



# 2025 ANNUAL REPORT





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# OVERVIEW

London International Airport (YXU) is the leading gateway for Southwestern Ontario—designed to move people and businesses efficiently, comfortably, and competitively.

With a relentless focus on passenger experience, operational reliability, and sustainable growth, YXU delivers convenient air service, seamless ground access, and a thoughtfully designed, high-value airport experience. Our strategic investments, airline partnerships, and infrastructure development are positioning London International Airport as the region's airport of choice—supporting economic growth, connectivity, and opportunity across Southwestern Ontario.

**ANNUAL PASSENGERS**  
**297,822**

**AIRCRAFT MOVEMENTS**  
**112,009**

**CAPITAL INVESTMENTS**  
**\$1.65 M**

**TENANTS**  
**65 +**



# MESSAGE FROM THE CHAIR AND PRESIDENT

In 2025, the Greater London International Airport Authority (GLIAA) continued to navigate a Canadian aviation landscape marked by ongoing uncertainty. While demand for air travel remains strong, regional airports across the country continue to face persistent challenges related to airline capacity constraints, fleet availability, pilot and crew shortages, and broader economic and geopolitical headwinds. These pressures have limited the pace at which passenger services can rebound and expand, particularly outside major hub airports.

Against this backdrop, London International Airport remained focused on execution, resilience, and long-term positioning. The Authority's strategy continues to prioritize responsible financial stewardship, revenue diversification, and infrastructure investment that supports both aviation and non-aviation growth. These efforts have allowed GLIAA to remain financially disciplined while advancing initiatives that strengthen the airport's role as a regional economic engine.

Despite the ongoing constraints within the passenger aviation sector, the airport generated stable operating revenues in 2025 and continued to manage costs prudently. Investments in capital infrastructure were undertaken to improve operational efficiency, enhance tenant services, and support future development opportunities, while maintaining an appropriate cash position and a strong balance sheet.

Aircraft movements at London International Airport remained strongly supported by flight training and specialty aviation activity, growing 15% in 2025 and reaching a new record of over 112,000 movements. YXU continues to be one of the most active flight training airports in Canada, with operations supported by Diamond Flight Centre, MFC Training, Western University, Fanshawe College, and the International Test Pilot School. Growth in business aviation, cargo, medical services, law enforcement, military, and specialized flight operations further reinforced the airport's role as a critical aviation asset for Southwestern Ontario.



Airline service in 2025 continued to reflect industry-wide limitations rather than a lack of market demand. The Authority maintained active engagement with airline partners and remains well positioned for future service expansion as fleet availability improves and sector conditions stabilize. London's catchment area, demographic profile, and economic fundamentals continue to support a strong long-term case for additional capacity and connectivity.

A key focus throughout 2025 was continued progress in land development and aerospace-related initiatives. New aviation facilities reached completion, additional hangar and commercial developments advanced through planning and construction stages, and further opportunities within the YXU Aerospace Hub framework moved closer to realization. These initiatives build long-term, stable revenue while reinforcing the airport's strategic role in advanced manufacturing, testing, education, training, research and innovation.

Community engagement remained central to GLIAA's mandate. In 2025, the airport once again hosted major events such as Airshow London, YMCA's Run the Runway, and Girls in Aviation Day, while adding Rock the Runway and the United Way Plane Pull. YXU also continued to provide recreational and community amenities that connect residents to the airport in meaningful ways. These activities reflect the airport's unique position as both critical infrastructure and a shared community space.

Internally, GLIAA continued to invest in its people and organizational capacity. The Authority built on recent restructuring efforts by strengthening operational oversight, enhancing service delivery, and aligning resources with long-term strategic priorities. We remain deeply appreciative of the dedication, professionalism, and adaptability of our staff, whose efforts underpin the airport's day-to-day success and future growth.

2025 also marked an important transition in Board leadership. We extend sincere thanks to Gus Kotsiomitis for his leadership and contributions as Board Chair. We are pleased to welcome Michelle Campbell as the new Chair of the Board of Directors. Michelle brings a strong background in governance, strategic leadership, and community engagement and her appointment reflects the Board's continued focus on disciplined oversight and long-term value creation for the community.

London International Airport remains a vital driver of economic development for the City of London and the broader region—supporting jobs, investment, education, and connectivity. While challenges persist across the aviation industry, the fundamentals at YXU are strong. With a diversified business model, expanding aerospace footprint, and clear strategic direction, we remain confident in the airport's future and its enduring contribution to Southwestern Ontario.



