, along with providing business continuity, business development, and commercial support services to the wider Riyadh Airport Company (RAC). daal also continues to provide advisory services on all areas of airport management, operations, certification, and aviation development for the new International Airport under construction at the Red Sea Resort.

Funding & Liquidity

For the six months ended June 30, 2023, the Group generated a cash outflow of €5.9 million in cash from operating activities (June 30, 2022: inflow €73.8 million) after repaying taxes warehoused during COVID-19 amounting to €81.5 million in April 2023. Total net debt is €923.1 million as at June 30, 2023 (June 30, 2022: €835.5 million).

It continues to be a priority to maintain a strong investment grade credit rating. daa has an 'A-/A-2' credit rating since July 2020. In June 2023 the outlook was revised from Negative to Stable due to the strong recovery in passengers and an improved financial performance.

Environmental, Social and Governance (ESG)

Our Corporate Strategy incorporates ambitious Environmental, Social and Governance (ESG) targets and we continue to play our role in facilitating the change required in the wider aviation industry to transition to a more sustainable model. Our commitment to being a sustainable business was validated with the award of the Business Working Responsibly Mark from Business in the Community Ireland in April 2023.

Environmental Sustainability

We have a group level commitment to reach Net Zero by 2050 and are embedding sustainability principles across all elements of our organisation, considering how we can reduce our own emissions (Scope 1 and 2) and use our influence to reduce the carbon emissions associated with our customers and stakeholders (Scope 3 emissions).

Across the business, we have actioned projects to make a real reduction in our carbon emissions and energy use. Over the past few months, we participated in the Reduce Your Use campaign, which communicated with over 3,000 people and contributed to an energy use reduction of 19% in Dublin Airport and 17% in Cork Airport. We also worked with ARI to reduce the energy used by lighting across our stores in The Loop. By introducing a smart schedule and automatic shutdown we will save 150 KWh of energy daily – a 10% reduction in energy in The Loop at Terminal 1. All these steps contribute to our sustainability and decarbonisation journey.

People

Recruitment activity continued at pace and in the first six months of this year we hired circa 900 people for frontline roles across Security, Operations and Retail with a further 130 external candidates hired into specialist roles.

Our 2023 graduate recruitment programme has concluded, resulting in 18 new hires and preparatory work is underway to launch our attraction strategy and recruitment campaign for 2024. We have also commenced a recruitment campaign for our apprenticeship programme commencing in the Autumn. This is a key programme to provide pipeline for multi-skilled technician roles in the future.

Community Engagement and Initiatives

We are an active supporter of social and sustainable development in the areas surrounding Dublin Airport. Through our Dublin Airport Community Fund, we have allocated over €250,000 to date in 2023 to over 60 local projects.


We continue to provide assistance to the humanitarian response to those fleeing wars and conflict by the provision of Castlemoate House free of charge as an overnight reception facility for those people arriving into Ireland seeking international protection.

Principal Risks and Uncertainties

Details of the principal risks and uncertainties facing the Group can be found in the 2022 Annual Report on pages 28 to 35 and continue to be the principal risks and uncertainties facing the Group for the remaining six months of the financial year. The Group actively manages all risks through its control and risk management process.



Kenny Jacobs
Director



Basil Geoghegan
Chairman

daa plc

Interim report

22 September 2023

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Directors' responsibility statement

The Directors are responsible for preparing the Interim Condensed Consolidated Financial Statements in accordance with FRS 104.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies for the Group Interim Condensed Consolidated Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Interim Condensed Consolidated Financial Statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the Interim Condensed Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records that correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy. They 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. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.



Kenny Jacobs
Director



Basil Geoghegan
Chairman

22 September 2023

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Interim condensed Group profit or loss account for the six months ended June 30, 2023

		June 2023	June 2023	June 2023	June 2022	June 2022	June 2022
	Note	Pre-exceptional Unaudited €000	Exceptional movements Unaudited €000	Total Unaudited €000	Pre-exceptional Unaudited €000	Exceptional movements Unaudited €000	Total Unaudited €000
Turnover – continuing operations	2	458,786	-	458,786	295,604	-	295,604
Operating costs							
Cost of goods for resale		(85,609)	-	(85,609)	(56,968)	-	(56,968)
Payroll and related costs	3	(131,539)	-	(131,539)	(106,724)	-	(106,724)
Materials and services		(121,043)	-	(121,043)	(90,706)	-	(90,706)
Other income	4	1,317	-	1,317	56,490	-	56,490
Earnings before interest, tax, depreciation and amortisation		121,912	-	121,912	97,696	-	97,696
Depreciation and amortisation		(67,113)	-	(67,113)	(60,993)	-	(60,993)
Gain on disposal/retirement of tangible assets and investment property		205	-	205	36	-	36
Fair value movement on investment property	6	-	4,093	4,093	-	880	880
Group operating profit – continuing operations		55,004	4,093	59,097	36,739	880	37,619
Share of operating profit							
Joint venture undertakings	5	1,137	-	1,137	738	-	738
Associated undertakings	5	8,309	-	8,309	3,587	-	3,587
Group profit before interest and taxation		64,450	4,093	68,543	41,064	880	41,944

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Interim condensed Group profit or loss account for the six months ended June 30, 2023

		June 2023	June 2023	June 2023	June 2022	June 2022	June 2022
	<i>Note</i>	<i>Pre-exceptional Unaudited €000</i>	<i>Exceptional movements Unaudited €000</i>	<i>Total Unaudited €000</i>	<i>Pre-exceptional Unaudited €000</i>	<i>Exceptional movements Unaudited €000</i>	<i>Total Unaudited €000</i>
Other net financial income	7	449	-	449	1,535	-	1,535
Interest receivable and similar income	7	9,295	-	9,295	719	-	719
Interest payable and similar charges	7	(14,019)	-	(14,019)	(14,683)	-	(14,683)
Group profit on ordinary activities before taxation		60,175	4,093	64,268	28,635	880	29,515
Taxation on profit on ordinary activities	6&8	(11,358)	(349)	(11,707)	(5,712)	(183)	(5,895)
Profit after taxation		48,817	3,744	52,561	22,923	697	23,620
Attributable to:							
Non-controlling interest		2,141	-	2,141	1,618	-	1,618
Equity shareholders of the Group		46,676	3,744	50,420	21,305	697	22,002
Profit for the financial period for the Group		48,817	3,744	52,561	22,923	697	23,620

