Company registration number 02020423 (England and Wales)

TEESSIDE INTERNATIONAL AIRPORT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

TEESSIDE INTERNATIONAL AIRPORT LIMITED

COMPANY INFORMATION

Directors	K Willard	
	J Rowlandson	
	T Bryant	
	P Foster	
	N Stephenson	(Appointed 18 September 2023)
	T Furness	(Appointed 24 May 2023)
	J Garner	(Appointed 13 June 2023)
	C Massey	(Appointed 11 July 2023)
	A Roy	(Appointed 29 July 2024)
Secretary	Endeavour Secretary Limited	
Company number	02020423	
Registered office	Teesside International Airport Limited Darlington Durham DL2 1LU	
Auditor	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard United Kingdom TS22 5TB	
Solicitors	Endeavour Partnership LLP Tobias House St. Marks Court Teesdale Business Park Stockton-On-Tees United Kingdom TS17 6QW	

TEESSIDE INTERNATIONAL AIRPORT LIMITED

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TEESSIDE INTERNATIONAL AIRPORT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present the strategic report for the year ended 31 March 2024.

Principal activities

The principal activity of the company continued to be that of the operation of Teesside International Airport Limited and the provision of associated facilities and services.

Fair review of the business

Business development

In terms of route development:

- The deal with KLM Royal Dutch Airlines is continuing, with 3x daily flights to Amsterdam Schiphol providing worldwide connectivity from Teesside.
- A deal was secured with TUI to reintroduce its flights to Dalaman for 2024, following the 2023 success of its Antalya route, which it ran alongside flights to Palma de Mallorca, capitalising on the Mediterranean Cruise Market.
- Ryanair continued its year-round flights to Alicante, with additional summer flights to Palma de Mallorca, Faro and Corfu. Dialogue continues with the company to add other potential routes in future.
- Loganair provided daily flights to Aberdeen throughout the 2023-24 reporting period, however pulled out of the airport after a strategic review of its country-wide airport operations – with Aberdeen to Newcastle and Glasgow to Southampton also scrapped. Eastern Airways has since returned to the airport to continue the route – the only airport in Yorkshire and the North East to operate flights to Aberdeen.
- TIAL has also worked with a range of other companies to offer specific seasonal destinations, including Balkan Holidays (Bourgas), Transun (Lapland), Newmarket Holidays (Italian breaks), and Jersey with a range of operators (inc Fairs-Lloyds Travel and Premier Holidays).
- The airport continues discussions with airlines with a view to delivering more airline partnerships, routes and services, and continuing to grow passenger numbers.

TIAL is also looking to grow its income from its land and assets:

- Business Park North - TIAL invested in a new 26,995sq ft hangar, the first of two hangars to be granted planning permission on the north side of the airport site. The hangar will house global aircraft painting company Airbourne Colours, which works with airlines such as EasyJet, Jet2, Loganair and TUI. Its £6.5million facility could create up to 40 new jobs.
- Business Park South – Unit D, the first 25,000 sq ft facility of the £200million Business Park South has been built, alongside a 1-mile-long link road connecting the development to the A67. The southside development will create up to 4,400 jobs when fully operational. Colliers and Aviation Real Estate Advisers (AREA) have been appointed as commercial agents for the airport business parks.
- After historically handling very little air freight bus ness, TIAL has invested in a Regulated Agent Facility, with a purpose-built 21,000 sq ft hangar offering security screening, temporary storage and freight forwarding, which has also become a Border Control Point, allowing it to handle fruit, vegetables and flowers. August 2023 marked one year since the facility became operational.
- FedEx, the world's largest transportation company, has signed a five-year deal for an airfreight handling facility at Teesside Airport. This will bring in eight additional inbound and outbound flights per week – providing capacity for 196,000lbs of cargo to be transported through the airport per week.
- Marketing has continued to highlight the advantages of being based within the business park estate, including the Tees Valley Freeport area, offering additional customs zone incentives for businesses to locate or do business here.

TIAL continues to develop other revenue sources to reduce reliance on the passenger-related elements of scheduled and charter flying. These include ground-handling and fuelling to commercial, general aviation and military customers.

Community and Environment

The Teesside Airport Foundation is now up and running. It is continuing to develop the Foundation's long-term strategy and designing its case for support and its charitable fundraising activities. It will work to ensure people living in the region reach their potential and go on to find a successful and rewarding career in the Tees Valley.

Work is continuing on implementing the Net Zero strategy for the TIAL business, alongside collaborative engagement to reduce emissions from aircraft, with a view to make the airport operationally Net Zero by 2030 and offer Net Zero flights from 2035. In terms of estate developments, the airport is also developing a major solar array to provide electricity for the business and its tenants, and for supply to the national grid.

During the period, it was announced the airport would become home to a new permanent hydrogen refuelling station following the success of the Tees Valley Hydrogen Transport Hub trial in 2021. Element 2, which previously established a temporary refuelling facility, will set up the permanent station to provide fuel for hydrogen vehicles currently operating at the airport, plus those being trialled by local commercial fleers and authorities.

Regulatory environment

The airport is subject to economic regulation by the Civil Aviation Authority ('CAA'), which is the independent aviation regulator in the UK, responsible for economic regulation, airspace policy, safety and consumer protection.

Principal risks and uncertainties

The principal risks facing TIAL continues to be those associated with the underlying recovery of the aviation market.

Passenger numbers can be affected by external factors that TIAL has limited control over. For example, severe weather or the increased price of variable costs e.g. fuel and air passenger duty, as this can drive up flight prices. The invasion of Ukraine by Rusia is affecting worldwide markets and is having a significant effect on the price of energy, including aviation fuel. Passengers are also facing significant cost of living increases, which may increasingly impact their spending choices.