**Scott McFadzean**  
President & CEO



**Michelle Campbell**  
Board Chair



# STRATEGIC PLAN

## OUR VISION

To aggressively develop London International Airport into Southwestern Ontario's premier aviation centre.

## OUR MISSION

Aggressively contribute to driving the region's economic prosperity through the relentless pursuit of aviation, academia, training, and commercial development, while focusing on first class customer service.

# STRATEGIC PILLARS



**REVENUE GROWTH**



**OPERATIONAL & SERVICE EXCELLENCE**



**ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)**



# CORE VALUES

## ECONOMIC GROWTH AND COMMUNITY PARTNERSHIP

Grow our business and support community and tourism through partnerships, advocacy, innovation, and communication.

## UNCOMPROMISING CUSTOMER EXPERIENCE

Focus on a positive and “can do” attitude in all relationships and focus on understanding, engaging and responding to exceed all customer expectations.

## ADAPTABILITY

Understand underlying risks, proactively plan for the unexpected and adapt change to survive and grow.

## SAFETY AND SECURITY

Ensure compliance with regulatory obligations, while focusing on the safety and security of airport users, airport assets and staff.

## SUSTAINABILITY

Focus on the financial health of the airport and duty of care to the environment, the organization, and our families.

## TEAMWORK

We are stronger when we work together. Promote and act with fairness, integrity, dignity and respect for ourselves and others.

# AIRLINE PARTNERS

Thank you to our airline partners for their commitment to London International Airport and Southwestern Ontario, helping us provide exceptional service and connectivity to travelers.



# LAND DEVELOPMENT

The London International Airport welcomed new hangar developments in 2025 to support our ever growing base of aircraft located at YXU. From General Aviation hangars to business aviation to recreational facilities, we continue to build and support the community in Southwestern Ontario and beyond.



# FBO

Construction continued to progress on the new Fixed Based Operator (FBO) facility at the north end of the airfield. This facility, slated to finalize completion in mid-2026, will be a world class corporate aviation facility and one of the nicest FBO facilities in the country.



With the growing presence of business jets located at and transiting through YXU, this facility continues to serve the private aviation sector with best in class facilities and service.

# MFC



YXU was excited to welcome MFC Training to our growing Aerospace Hub in September 2025. Providing flight training for the Western University Commercial Aviation Management (CAM) program, MFC has grown to become one of the largest and most experienced flight training schools in Canada. With a fleet of over 50 training aircraft, MFC is well positioned to support the continued growth of Western's CAM program.



## AIRCRAFT MOVEMENTS REACHING NEW ALTITUDES

Aircraft movements have increased from 97,400 in 2024 to 112,009 in 2025, reflecting strong growth in activity and the continued expansion of operations. This upward trend highlights the positive impact of the new flight training school and increased utilization of the airfield.



# AVIATION & AEROSPACE EDUCATION

London International Airport continues to serve as a national hub for aviation education. In 2025, the Thames Valley District School Board launched a full-year aviation high school program located at YXU, giving students immersive, hands-on learning experiences connected to industry within an airport environment.

Together with other valued tenant partners—Fanshawe College's Norton Wolf School of Aviation and Aerospace Technology, International Test Pilots School, and Western University—YXU supports education pathways from high school through advanced professional training, positioning the airport as a national leader in aviation and aerospace education.



# ● THE BEACH HANGAR

The grand opening of The Beach Hangar, a 23,000sq.ft. indoor beach volleyball facility, was a tremendous success in the community. This facility is London's hot spot for sandy sports and community hang time. With 6 state-of-the-art courts, restobar and outdoor patio, The Beach Hangar offers year-round beach fun.



# ROCK THE RUNWAY

The London International Airport was proud to partner with Jones Entertainment Group to bring a one-of-a-kind music event to YXU with charitable donations supporting the Children's Hospital Foundation. The 2-day Rock the Runway music festival was a huge success, breaking all Southwestern Ontario records for attendance, tourism and economic impact. The event was awarded the Innovation of the Year Award at the 2025 Ontario's Southwest Tourism Awards.



## AIRSHOW LONDON

Airshow London celebrated its 10th anniversary in style with another spectacular year of aerobatic and static aviation displays. With attendance from all branches of the US Military and Canadian Armed Forces and welcoming visitors from 463 Cities and 27 Countries, it was truly a remarkable event. More than 3,000 students were welcomed to Education Day, meeting crews and visiting the static display, furthering YXU's mission to help inspire the next generation of aviation professionals.