Interim condensed Group statement of comprehensive income
for the six months ended June 30, 2023

	<i>Note</i>	June 2023 Unaudited €000	June 2022 Unaudited €000
Group profit for the financial period		52,561	23,620
Exchange differences on translation of overseas investments (arising on net assets)			
Subsidiary undertakings		294	2,225
Associated undertakings		(1,566)	373
Remeasurement of net defined benefit asset	22	12	1,272
Deferred tax charge on remeasurement of net defined benefit asset	22	(2)	(170)
Exchange differences on translation of overseas non-controlling interests		(313)	1,474
		<hr/>	<hr/>
Total other comprehensive income for the financial period		(1,575)	5,174
		<hr/>	<hr/>
Total comprehensive income for the financial period		50,986	28,794
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income for the financial period attributable to:			
Non-controlling interest		1,828	3,092
Equity shareholders of the Group		49,158	25,702
		<hr/> <hr/>	<hr/> <hr/>

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Interim condensed Group balance sheet as at June 30, 2023

		June 30, 2023 Unaudited €000	December 31, 2022 Audited €000
	<i>Note</i>		
Fixed assets			
Tangible fixed assets	9	2,081,927	2,060,851
Intangible assets	10	48,784	49,891
Investment property	11	216,316	212,223
		<hr/>	<hr/>
		2,347,027	2,322,965
		<hr/>	<hr/>
Fixed Assets - Investments			
Investments in joint venture undertakings		2,512	1,407
Investments in associated undertakings		83,412	78,353
Other financial assets		21,001	21,583
Long-term debtors		26,805	26,358
		<hr/>	<hr/>
Total investments	12	133,730	127,701
		<hr/>	<hr/>
Total fixed assets		2,480,757	2,450,666
Current assets			
Stocks	13	43,100	45,083
Debtors	14	110,373	68,286
Cash and cash equivalents		714,512	816,146
Other financial assets	15	-	605
		<hr/>	<hr/>
		867,985	930,120
Creditors: amounts falling due within one year	16	(276,246)	(339,210)
		<hr/>	<hr/>
Net current assets		591,739	590,910
		<hr/>	<hr/>
Total assets less current liabilities		3,072,496	3,041,576
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	17	(1,635,652)	(1,655,773)
Capital grants	19	(19,208)	(20,092)
Provisions for liabilities	20	(100,800)	(97,180)
		<hr/>	<hr/>
Net assets		1,316,836	1,268,531
		<hr/> <hr/>	<hr/> <hr/>

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Interim condensed Group balance sheet as at June 30, 2023

	<i>Note</i>	June 30, 2023 Unaudited €000	December 31, 2022 Audited €000
Capital and reserves			
Called up share capital – presented as equity		186,337	186,337
Profit or loss account		1,107,677	1,057,247
Other reserves		(532)	740
		_____	_____
Shareholders' funds			
Non-controlling interest		1,293,482	1,244,324
		23,354	24,207
		_____	_____
		1,316,836	1,268,531
		=====	=====

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Interim condensed Group statement of cash flows for the six months ended June 30, 2023

	<i>Note</i>	June 2023 Unaudited €000	June 2022 Unaudited €000
Net cash flows from operating activities	23	(5,874)	73,853
Cash flows from investing activities			
Dividends received	12	5,121	2,466
Loans to associated undertakings	12	(2,544)	-
Purchase of shareholding in associated undertakings		-	(2,940)
Proceeds from sale of tangible fixed assets		230	141
Additions to tangible fixed assets		(76,849)	(69,204)
Additions to intangible assets		(4,473)	(1,471)
Interest and similar income received		7,171	133
Income from other financial assets		382	387
		<hr/>	<hr/>
Net cash flows from investing activities		(70,962)	(70,488)
		<hr/>	<hr/>
Cash flows from financing activities			
Dividends paid to non-controlling interest		(2,681)	-
Repayment of bank loans		(17,669)	(18,082)
Interest and similar charges paid		(5,287)	(7,812)
Grants received	19	-	2,252
		<hr/>	<hr/>
Net cash flows from financing activities		(25,637)	(23,642)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(102,473)	(20,277)
		<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents at beginning of financial period		816,146	856,850
Effect of foreign exchange rate changes		839	1,443
Net decrease in cash and cash equivalents		(102,473)	(20,277)
		<hr/>	<hr/>
Cash and cash equivalents at end of financial period		714,512	838,016
		<hr/> <hr/>	<hr/> <hr/>

Interim condensed group statement of changes in equity

for the six months ended June 30, 2023

	Called-up share capital	Translation reserve	Other capital reserve	Profit or loss account	Total	Non- controlling interest	Total
	€000	€000	€000	€000	€000	€000	€000
At January 1, 2023 (audited)	186,337	494	246	1,057,247	1,244,324	24,207	1,268,531
Profit for the financial period	-	-	-	50,420	50,420	2,141	52,561
Movements in other comprehensive income – continued operations	-	(1,272)	-	10	(1,262)	(313)	(1,575)
Total comprehensive income	-	(1,272)	-	50,430	49,158	1,828	50,986
Non-controlling interest dividend paid	-	-	-	-	-	(2,681)	(2,681)
Balance at June 30, 2023 (unaudited)	186,337	(778)	246	1,107,677	1,293,482	23,354	1,316,836
At January 1, 2022 (audited)	186,337	138	246	942,867	1,129,588	18,433	1,148,021
Profit for the financial period	-	-	-	22,002	22,002	1,618	23,620
Movements in other comprehensive income	-	2,598	-	1,102	3,700	1,474	5,174
Total comprehensive income	-	2,598	-	23,104	25,702	3,092	28,794
Non-controlling interest dividend paid	-	-	-	-	-	-	-
Balance at June 30, 2022 (unaudited)	186,337	2,736	246	965,971	1,155,290	21,525	1,176,815

Interim condensed notes on and forming part of the interim condensed financial statements

for six months ended June 30, 2023

1 General information and basis of preparation

daa plc ('the Company') is a Company incorporated in Ireland under the Companies Act 2014. Its registered number is 9401 and the address of the registered office is Three The Green, Dublin Airport Central, Dublin Airport, Swords, Dublin.