# OUR COMMUNITY



## JORDAN'S RUN THE RUNWAY

Now in its 11<sup>th</sup> year, this incredible event has raised over \$1.6M for YMCA's Camp Queen Elizabeth honouring the life legacy of Jordan Strickland. This 5km run at YXU continues to build momentum and has now spread out to four airport locations across southwestern Ontario.



## RIDE THE RUNWAY - CMHA

YXU welcomed Ride the Runway for Mental Health raising funds in support of the Canadian Mental Health Association (CMHA). Many gathered to take part, by riding their bikes, walking or running around a closed section of the airport to support the charitable event in memory of Kate Harris.



## GIRLS IN AVIATION DAY

YXU proudly supported Girls in Aviation Day, welcoming nearly 1,000 girls in grade 6-8 to our airport. This incredible event was designed to inspire the next generation of women in aviation, aerospace and STEAM. These young women had the unique opportunity to get up close to aircraft and engage with interactive stations led by professionals across the aviation and STEAM sectors.



## UNITED WAY PLANE PULL

The inaugural United Way Plane Pull brought together more than 35 corporate and community teams for an exciting fundraising challenge. Participants tested their teamwork and strength by pulling aircraft across the YXU tarmac while raising over \$50,000 to fund vital local programs.

# ● OUR TEAM

London International Airport is supported by a highly skilled, dedicated, and professional team committed to the safe and efficient operation of the airport every day. Our staff bring deep expertise, strong collaboration, and a shared sense of pride to their work, ensuring positive experiences for passengers, tenants, partners, and the broader community.

Through periods of growth, change, and increasing operational complexity, the YXU team continues to deliver with consistency, adaptability, and a strong focus on service excellence. Their commitment and professionalism remain central to the airport's success and its ability to support the region's economic and aviation ambitions.



# MANAGEMENT

The execution of the Airport's Strategic Plan resides with the senior management group at London International Airport. Goals and objectives are developed on an annual basis that ensures the continuing advancement and growth of the Airport's business.



**Scott McFadzean**  
President & CEO



**Marc Bricker**  
Chief Financial Officer,  
CPA



**Laura Shepherd**  
Director, Operations



**Gerry Vanderhoek**  
Director, Commercial &  
Air Services

# BOARD OF DIRECTORS

The Greater London International Airport Authority (GLIAA) operates London International Airport. The not-for-profit Airport Authority has full operational and financial control of the Airport under the Federal Government's National Airport Policy.

The Board of Directors of GLIAA provides governance to the Airport. Members are nominated by various entities representing the community at large including:

- Federal Government
- Municipal Government
- London & District Labour Council
- Provincial Government
- London Chamber of Commerce
- GLIAA Board



**Michelle Campbell**  
BA, MPNL, FAHP, ICD.D  
*Board Chair  
(ex Officio all committees)*



**Gus Kotsiomitis**  
BA, MBA, ICD GEP  
*Past Board Chair,  
Governance & Nominating  
Committee Member*



**Elizabeth Cormier**  
LLB  
*Human Resources & Community  
Consultative Committee Chair,  
Governance & Nominating  
Committee Member*



**John Stein**  
CPA, CA  
*Past Finance & Audit Committee  
Chair,  
Past Governance & Nominating  
Committee Member*



**Bob Hammersley**  
Diploma Communication Arts  
*Governance & Nominating  
Committee Member,  
Human Resources & Community  
Consultative Committee Member*



**Maureen O'Leary-Pickard**  
BA, CHRL  
*Past Human Resources &  
Community Consultative  
Committee Chair,  
Past Finance & Audit Committee  
Member*



**Stephene Ashikwe**  
BS, MBA  
*Past Finance & Audit Committee  
Member*



**Alan Shepard**  
PhD, BA  
*Vice Chair,  
Governance & Nominating  
Committee Chair*



**Jacqueline Peterson**  
BA, CPA, CA  
*Finance & Audit Committee Chair*



**Larry Weir**  
BMA Sc - RMC, CAF  
*Human Resources & Community  
Consultative Committee Member*



**Trevor Hunter**  
BA, MBA, PhD  
*Governance & Nominating  
Committee Member*



**Jeff Malpass**  
BBA, MPA  
*Governance & Nominating  
Committee Member*



**Lori Higgs**  
FCPA, FCA  
*Finance & Audit Committee  
Member*

## HIGHLIGHTS

- Passenger volumes decreased by 5% to 298 thousand in 2025 compared to 2024 volumes.
- Revenue for the year increased 25% over 2024 with a 2025 operating surplus of \$3.57 million. After adjusting for the impact of items like amortization and extraordinary, results are a net surplus of \$2.92 million.
- Our Airport Improvement Fee was increased to \$25 in 2025 and remains competitive in Canada.

## CAPITAL INITIATIVES

More than \$85.79 million has been invested in capital improvements to the facility since GLIAA assumed operations of YXU in 1998. During 2025 an additional \$1.65 million was reinvested through capital acquisitions.

## ETHICAL BUSINESS CONDUCT

GLIAA has established and maintains a comprehensive Code of Conduct. All Directors and Officers have completed Disclosure Statements and there were no instances of real or potential Conflicts of Interest brought forward to the Board during 2025.



## SOLE SOURCE CONTRACTS OVER \$75 THOUSAND

GLIAA is committed to doing business locally and in a competitive fashion. All projects with a value in excess of \$144 thousand (\$75 thousand, base year 1994 = 86.1 CPI annually adjusted) require a public tender or request for proposal. GLIAA is committed to doing business locally and in a competitive fashion.

Sole source contracts will only be entered into when there is good justification, such as:

1. The goods or services are of a proprietary nature and there is only one qualified supplier.
2. Compliance with a product, services or equipment standardization program is required.
3. Only one qualified firm is available, when all factors are taken into account.
4. Prior experience with a firm in a specialized area makes it beneficial to continue the relationship.
5. Emergency situations preclude the normal competitive process.

During 2025 there were 2 contracts that were in excess of \$144 thousand that were not awarded based on a public competitive process.

ADJ Holdings Inc. – Pavement work near the newly constructed FBO where the airport shared in a minority portion of the overall pavement work that was required to be completed inclusively for a standard finish. Overall work was tendered for the lowest price by ADJ Holdings Inc.

ARINC International of Canada – Upgrade of the CMUSE common-use system within the airport used by air carriers. This was done sole source to ensure integration with existing hardware and systems.

## REMUNERATION

The annual compensation for the Board of Directors, consisting of an annual retainer and per diem meeting fees for the year ending December 31, 2025 was \$244 thousand.

The total salaries for the executive/admin group (7) was \$848 thousand with a salary range of \$50 thousand to \$300 thousand during 2025.

Board Member	2025 Compensation
Michelle Campbell*	\$ 32,223
Gus Kotsiomitris**	\$ 27,786
Elizabeth Cormier	\$ 24,577
Jacqueline Peterson	\$ 23,513
Alan Shepard	\$ 22,233
Robert Hammersley	\$ 20,321
Trevor Hunter	\$ 19,257
Larry Weir	\$ 17,661
Jeff Malpass	\$ 11,612
Lori Higgs	\$ 6,845
John Stein***	\$ 18,374
Maureen O'Leary Pickard***	\$ 14,969
Stephene Ashikwe***	\$ 4,894

\* Board Chair

\*\*Past Board Chair

\*\*\* Board participation ended in 2025

## RENT TO THE FEDERAL GOVERNMENT

Rent in the amount of \$131 thousand were made/payable to the Federal government based on gross revenues of \$11.4 million.

2	Actual	Plan	Difference	Explanation
Revenue (note 1)	\$11,392	\$10,680	\$712	Increases to user fees and overall utilization of airport services such landing fees, parking, and airport concessions.
Expenses (note 2)	\$7,827	\$8,341	(\$514)	Ongoing cost reduction efforts and reduction in interest expense.
Capital	\$1,645	\$2,365	(\$720)	Partial deferral of select project to a future year.

	2026	2027	2028	2029	2030
Revenue (note 1)	\$10,437	\$10,750	\$11,073	\$11,405	\$11,747
Expenses (note 2)	\$8,271	\$8,519	\$9,113	\$9,038	\$9,309
Capital	\$2,686	\$7,117	\$7,342	\$8,297	\$3,687

### NOTES:

1. Revenue items do not include government subsidies or non-cash items such as deferred capital contributions.
2. Expense items do not include non-cash items such as amortization.



## MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The most significant of these are set out in Note 2 to the statements.

Greater London International Airport Authority's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable. These financial statements include some amounts based upon management's best estimates and judgments. Recognizing that the Authority is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been prepared within reasonable limits of materiality.

The Board of Directors has appointed an Audit and Finance Committee consisting of three Board directors. The Committee meets periodically throughout the year to review with management and the auditors any significant accounting, internal control and auditing matters. They also review and finalize the annual financial statements of the Authority together with the independent auditor's report before their submission to the Board of Directors for final approval.

The financial information throughout the text of the Annual Report is consistent with the information presented in the financial statements.