The Company and its subsidiaries (together 'the Group') principal activities are airport development, operation and management, international airport retailing and international airport investment. The Group operates and manages Dublin and Cork Airports in Ireland. It undertakes airport retailing in Ireland and in a range of international locations through its subsidiary Aer Rianta International. International aviation operations, management and consultancy is provided through daa International. The Group currently has investments in three European airports and operates three airports in Saudi Arabia on a contract basis.

The interim condensed consolidated financial statements for the six months ended June 30, 2023 are prepared in accordance with FRS 104 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the financial year ended December 31, 2022.

The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there is no material uncertainty that may cast doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the group has adequate resources to continue in operational existence for a period of 12 months from when the interim condensed consolidated financial statements are authorised for issue.

The accounting policies, critical accounting judgements and estimates and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the financial year ended December 31, 2022.

Furthermore, the Group's accounting policy for discontinued operations is as follows:

The Group's operations and cash flows that can be clearly distinguished operationally and for financial reporting purposes from the other operating businesses, are classified as a discontinued operation if the component has either been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographic area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

Where determined to be material to the Group, the post-tax profit or loss of the discontinued operation is shown as a single amount on the face of the income statement, separate from the results for continuing operations of the Group and the comparative consolidated income statement is restated and presented as if the operation had been classified as such from the start of the comparative year.

The reporting currency of the Group is considered to be Euro, rounded to the nearest thousand (€000), as that is the currency of the primary economic environment in which the Group operates.

Interim condensed notes on and forming part of the interim condensed financial statements

for six months ended June 30, 2023

2 Turnover

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

By class of business	For the six months ended June 30,	
	2023	2022
	Unaudited	Unaudited
	€000	€000
Ireland		
Aeronautical revenue	130,332	64,460
Direct retailing and retail/catering concessions	106,139	73,493
Other commercial activities	100,621	76,219
	<hr/>	<hr/>
Total Ireland	337,092	214,172
International retail and other activities	121,694	81,432
	<hr/>	<hr/>
Total turnover	458,786	295,604
	<hr/> <hr/>	<hr/> <hr/>

Other commercial activities comprise income derived from car parks, property revenues including property rents and concessions and other miscellaneous commercial revenue.

By geographical area		
Australasia	22,273	14,578
Europe	383,033	246,907
Middle East	27,880	17,440
North America	25,600	16,679
	<hr/>	<hr/>
	458,786	295,604
	<hr/> <hr/>	<hr/> <hr/>

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

	For the six months ended June 30,	
	2023	2022
	Unaudited	Unaudited
	€000	€000
Sale of goods	179,773	126,279
Rendering of services	279,013	169,325
	<hr/>	<hr/>
Total turnover	458,786	295,604
	<hr/> <hr/>	<hr/> <hr/>

Interim condensed notes on and forming part of the interim condensed financial statements

for six months ended June 30, 2023

3 Payroll and related costs

	For the six months ended June 30,	
	2023	2022
	Unaudited	Unaudited
	€000	€000
Staff costs comprise:		
Wages and salaries	121,428	98,740
Social insurance costs	11,540	7,927
Retirement benefit costs (Note 22)	7,064	6,366
Other payroll and related costs	1,043	1,211
Staff costs capitalised into fixed assets (Note 9)	(9,536)	(7,520)
	<hr/>	<hr/>
Payroll and related costs	131,539	106,724
Governments' wage subsidy schemes (Note 4)	-	(4,722)
	<hr/>	<hr/>
Net payroll and related costs	131,539	102,002
	<hr/> <hr/>	<hr/> <hr/>

4 Other income

	For the six months ended June 30,	
	2023	2022
	Unaudited	Unaudited
	€000	€000
Governments' wage subsidy schemes	-	4,722
Government grant income	1,317	51,768
	<hr/>	<hr/>
	1,317	56,490
	<hr/> <hr/>	<hr/> <hr/>

At December 31, 2022, €1.3 million of Government grant funding was recognised in deferred income being state aid provided for Irish airports as part of damage compensation measures relating to the COVID-19 pandemic. This was utilised in 2023 to provide incentives and financial supports to airlines to restore connectivity post-COVID and recognised in the profit or loss account. At June 30, 2023, €nil of Government grant funding was recognised in deferred income (June 30, 2022: €55.7 million).

Interim condensed notes on and forming part of the interim condensed financial statements

for six months ended June 30, 2023

5 Share of operating profit of associated undertakings and joint ventures

The Group's share of profits after taxation in its associated undertakings and joint ventures, for the period is €9.4 million (June 30, 2022: profit of €4.3 million). Management fees and other direct income from these undertakings and joint ventures are included in turnover of the Group. The Group's share of any profits or losses from transactions between the Group and its associated undertakings and joint ventures are eliminated where they are included in the carrying amount of the assets in the associated undertaking/joint venture.

6 Exceptional items

Fair value movement on investment property

The Group has engaged independent valuation specialists to determine the fair value of its properties deemed to be investment properties at June 30, 2023 (see Note 11). These valuations resulted in the Group recognising a fair value increase of €4.1 million (June 30, 2022: €0.9 million). The impact on taxation was the recognition of a net deferred tax charge of €0.3 million (June 30, 2022: €0.2 million).

7 Finance income/(expense)

Other net financial income

	For the six months ended June 30,	
	2023	2022
	Unaudited	Unaudited
	€000	€000
Income from listed and trade investments	382	387
Financial assets revaluation	(686)	399
Amortisation of bond premium	753	749
	<hr/>	<hr/>
Total other net financial income	449	1,535
	<hr/> <hr/>	<hr/> <hr/>

Interest receivable and similar income

	2023	2022
	Unaudited	Unaudited
	€000	€000
Income from unlisted investments	8,812	473
Income on retirement benefits (Note 22)	483	246
	<hr/>	<hr/>
Total interest receivable and similar income	9,295	719
	<hr/> <hr/>	<hr/> <hr/>

Interim condensed notes on and forming part of the interim condensed financial statements

for six months ended June 30, 2023

7 Finance income/(expense) continued

	For the six months ended June 30,	
	2023	2022
	Unaudited	Unaudited
	€000	€000
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	5,130	5,702
Interest on loan notes	8,208	8,208
Amortisation of issue costs/other funding costs	478	414
Other interest payable	198	2,006
Movement in financial instruments	723	684
Interest expense on retirement benefits (Note 22)	411	258
	<hr/>	<hr/>
Total interest payable	15,148	17,272
Interest payable capitalised	(1,129)	(2,589)
	<hr/>	<hr/>
Total interest payable and similar charges	14,019	14,683
	<hr/> <hr/>	<hr/> <hr/>

8 Tax on profit on ordinary activities

The tax charge comprises:

	For the six months ended June 30,	
	2023	2022
	Unaudited	Unaudited
	€000	€000
<i>Current tax on profit on ordinary activities:</i>		
Corporation tax – Ireland	4,123	-
Overseas corporation tax	2,433	1,342
	<hr/>	<hr/>
Total current tax charge	6,556	1,342
	<hr/> <hr/>	<hr/> <hr/>
Deferred tax:		
<i>Origination/reversal of timing differences</i>		
Attributable to Group	5,086	4,466
Timing differences relating to retirement benefit obligations	65	87
	<hr/>	<hr/>
Total deferred tax charge	5,151	4,553
	<hr/> <hr/>	<hr/> <hr/>
Total tax charge on profit on ordinary activities	11,707	5,895
	<hr/> <hr/>	<hr/> <hr/>
Total current and deferred tax charge relating to items of other comprehensive income	2	170
	<hr/> <hr/>	<hr/> <hr/>

Interim condensed notes on and forming part of the interim condensed financial statements

for six months ended June 30, 2023

8 Tax on profit on ordinary activities continued

Corporation tax is provided on taxable profits at current rates.

The overall Group effective tax rate for the period ended June 30, 2023 is 18% (June 30, 2022: 20%). The key driver of the decrease in the effective rate is an increase in trading profits year on year attracting corporate tax at a lower rate.

Interim condensed notes on and forming part of the interim condensed financial statements

for six months ended June 30, 2023

9 Tangible fixed assets

Group	Terminal complexes & piers	Lands & airfields	Plant & equipment	Other property	Assets in the course of construction	Total
Cost	€000	€000	€000	€000	€000	€000
At January 1, 2023 (audited)	1,054,428	874,310	1,003,203	421,637	326,867	3,680,445
Additions	-	-	2,315	-	81,274	83,589
Transfer to completed assets	11,576	34,347	152,789	7,580	(206,292)	-
Transfer from intangible assets	-	-	-	-	129	129
Disposals/write-offs	-	-	(1,063)	-	-	(1,063)
Translation reserve	-	-	(37)	-	-	(37)
At June 30, 2023 (unaudited)	1,066,004	908,657	1,157,207	429,217	201,978	3,763,063
Depreciation						
At January 1, 2023 (audited)	450,386	270,157	692,971	206,080	-	1,619,594
Charge for the financial period	15,966	15,889	24,519	6,214	-	62,588
Disposals/write-offs	-	-	(1,026)	-	-	(1,026)
Translation reserve	-	-	(20)	-	-	(20)
At June 30, 2023 (unaudited)	466,352	286,046	716,444	212,294	-	1,681,136
Net book value						
At June 30, 2023 (unaudited)	599,652	622,611	440,763	216,923	201,978	2,081,927
At December 31, 2022 (audited)	604,042	604,153	310,232	215,557	326,867	2,060,851

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

9 Tangible fixed assets continued

The accounting policies used by the Group for tangible fixed assets, including depreciation, cost capitalisation and impairment reviews, are set out in the accounting policies disclosed in the consolidated financial statements for the financial year ended December 31, 2022.

Lands and airfields include airport land at a cost of €29.0 million (December 31, 2022: €29.0 million). Fixed asset additions include internal architectural, engineering and agency payroll costs of €9.5 million (June 30, 2022: €7.5 million).

Cost of fixed assets includes cumulative interest capitalised of €85.8 million (December 31, 2022: €84.7 million). Interest of €1.1 million was capitalised in six months ended June 30, 2023 (June 30, 2022: €2.6 million).

10 Intangible assets

	Software €000	Software under construction €000	Goodwill €000	Concession rights €000	Total €000
Cost					
At January 1, 2023 (audited)	32,282	7,631	25,624	67,279	132,816
Additions	18	4,455	-	-	4,473
Translation movement	(1)	-	-	20	19
Transfer to tangible fixed assets	-	(129)	-	-	(129)
Transfer to completed assets	2,685	(2,685)	-	-	-
Transfer to current assets	-	(42)	-	-	(42)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At June 30, 2023 (unaudited)	34,984	9,230	25,624	67,299	137,137
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation					
At January 1, 2023 (audited)	20,209	-	20,989	41,727	82,925
Charge for the financial period	2,956	-	959	1,494	5,409
Translation movement	(1)	-	-	20	19
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At June 30, 2023 (unaudited)	23,164	-	21,948	43,241	88,353
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At June 30, 2023 (unaudited)	11,820	9,230	3,676	24,058	48,784
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At December 31, 2022 (audited)	12,073	7,631	4,635	25,552	49,891
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The accounting policies used by the Group for intangible fixed assets, including amortisation, cost capitalisation, and concession rights are set out in the accounting policies disclosed in the consolidated financial statements for the financial year ended December 31, 2022.