On behalf of the Greater London International Airport Authority,



**Scott McFadzean**  
President and CEO  
March 26th, 2026



To the Members of  
Greater London International Airport Authority

**Opinion**

We have audited the financial statements of **Greater London International Airport Authority** [the "Authority"], which comprise the statement of financial position as at December 31, 2025, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines 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, management is responsible for assessing the Authority'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 management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

**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 Canadian generally accepted auditing standards 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



London, Canada  
March 26, 2026

Chartered Professional Accountants  
Licensed Public Accountants



A member firm of Ernst & Young Global Limited



A member firm of Ernst & Young Global Limited

## Greater London International Airport Authority

Incorporated without share capital under the laws of Canada

### Statement of financial position

[in thousands of dollars]

As at December 31

	2025	2024
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	4,672	1,391
Accounts receivable	794	578
Prepaid expenses and deposits	198	219
<b>Total current assets</b>	<b>5,664</b>	<b>2,188</b>
Accrued pension asset, net [note 6]	2,132	2,115
Capital assets, net [note 3]	51,007	53,288
	<b>58,803</b>	<b>57,591</b>
<b>Liabilities and net assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities [note 7]	2,170	1,907
Demand instalment loan [note 4]	9,829	10,604
<b>Total current liabilities</b>	<b>11,999</b>	<b>12,511</b>
Deferred capital contributions [note 3]	17,007	18,163
<b>Total liabilities</b>	<b>29,006</b>	<b>30,674</b>
<b>Net assets</b>	<b>29,797</b>	<b>26,917</b>
	<b>58,803</b>	<b>57,591</b>

See accompanying notes

On behalf of the Board:

Director

Director

## Greater London International Airport Authority

### Statement of operations and changes in net assets

[in thousands of dollars]

Year ended December 31

	2025	2024
	\$	\$
<b>Revenue</b>		
Aeronautical [note 5]	2,541	2,115
Airport [note 5]	5,413	4,862
	<b>7,954</b>	<b>6,977</b>
Airport improvement fees [note 3]	3,438	2,169
	<b>11,392</b>	<b>9,146</b>
<b>Expenses</b>		
Salaries and employee benefits	3,615	3,595
Other operating and administration	3,834	2,990
Interest and financing charges	378	523
	<b>7,827</b>	<b>7,108</b>
Surplus before the following	3,565	2,038
Amortization [note 3]	(2,770)	(2,794)
Extraordinary item [note 10]	2,050	—
Investment income	76	136
<b>Surplus (Deficit) for the year</b>	<b>2,921</b>	<b>(620)</b>
Net assets, beginning of year [as previously reported]	26,917	28,443
Remeasurement gain on pension valuation allowance [note 6[a]]	—	402
Actuarial loss on accrued pension asset [notes 6[a] and note 6[b]]	(41)	(1,308)
Surplus (Deficit) for the year	2,921	(620)
<b>Net assets, end of year</b>	<b>29,797</b>	<b>26,917</b>

See accompanying notes

## Statement of cash flows

[in thousands of dollars]

Year ended December 31

	2025	2024
	\$	\$
<b>Operating activities</b>		
Surplus (deficit) for the year	2,921	(620)
Add (deduct) items not involving cash		
Amortization of capital assets and deferred capital contributions	2,770	2,794
Net pension recovery	(20)	(92)
Pension benefits paid	(38)	(37)
	<u>5,633</u>	<u>2,045</u>
Net change in non-cash working capital balances related to operations	68	526
<b>Cash provided by operating activities</b>	<u>5,701</u>	<u>2,571</u>
<b>Investing activities</b>		
Purchase of capital assets	(1,645)	(4,495)
<b>Cash used in investing activities</b>	<u>(1,645)</u>	<u>(4,495)</u>
<b>Financing activities</b>		
Repayment of demand instalment loan	(775)	(1,881)
Advances from demand instalment loan	—	2,083
<b>Cash provided by (used in) financing activities</b>	<u>(775)</u>	<u>202</u>
<b>Net increase (decrease) in cash during the year</b>	<u>3,281</u>	<u>(1,722)</u>
Cash, beginning of year	<u>1,391</u>	<u>3,113</u>
<b>Cash, end of year</b>	<u>4,672</u>	<u>1,391</u>

See accompanying notes

## Notes to financial statements

[in thousands of dollars]

December 31, 2025

## 1. Description of business

The Greater London International Airport Authority [the "Authority"] was continued under the *Canada Not-for-profit Corporations Act* as a corporation without share capital.