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

11 Investment Property

	Investment property €000	Property under construction €000	Total €000
Valuation			
At January 1, 2023 (audited)	210,700	1,523	212,223
Revaluations (Note 6)	4,093	-	4,093
	<hr/>	<hr/>	<hr/>
At June 30, 2023 (unaudited)	214,793	1,523	216,316
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At December 31, 2022 (audited)	210,700	1,523	212,223
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Investment property comprises land and buildings owned by the Group and is measured at fair value at each reporting date with changes in fair value recognised in the profit or loss account. The fair value of the investment properties is based on a valuation by independent valuers who hold a recognised and professional qualification and have recent experience in the location and class of the investment properties being valued.

Valuations are carried out having regard to comparable market evidence relevant to each specific property or class of properties. In assessing fair value for all of the investment properties, current and potential future income has been capitalised using yields derived from market evidence. The external valuers, in discussion with the Group's management, have determined the appropriate judgements used in the valuations based on the size of the properties, rental values, repair and condition. There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

12 Fixed assets – Investments

	January 1, 2023 Audited €000	Increases Unaudited €000	Decreases Unaudited €000	At June 30, 2023 Unaudited €000
Joint venture undertakings				
Joint venture undertakings	14,363	1,137	-	15,500
Dividends received (gross)	(13,013)	-	-	(13,013)
Translation reserve	57	-	(32)	25
	<u>1,407</u>	<u>1,137</u>	<u>(32)</u>	<u>2,512</u>
Associated undertakings				
Equity interest at cost ¹	70,328	2,544	-	72,872
Share of post-acquisition profits / (losses)	312,451	8,309	-	320,760
Dividends received (gross)	(308,138)	-	(5,285)	(313,423)
Translation reserve	3,712	-	(509)	3,203
	<u>78,353</u>	<u>10,853</u>	<u>(5,794)</u>	<u>83,412</u>
Other financial assets				
Listed investments ¹	8,693	-	(766)	7,927
Other unlisted investments ¹	12,890	184	-	13,074
	<u>21,583</u>	<u>184</u>	<u>(766)</u>	<u>21,001</u>
Long-term debtors				
Loans to associated undertakings	<u>26,358</u>	<u>563</u>	<u>(116)</u>	<u>26,805</u>
Total financial assets	<u>127,701</u>	<u>12,737</u>	<u>(6,708)</u>	<u>133,730</u>

Loan to associated undertaking falls due after more than one year.

¹ Refer to consolidated financial statements for the financial year ended December 31, 2022 for explanation of the balance.

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

12 Fixed assets – Investments continued

In the opinion of the Directors, the net realisable values of the financial assets are not less than the carrying values. The basis on which financial assets are stated is set out in the accounting policies in the consolidated financial statements for the financial year ended December 31, 2022.

The key assumptions in the value-in-use calculations include growth rates of revenue and expenses (including minimum annual guarantees in concession lease agreements), discount rates and likelihood of lease renewal.

The principal operating subsidiary, associated and joint venture undertakings of the Group, all of which are included in the Group financial statements, together with the Group's beneficial holding of ordinary shares, net of minority interest, at June 30, 2023 are as set out in the consolidated financial statements for the financial year ended December 31, 2022 and are not repeated here.

13 Stocks

	June 30, 2023 Unaudited €000	December 31, 2022 Audited €000
Goods for resale	37,842	41,371
Maintenance	5,258	3,712
	<hr/> 43,100 <hr/>	<hr/> 45,083 <hr/>

The replacement value of stock was not materially different from the carrying amount. The cost of stock included in cost of sales amounts to €76.1 million (June 30, 2022: €53.9 million).

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

14 Debtors

	June 30, 2023	December 31, 2022
	Unaudited	Audited
	€000	€000
Amounts falling due within one year		
Trade debtors	71,760	25,964
Prepayments and accrued income	23,792	27,911
Due from associated undertakings	3,423	2,514
Corporation tax	1,106	74
Other debtors	7,268	9,316
	<hr/>	<hr/>
	107,349	65,779
 Amounts falling due after more than one year		
Pension asset (Note 22)	3,024	2,507
	<hr/>	<hr/>
	110,373	68,286
	<hr/> <hr/>	<hr/> <hr/>

15 Other financial (liabilities)/assets

	June 30, 2023	December 31, 2022
	Unaudited	Audited
	€000	€000
At January 1	605	6,453
Financial instruments movement	(723)	(5,848)
	<hr/>	<hr/>
	(118)	605
	<hr/> <hr/>	<hr/> <hr/>

At June 30, 2023, other financial assets are energy forward contracts. At June 30, 2023, energy forward contracts were valued at €0.1 million liability (December 31, 2022: €0.6 million asset), leading to a fair value loss of €0.7 million (December 31, 2022: loss of €5.8 million).

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

16 Creditors: amounts falling due within one year

	June 30, 2023	December 31, 2022
	Unaudited	Audited
	€000	€000
Bank loans (Note 18)	35,863	35,918
Trade creditors	19,294	20,313
Other creditors	31,691	105,764
Accruals	115,924	112,627
Deferred income	17,509	14,297
Capital accruals	55,847	50,291
Other financial liabilities (Note 15)	118	-
	<hr/> 276,246 <hr/>	<hr/> 339,210 <hr/>

Taxation and social welfare included in other creditors:

PAYE	3,629	58,184
PRSI	2,251	21,528
VAT	7,584	10,120
Other taxes	12,972	7,608
	<hr/> 24,436 <hr/>	<hr/> 97,440 <hr/>

Creditors for tax and social welfare are payable in the timeframe set down in the relevant legislation. In 2020, the Irish Revenue provided the ability for companies severely impacted by the COVID-19 pandemic to warehouse certain VAT and PAYE/PRSI liabilities on an interest free basis. The Group repaid €81.5 million of warehoused taxes in April 2023.

17 Creditors: amounts falling due after more than one year

	June 30, 2023	December 31, 2022
	Unaudited	Audited
	€000	€000
Bank loans (Note 18)	547,982	565,595
Loan notes (Note 18)	1,053,807	1,054,291
Other creditors and accruals	31,444	33,100
Deferred income	2,419	2,787
	<hr/> 1,635,652 <hr/>	<hr/> 1,655,773 <hr/>

Deferred income of €1.4 million (December 31, 2022: €1.4 million), falls due after more than five years.

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

18 Financial liabilities

	June 30, 2023	December 31, 2022
	Unaudited	Audited
	€000	€000
Repayable by instalments:		
Repayable within one year	35,863	35,918
Repayable within one to two years	29,947	32,506
Repayable within two to five years	163,889	151,184
Repayable after more than five years	354,146	381,905
	<hr/>	<hr/>
	583,845	601,513
Repayable other than by instalments:		
Repayable after more than five years	1,053,807	1,054,291
	<hr/>	<hr/>
	1,637,652	1,655,804
	<hr/> <hr/>	<hr/> <hr/>
Split as follows:		
Bank loans including overdrafts	583,845	601,513
Loan notes	1,053,807	1,054,291
	<hr/>	<hr/>
	1,637,652	1,655,804
	<hr/> <hr/>	<hr/> <hr/>
Included in creditors falling due within one year (Note 16)	35,863	35,918
	<hr/> <hr/>	<hr/> <hr/>
Included in creditors falling due after more than one year (Note 17)	1,601,789	1,619,886
	<hr/> <hr/>	<hr/> <hr/>

The loan notes comprise €550 million (December 31, 2022: €550 million) of loan notes, which carries 1.554% fixed rate Eurobonds, repayable in June 2028 and €500 million (December 31, 2022: €500 million) of loan notes, which carries 1.601% fixed rate Eurobonds, repayable in November 2032. Interest on the loan notes is payable annually on June 7, and November 5, respectively. Loan note also include borrowing costs of €3.9 million (December 31, 2022 €4.2 million). These loan notes are both listed on the main securities market of Euronext Dublin and are guaranteed by the company. At June 30, 2023, daa Finance plc also had a bank loan of €122.4 million (December 31, 2022: €130.0 million) which is guaranteed by the Company. The bank loan is a 20-year amortising loan from the European Investment Bank, carries a 1.05% fixed rate of interest, and is payable semi-annually. Interest on the bank loan is payable semi-annually in January and July.

At June 30, 2023, ARI-CTC Airports Limited, an 85.6% subsidiary of the daa plc Group, had a bank loan of €9.8 million (December 31, 2022: €10.0 million) from a €12.1 million borrowing facility. The utilised facility carries an interest coupon of 2.1%, is payable in equal instalments and matures on April 20, 2031.

The Company has bank loans at June 30, 2023 of €451.7 million (December 31, 2022: €461.5 million) are unsecured and are repayable semi-annually by instalments. The fixed interest rates on the bank loans ranges from 0.91% to 4.6%. The loans are due to mature between July 2023 and June 2040.

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

18 Financial liabilities continued

Net debt for the period totalled €923.1 million (December 31, 2022: €839.7 million).

Borrowing facilities

The Group has a €450 million undrawn committed revolving credit facility as at June 30, 2023 in respect of which all conditions precedent have been met (December 31, 2022: €450 million). This facility expires in less than four years on March 26, 2027.

19 Capital grants

	30 June 2023 Unaudited €000	31 December 2022 Audited €000
At 1 January	20,092	18,712
Amortised to profit or loss account	(884)	(1,931)
Grants received	-	3,311
	<hr/>	<hr/>
Total	19,208	20,092
	<hr/> <hr/>	<hr/> <hr/>

Grants received in 2022 relate mainly to Single European Sky ATM Research (SESAR) grants. Capital grants are recognised when there is reasonable assurance that the Group will comply with the conditions associated with the grant.

20 Provisions for liabilities

	Insurance and other €000	Deferred tax (Note 21) €000	Restructuring programme €000	Pension restructuring €000	Total €000
At January 1, 2023 (audited)	25,059	69,035	350	2,736	97,180
Charge/(credit) for the financial year	(866)	5,150	-	-	4,284
Utilised during the financial year	(664)	-	-	-	(664)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At June 30, 2023 (unaudited)	23,529	74,185	350	2,736	100,800
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

21 Deferred tax liability

	June 30, 2023 Unaudited €000	December 31, 2022 Audited €000
Deferred tax		
Deferred tax is provided as follows:		
Timing differences on capital allowances	49,315	48,589
Amounts temporarily not deductible for corporation tax	(13)	79
Tax losses available	(1,366)	(5,647)
Deferred tax assets arising in relation to retirement benefit obligations	383	318
Deferred tax on revaluations	23,098	22,748
Deferred tax in relation to goodwill	2,768	2,948
	<hr/>	<hr/>
Total Deferred tax liability	74,185	69,035
	<hr/> <hr/>	<hr/> <hr/>

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

22 Retirement benefits

The Group participates in a number of pension schemes, including both defined contribution and defined benefit schemes for its staff. Pension scheme assets are held in separate, Revenue-approved, trustee administered funds. The Group has accounted for retirement benefits under defined schemes in accordance with FRS 102, Section 28 (Employee Benefits).

Details of the pension schemes that daa participates in, in respect of its staff, are set out in the consolidated financial statements for the financial year ended December 31, 2022. There have been no changes in the six months ended June 30, 2023.