The objectives of the Authority are as follows:

- To manage, operate and develop the Greater London International Airport [the "Airport"], the premises of which are leased to the Authority by Transport Canada, in a safe, secure, efficient, cost-effective and financially viable manner with reasonable airport user charges and equitable access to all carriers;
- To undertake and promote the development of the Airport lands, for which it is responsible, for uses compatible with air transportation activities; and
- To expand transportation facilities and generate economic activity in ways that are compatible with air transportation activities.

On August 1, 1998, the Authority signed a 60-year ground lease with Transport Canada and assumed responsibility for the management, operation and development of the Airport. On March 5, 2015, Transport Canada approved a 20-year extension to the ground lease with an expiry date of July 31, 2078.

The Authority is exempt from federal and provincial income taxes as it is a not-for-profit organization under Section 149[1] of the *Income Tax Act* (Canada).

## 2. Summary of significant accounting policies

## Basis of presentation

These financial statements have been prepared by management in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations", which constitutes generally accepted accounting principles for not-for-profit organizations in Canada.

The significant accounting policies are as follows:

## Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimations and assumptions include the useful lives of capital assets, allowance for doubtful accounts, the timing and amount of future cash flows, and pension valuation adjustments. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

## Notes to financial statements

[in thousands of dollars]

December 31, 2025

**Revenue recognition**

The Authority follows the deferral method of accounting for contributions. Externally restricted contributions, including government grants, are initially deferred when recorded in the accounts and recognized in operations in the year in which the related expenses are incurred.

Unrestricted contributions that are available for the operations of the Authority are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Airport Improvement Fees ["AIF"] are to be used to fund airport infrastructure projects and associated financing costs that relate primarily to the passenger-handling functions of the Airport. Revenue from AIF is recognized when departing passengers board their aircraft.

Investment income, which consists of interest and realized and unrealized gains and losses, is recognized when earned. Aeronautical and airport revenue is recognized when the related services are provided.

Government assistance is recognized when receivable if the amount can be reasonably estimated and collection is reasonably assured.

**Financial instruments**

Marketable securities reported at fair value consist of investments in fixed income securities that the Authority designates upon purchase to be measured at fair value. Transaction costs are recognized in the statement of operations and changes in net assets in the period during which they are incurred.

Other financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value adjusted for transaction costs and are subsequently measured at amortized cost, net of any provisions for impairment.

**Capital assets**

Capital assets are initially recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Amortization is provided on a straight-line basis from the month following the date the asset was first put into use. It is expected that the total cost of capital assets, net of their estimated salvage values, will be charged to operations over the assets' estimated useful lives by following these procedures. The costs associated with construction in progress, including interest, if any, are capitalized during the construction phase. Upon completion of the project, the assets will be allocated to their respective classes and amortized at the rates provided in the schedule below.

## Notes to financial statements

[in thousands of dollars]

December 31, 2025

Capital assets are amortized on a straight-line basis as follows:

Mobile equipment	6–20 years
Shop equipment	5–10 years
Terminal, major equipment	20 years
Computer/office equipment	3–5 years
Computer software	3–5 years
Office furniture and fixtures	4–10 years
Terminal furniture and fixtures	5–20 years
Structural leaseholds	5–40 years
Pavement/electrical leaseholds	15 years
Land leaseholds	20–60 years
Buildings	40 years

Gain or loss on disposal of individual assets is recognized in income in the year of disposal.

Capital assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the asset is impaired, the impairment loss to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a write-down of the asset and a charge to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

**Pension obligations**

The Authority sponsors a registered pension plan ["RPP"] with defined benefit and defined contribution portions, as well as a non-registered defined benefit supplemental employee retirement plan ["SERP"]. These plans cover all full-time employees.

The Authority accounts for its defined benefit plan in accordance with the *CPA Canada Handbook – Accounting, Section 3463, Reporting Employee Future Benefits by Not-for-Profit Organizations*. The Authority measures the defined benefit obligations using a valuation for funding purposes for the RPP and an accounting valuation for the SERP. The cost of defined benefit pensions comprises remeasurements and other items, current service cost and finance cost. Remeasurements and other items, which include the difference between actual return on plan assets and the return calculated using the discount rate used in determining the defined benefit obligation, actuarial gains and losses, the effect of any valuation allowance in the case of a defined benefit asset, past service costs, and gains or losses arising from plan curtailments and settlements are recognized directly in net assets in the statement of financial position rather than in the statement of operations and changes in net assets. Current service cost and finance cost for the period are recognized as an expense in the statement of operations and changes in net assets.

The cost of defined contribution benefits is expensed when paid. The Authority makes contributions in accordance with plan agreements.

## Notes to financial statements

[in thousands of dollars]

December 31, 2025

## 3. Capital assets and deferred capital contributions

Capital assets consist of the following:

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Mobile equipment	9,473	4,958	9,423	4,517
Shop equipment	465	421	443	415
Terminal, major equipment	6,710	4,143	6,710	3,822
Computer/office equipment	593	374	443	345
Computer software	135	108	135	99
Office furniture & fixtures	121	99	121	92
Terminal furniture & fixtures	1,395	1,190	1,395	1,092
Structural leaseholds	41,658	24,696	41,641	23,384
Pavement/electrical leaseholds	22,045	8,239	20,672	7,012
Land leaseholds	3,033	1,598	3,008	1,495
Buildings	14,890	3,685	14,882	3,312
	<b>100,518</b>	<b>49,511</b>	<b>98,873</b>	<b>45,585</b>
Less accumulated amortization	49,511		45,585	
<b>Net book value</b>	<b>51,007</b>		<b>53,288</b>	

Cumulative expenditures on qualifying airport infrastructure projects, from inception of the AIF, including eligible debt service costs, amounted to \$83,614 [2024 – \$82,041]. During the same period, cumulative AIF revenue amounted to \$66,054 [2024 – \$62,617].

Deferred capital contributions represent external funds received to fund certain capital assets. Changes in the deferred capital contributions balance are as follows:

	2025	2024
	\$	\$
<b>Balance, beginning of year</b>	<b>18,163</b>	19,320
Amounts recognized as revenue during the year	(1,156)	(1,157)
<b>Balance, end of year</b>	<b>17,007</b>	<b>18,163</b>

## Notes to financial statements

[in thousands of dollars]

December 31, 2025

These deferred contributions are amortized on the same basis as the amortization of the related assets as follows:

	2025	2024
	\$	\$
Amortization of capital assets	3,926	3,951
Amortization of related deferred contributions	(1,156)	(1,157)
	<b>2,770</b>	<b>2,794</b>

## 4. Demand instalment loan

The Authority has the following credit facilities with the Canadian Imperial Bank of Commerce ["CIBC"]:

- An undrawn demand revolving operating line of credit of \$500 [2024 – \$500], bearing interest at the prime rate minus 0.15%.
- A demand term Canadian Overnight Repo Rate Average ["CORRA"] loan of \$1,063 [2024 – \$1,213], bearing interest at CORRA plus 1.04547%. Annual principal repayment amount to \$150 [2024 – \$150], payable monthly. The loan matures on January 12, 2033.
- A demand term CORRA loan of nil [2024 – \$117], bearing interest at CORRA plus 0.94547%. The loan matured on July 12, 2025 and was repaid in full.
- A demand term CORRA loan of \$8,766 [2024 – \$9,275], bearing interest at CORRA plus 0.94547%. Annual principal repayment amount to \$508 [2024 – \$508], payable monthly. The loan matures on July 26, 2044.
- An available undrawn demand term CORRA loan with a maximum available balance of \$2,000, bearing interest at CORRA plus 1.55%.

The facilities are subject to a financial covenant in the form of a modified fixed charge coverage ratio. The Authority is in compliance at year-end. The lender has taken as collateral a first-charge mortgage for \$18,000 over property at 10 Seabrook Way, which is included in structural leaseholds *[note 3]*.

Annual scheduled principal repayments are as follows:

	\$
2026	658
2027	658
2028	658
2029	658
2030	658
Thereafter	6,539
	<b>9,829</b>

## Notes to financial statements

[in thousands of dollars]

December 31, 2025

## 5. Statement of operations and changes in net assets

Statement of operations and changes in net assets includes the following:

	2025 \$	2024 \$
<b>Aeronautical revenue</b>		
Landing fees	1,209	976
Terminal fees	1,029	875
Security	303	264
	<u>2,541</u>	<u>2,115</u>
<b>Airport revenue</b>		
Parking	1,829	1,939
Concessions	1,485	1,251
Leases [note 9]	1,835	1,409
Other	264	263
	<u>5,413</u>	<u>4,862</u>

## 6. Employee benefit plans

Employee benefit plans consist of the following:

	2025 \$	2024 \$
<b>Net accrued pension asset</b>		
Defined benefit pension plan asset [a]	2,785	2,837
Supplemental pension plan obligation [b]	(654)	(722)
	<u>2,131</u>	<u>2,115</u>

## [a] Defined benefit pension plan asset

The Authority sponsors a pension plan on behalf of its employees, which has defined benefit [all members of the defined benefit plan are now retired, and the plan is closed to new employees] and defined contribution components. This plan is administered as part of the Canadian Airport Authorities and Canadian Port Authorities Pension Plan [the "Plan"]. The most recent actuarial valuation was determined using membership data as at January 1, 2024 and was extrapolated to December 31, 2024.