	June 30, 2023 Unaudited €000	June 30, 2022 Unaudited €000
Defined benefit arrangements - service cost	-	60
Defined contribution schemes	7,064	6,306
	<hr/>	<hr/>
	7,064	6,366
	<hr/> <hr/>	<hr/> <hr/>

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

22 Retirement benefits continued

The combined pension assets/(liabilities) of arrangements, accounted for as defined benefit schemes were as follows:

	June 30, 2023	December 31, 2022
	€000	€000
Present value of defined benefit obligations	(19,522)	(18,878)
Fair value of plan assets	22,546	21,385
	<hr/>	<hr/>
Gross asset	3,024	2,507
Related deferred tax asset	(382)	(318)
	<hr/>	<hr/>
Net asset	2,642	2,189
	<hr/> <hr/>	<hr/> <hr/>
Change in net asset/(obligation)		
Net asset/(obligation) at beginning of financial period	2,507	(1,986)
Current service cost	-	(79)
Net interest income/(expense)	72	(21)
Remeasurement (loss)/gain	(142)	4,204
Employer contributions	482	877
Administrative expenses	(31)	(95)
Translation (loss)/gain	(3)	1
	<hr/>	<hr/>
	2,885	2,901
Effect of recognition restriction	139	(394)
	<hr/>	<hr/>
Net asset at end of financial period	3,024	2,507
	<hr/> <hr/>	<hr/> <hr/>
Amounts recorded in other comprehensive income		
	June 30, 2023	June 30, 2022
	Unaudited	Unaudited
	€000	€000
Remeasurement of net defined asset	12	1,272
Deferred tax on asset	(2)	(170)
	<hr/>	<hr/>
	10	1,102
	<hr/> <hr/>	<hr/> <hr/>

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

23 Cash flow statement

Reconciliation of operating profit to cash generated by operations:

	<i>Note</i>	June 30, 2023 Unaudited €000	June 30, 2022 Unaudited €000
Operating profit		59,097	37,619
Adjustment for:			
Depreciation charge	9	62,588	56,936
Restructuring costs	20	-	89
Fair value gain movement on investment properties	11	(4,093)	(880)
Amortisation/write-off of intangible assets and goodwill	10	5,409	5,179
Increase in pension asset		(466)	(726)
Increase in insurance liability	20	(866)	(291)
Profit on disposal and retirements of tangible and intangible assets and investment properties		(205)	(19)
Amortisation of capital grants	19	(884)	(1,122)
		<hr/>	<hr/>
Operating cash flow before movement in taxation and working capital		120,580	96,785
Taxation paid		(1,032)	(1,201)
		<hr/>	<hr/>
Operating cash flow before movement in working capital		119,548	95,584
Decrease/(increase) in stocks		1,983	(7,072)
Increase in debtors		(39,553)	(30,671)
(Decrease)/increase in creditors		(87,188)	18,905
Payments in respect of exceptional restructuring provisions	20	-	(2,034)
Payments in respect of insurance and other provisions	20	(664)	(859)
		<hr/>	<hr/>
Cash flow from operating activities		(5,874)	73,853
		<hr/> <hr/>	<hr/> <hr/>

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

24 Financial instruments

Narrative disclosures concerning the Group's treasury policy and management are set out in the 2022 Chief Financial Officers Review included in the Group Annual Report for December 31, 2022. The required disclosures in respect of relevant financial assets and liabilities (as defined) in accordance with FRS 102 Section 11 (Basic Financial Instruments) are provided below. Relevant financial assets/liabilities exclude short-term debtors and creditors and investments in subsidiaries and associated undertakings.

(i) Interest rate risk profile of financial liabilities and assets

The interest rate profile of the Group's relevant financial liabilities and interest bearing relevant financial assets at June 30, 2023 was:

	<u>June 30, 2023</u>			<u>December 31, 2022</u>		
	Unaudited			Audited		
	Total	Floating rate	Fixed rate	Total	Floating rate	Fixed rate
	€000	€000	€000	€000	€000	€000
<i>Financial liabilities</i>						
Euro	(1,637,652)	(9,799)	(1,627,853)	(1,655,804)	(10,003)	(1,645,801)

Financial liabilities above relate to bank loans and loan notes held by the Group.

Financial assets

Euro	675,704	675,704	-	768,882	768,882	-
Sterling	1,428	1,428	-	1,681	1,681	-
US dollar	15,938	15,938	-	21,655	21,655	-
Canadian dollar	8,223	8,223	-	7,463	7,463	-
New Zealand dollar	2,503	2,503	-	5,943	5,943	-
Saudi riyal	10,658	10,658	-	10,452	10,452	-
Australian dollar	10	10	-	64	64	-
Other	48	48	-	6	6	-
	714,512	714,512	-	816,146	816,146	-

Financial assets above relate to cash and cash equivalents held by the Group. The weighted average interest rate for fixed rate Euro currency financial liabilities was 1.5% (December 31, 2022: 1.5%) and the weighted average period for which the rate was fixed was 9.1 years (December 31, 2022: 10.9 years). There were no financial liabilities on which no interest is paid. The floating rate financial assets comprised term and call bank deposits of less than one year that bore interest based on market rates.

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

24 Financial instruments continued

(ii) Carrying values of financial liabilities and assets

Set out below are the carrying values of the Group's relevant financial assets and liabilities:

	June 30, 2023	December 31, 2022
	Unaudited	Audited
	€000	€000
Financial Assets		
Measured at fair value through profit or loss		
Financial asset	7,927	9,298
Measured at amortised cost		
Loan stock receivable	13,074	12,890
Cash and cash equivalent	714,512	816,146
Trade debtors	71,760	25,964
Other debtors	7,268	9,316
Amounts due from associated undertakings	30,228	28,872
	<hr/>	<hr/>
	844,769	902,486
	<hr/> <hr/>	<hr/> <hr/>
Financial Liabilities		
Measured at fair value through profit or loss		
Financial liabilities	118	-
Measured at amortised cost		
Bank loans and overdrafts	583,845	601,513
Loan notes	1,053,807	1,054,291
Trade creditors	19,294	20,313
Other creditors	31,691	105,764
	<hr/>	<hr/>
	1,688,755	1,781,881
	<hr/> <hr/>	<hr/> <hr/>

Financial assets and liabilities measured at fair value through profit or loss comprise listed investments and forward energy contracts. The fair value of listed investments measured at fair value through the profit or loss are determined using quoted prices on relevant stock exchange. The Group enters into energy forward contracts to reduce exposure to energy price risk. The fair value of forward energy contracts measured at fair value through the profit or loss are determined using quoted prices.

The fair values of assets and liabilities, held at fair value through the profit and loss, are determined using quoted prices in place at each balance sheet date. At the balance sheet date the fair values of the relevant financial assets and other creditors falling due after more than one year were not materially different from their carrying value.

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

24 Financial instruments continued

The fair values of assets and liabilities, held at fair value through the profit or loss, are determined using quoted market prices in place at each balance sheet date.

At the balance sheet date, the fair values of the relevant financial assets and other creditors falling due after more than one year were not materially different from their carrying value.

(iii) Income, expense, gains and losses in respect of financial instruments

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	June 30, 2023 Unaudited €000	June 30, 2022 Unaudited €000
Interest income and expense		
Total interest expense for financial liabilities at amortised cost	(13,536)	(15,916)
Total interest income for financial assets at amortised cost	9,195	336
Fair value gains and (losses)		
On financial assets measured at fair value through profit or loss	(1,291)	(285)
On financial liabilities measured at fair value through profit or loss	(118)	-

25 Commitments and related matters

	June 30, 2023 Unaudited €000	December 31, 2022 Audited €000
(i) Capital commitments		
Contracted	56,449	23,738
Authorised by the Directors but not contracted for	187,974	230,383
	244,423	254,121

Interim condensed notes on and forming part of the Financial Statements
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25 Commitments and related matters continued

(ii) International concession agreements

Certain international retail activities of the Group are subject to arrangements that include guaranteed minimum concession fees.

Guaranteed minimum concession fees payable over the life of concession agreements that are in place as at June 30, 2023 were made up as follows:

	June 30, 2023 Unaudited €000	December 31, 2022 Audited €000
Payable on concession agreements within:		
One year	34,120	51,013
Two to five years	143,841	134,499
Greater than five years	73,384	93,172
	<hr/> 251,345 <hr/>	<hr/> 278,684 <hr/>

At June 30, 2023, €14.9 million (December 31, 2022: €15.4 million) of these commitments had been secured by performance bonds issued by banks and guaranteed by the Group. Subsequent to June 30, 2023, the Group, pursuant to its exit from its concession agreement with Auckland Airport in May 2023, agreed with its counterparties, to cancel its performance bond of €12.0 million granted to the Airport, as required under this agreement. It also cancelled a customs guarantee for €0.1 million with the Comptroller of Customs New Zealand.

Other commitments, guarantees and contingencies

In the normal course of business, the Group has entered into commitments for the future supply of gas and electricity at its Irish airports. At June 30, 2023, the purchase commitments amounted to €0.9 million (December 31, 2022: €1.5 million).

In the ordinary course of business, certain subsidiary undertakings have provided back to back guarantees to (a) financial institutions in respect of guarantees issued on those subsidiary entities' behalf to customs, taxation and related authorities of €10.4 million (December 31, 2022: €13.5 million), and (b) in another instance, to a co-shareholder in respect of its proportionate share of guarantees issued on that subsidiary's behalf as security in relation to their ongoing commercial obligations to an aggregate extent of €9.8 million (December 31, 2022: €10 million). Any outstanding amounts in relation to the underlying obligations were already included in the Group's balance sheet at December 31, 2022.

In the normal course of business, certain subsidiary undertakings have provided guarantees, security or indemnities in respect of certain obligations and liabilities related to particular associated and joint venture undertakings to a partial or capped level. As at June 30, 2023, and at December 31, 2022, no liabilities or other obligations have arisen pursuant to these obligations.

Interim condensed notes on and forming part of the Financial Statements
for six months ended June 30, 2023

26 Related party disclosures

The related parties of the Group, as defined by FRS 102, Section 33 (Related Party Disclosures), the nature of the relationship and the extent of transactions with them (excluding subsidiary undertakings), are summarised below.

	June 30, 2023 Unaudited €000	June 30, 2022 Unaudited €000
Associated undertakings		
Management charges to associated undertakings	2,128	777
Dividends received from associated undertakings and joint ventures	5,121	2,272
	June 30, 2023 Unaudited €000	December 31, 2022 Audited €000
Associated undertakings		
Due from associated undertakings at period-end/year-end	30,228	28,870

Other than as set out in Note 12, outstanding balances with related parties are unsecured, interest free and cash settlement is expected within the specified payment terms. There were no amounts provided for or written off in the period in respect of debts due to or from related parties.

The Group deals in the normal course of business with Government and state bodies and other entities that are under ownership, control or significant influence from the Government. Such dealings are with a wide range of entities that include central government, local authorities, commercial and non-commercial semi-state companies and financial institutions.

Terms and conditions of transactions with related parties

Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 30 days of invoice. The Group has not provided or benefited from any guarantees for any related party receivables or payables. There were no amounts provided for or written off in the period in respect of debts due to or from related parties.

27 Discontinued operations

During 2022, the Group took part in a tender process commenced by Auckland International Airport (the Airport), to extend its existing concession agreements and to transition it from a dual to a single operator model. The process completed in early 2023 and the Group was not successful.

Subsequently, ARI Auckland Limited (a subsidiary of daa plc Group, which held the concession agreements) (ARIA) and the Group decided to initiate a formal process to exit from its operations at the Airport. As a result, ARIA terminated its existing concession agreements with the Airport effective from May 31, 2023.

Due to the cessation of the concession and the approval by the relevant Board of Directors, the Auckland operating business is a discontinued operation but is not considered material to the Group and consequently has not been separately reported as a discontinued operation in these financial statements.

28 Comparative information

Certain prior year items have been reclassified to be consistent with current year presentation.

29 Events after the end of the reporting period

Subsequent to June 30, 2023, and before the approval of the interim condensed consolidated financial statements, the Group, pursuant to its exit from its concession agreement with Auckland Airport in May 2023, agreed with its counterparties, to cancel its performance bond of €12.0 million granted to the Airport, as required under this agreement. It also cancelled a customs guarantee for €0.1 million with the Comptroller of Customs New Zealand.

On July 28, 2023, Fingal County Council served daa with an Enforcement Notice relating to a restriction on night-time flights requiring compliance within 6 weeks. On August 8, 2023, daa applied to the High Court seeking leave to apply for a judicial review, which was granted. daa are permitted to operate as normal pending the determination of the judicial review proceedings.

No other significant events affecting the Group have occurred since June 30, 2023 which would require disclosure or amendment of the interim condensed consolidated financial statements.