[i] Pension expense for the defined contribution plan was \$140 [2024 – \$136].

## Notes to financial statements

[in thousands of dollars]

December 31, 2025

[ii] Information about the Authority's defined benefit plan is as follows:

	2025 \$	2024 \$
<b>Defined benefit pension plan asset</b>		
Fair value of plan assets	10,994	11,247
Benefit obligation	(8,209)	(8,410)
	<u>2,785</u>	<u>2,837</u>

The asset allocation of the Plan is as follows:

	2025 %	2024 %
Equity securities	0.0	0.0
Fixed income	25.7	25.5
Other [annuity buy-in]	74.3	74.5
	<u>100.0</u>	<u>100.0</u>

The following table provides a reconciliation of the accrued benefit asset:

	2025 \$	2024 \$
<b>Defined benefit asset, beginning of year</b>	2,837	3,574
Pension recovery for the year	49	123
Increase in valuation allowance	—	402
Actuarial loss	(101)	(1,262)
<b>Defined benefit asset, end of year</b>	<u>2,785</u>	<u>2,837</u>

The significant actuarial assumptions adopted in measuring the Authority's accrued benefit asset under the defined benefit pension plan as at December 31 are as follows:

	2025 \$	2024 \$
Discount rate – RPP	4.00	4.00
Inflation rate	<u>2.00</u>	<u>2.00</u>

## Notes to financial statements

[in thousands of dollars]

December 31, 2025

**[b] Supplemental pension plan obligation**

Information about the unfunded supplemental pension plan obligation is as follows:

	2025 \$	2024 \$
<b>Defined benefit obligation, beginning of year</b>	<b>(722)</b>	<b>(682)</b>
Pension expense for the year	(30)	(31)
Benefits paid	38	37
Actuarial gain (loss)	60	(46)
<b>Defined benefit obligation, end of year</b>	<b>(654)</b>	<b>(722)</b>

The Authority contributed \$38 [2024 – \$37] to the supplemental pension plan to fund the benefits paid.

The significant actuarial assumptions adopted in measuring the Authority's accrued benefit obligation under the SERP as at December 31 are as follows:

	2025 \$	2024 \$
Discount rate – SERP	4.80	4.60
Inflation rate	2.00	2.00

**7. Government remittances**

Included in accounts payable and accrued liabilities are government remittances payable of \$12 [2024 – \$27] relating to Harmonized Sales Tax.

**8. Financial instruments and risk management****Credit risk**

Financial assets create a risk that counterparties will fail to discharge an obligation, causing a financial loss. As at December 31, 2025, other than accounts receivable, there are no significant concentrations of credit risk with respect to any class of financial assets. While the Authority deals with several customers in North America, five customers represent 68% [2024 – 52%] of the trade accounts receivable balance as at December 31, 2025. The maximum credit risk represents the full amount of the accounts receivable. The Authority anticipates receiving payments in full from these customers.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is exposed to interest rate risk on its floating interest rate financial instruments.

## Notes to financial statements

[in thousands of dollars]

December 31, 2025

**Liquidity risk**

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with its financial liabilities. The Authority is exposed to liquidity risk on its demand instalment loan and accounts payable and accrued liabilities.

**9. Operating leases****As a lessee**

The Authority's ground lease with Transport Canada expires in 2078. At the end of the term, unless otherwise extended, the Authority is obligated to return control of the Airport to the Government of Canada.

In 2005, Transport Canada announced the adoption of a new rent policy that has resulted in reduced rent for Canadian airport authorities, including the Authority. Under this formula, rent is calculated as a royalty based on a percentage of gross annual revenue on a progressive scale.

Based on forecasts of future revenue [which are subject to change depending on economic conditions and changes in the Authority's rates and fees], estimated rent payments for the next five years are approximately as follows:

	\$
2026	120
2027	148
2028	178
2029	209
2030	242

**As a lessor**

The Authority leases out, under operating leases, land and certain assets that are included in capital assets. Many leases include renewal options, in which case they are subject to market price revision. The lessee does not have the possibility of acquiring the leased assets at the end of the lease.

The estimated lease revenue for the next five years is approximately as follows:

	\$
2026	1,968
2027	1,968
2028	1,968
2029	1,968
2030	1,968

**Notes to financial statements**

[in thousands of dollars]

December 31, 2025

**10. Extraordinary event**

During the year, the Authority received insurance proceeds relating to damage that was incurred from lightning strikes to the runway lighting.





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