Competition from other airports both within the UK and across the world for passengers remains a risk; many passengers make marginal choices about which route to fly. Our focus remains to offer a safe, efficient and enjoyable passenger experience in order to continue to compete in the market.

While aviation continues to recover, the airport is well positioned to capitalise on new opportunities in the aviation market.

Future developments

Significant progress has been made against the original business plan both in terms of financial and operational progress.

TIAL will continue to work towards achieving all of the objectives in the business plan over the coming months.

Areas of focus:

- In 2024/25 increasing operations through our regulated agent
- Further developments of the North and South Business Parks including new hangars and units

On behalf of the board

P Foster
Director

19 December 2024

TEESSIDE INTERNATIONAL AIRPORT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Results and dividends
The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B Cooper	(Resigned 4 May 2023)
K Willard	
E Johnson	(Resigned 4 May 2023)
D Jones	(Resigned 4 May 2023)
J Rowlandson	
T Bryant	
P Foster	
S Little	(Appointed 23 May 2023 and resigned 3 June 2024)
N Stephenson	(Appointed 18 September 2023)
T Furness	(Appointed 24 May 2023)
J Garner	(Appointed 13 June 2023)
C Massey	(Appointed 11 July 2023)
M Reynolds	(Resigned 14 April 2023)
R Cook	(Resigned 4 May 2023)
G Nightinga e	(Resigned 4 May 2023)
A Roy	(Appointed 29 July 2024)

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern

The financial statements have been prepared on a going concern basis.

As at 31 March 2024 the company has net current liabilities of £95,715,888 (2023 - £70,759,717) and net liabilities of £ 21,120,755 (2023 - £14,495,608). The company meets its day to day working capital requirements through cash generated from operations and utilisation of a loan facility ultimately provided by the Tees Valley Combined Authority. The loan facility is approved for an amount of up to £64.4m which can be drawn down as required over the period to 31 March 2029. A facility for an amount of £23.6m which is to be used to fund the Southside development is in place. The total amount drawn down at the year end under both facilities was £89.6m including interest and further draw downs are forecast to be made over the next 2-3 years in line with the company's development and expansion plans. The facility is repayable on demand and the directors have received a letter from Tees Valley Combined Authority confirming their continued support for a period of not less than 12 months from the date of signing these financial statements.

The directors have prepared both short term and long term forecasts which indicate that, taking into account reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent, Tees Valley Combined Authority, to meet its liabilities as they fall due for that period. The directors are confident that the forecasts will be met based on the success of securing new long term arrangements with airlines as discussed in the Strategic Report.

Based on the factors set out above, the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing of the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

On behalf of the board

P Foster
Director

19 December 2024

TEESSIDE INTERNATIONAL AIRPORT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

TEESSIDE INTERNATIONAL AIRPORT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TEESSIDE INTERNATIONAL AIRPORT LIMITED

Opinion

We have audited the financial statements of Teesside International Airport Limited (the 'company') for the year ended 31 March 2024 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

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

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud. we designed procedures which included:

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

Use of our report

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

Christopher Potter BA (Hons) ACA
Senior Statutory Auditor
For and on behalf of Azets Audit Services

20 December 2024

Chartered Accountants
Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

TEESSIDE INTERNATIONAL AIRPORT LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Turnover	**3**	14,907,440	15,575,088
Cost of sales		(11,142,885)	(14,226,132)
Gross profit		3,764,555	1,348,956
Administrative expenses		(8,555,629)	(7,133,886)
Operating loss	**4**	(4,791,074)	(5,784,930)
Interest receivable and similar income	**8**	195,302	33,254
Interest payable and similar expenses	**9**	(2,346,657)	(1,408,480)
Fair value gains and losses on investment properties	**12**	317,282	2,703,829
Loss before taxation		(6,625,147)	(4,456,327)
Tax on loss	**10**	-	-
Loss for the financial year		(6,625,147)	(4,456,327)

The income statement has been prepared on the basis that all operations are continuing operations.

TEESSIDE INTERNATIONAL AIRPORT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Loss for the year	(6,625,147)	(4,456,327)
Other comprehensive income	-	-
Total comprehensive income for the year	(6,625,147)	(4,456,327)

TEESSIDE INTERNATIONAL AIRPORT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	**11**		21,264,962		17,678,664
Investment property	**12**		49,472,000		34,954,000
Investments	**13**		6,162,123		6,044,431
			76,899,085		58,677,095
Current assets					
Stocks	**15**	307,062		346,096	
Debtors	**16**	4,049,970		3,546,573	
Cash at bank and in hand		2,211,474		1,740,416	
		6,568,506		5,633,085	
Creditors: amounts falling due within one year	**17**	(102,284,394)		(76,392,802)	
Net current liabilities			(95,715,888)		(70,759,717)
Total assets less current liabilities			(18,816,803)		(12,082,622)
Creditors: amounts falling due after more than one year	**18**		(1,303,952)		(1,412,986)
Provisions for liabilities					
Provisions	**19**	1,000,000		1,000,000	
			(1,000,000)		(1,000,000)
Net liabilities			(21,120,755)		(14,495,608)
Capital and reserves					
Called up share capital	**21**		19,417,166		19,417,166
Share premium account	**22**		31,627,276		31,627,276
Other reserves			18,108,272		18,108,272
Profit and loss reserves			(90,273,469)		(83,648,322)
Total equity			(21,120,755)		(14,495,608)

The financial statements were approved by the board of directors and authorised for issue on 19 December 2024 and are signed on its behalf by:

P Foster
Director

Company Registration No. 02020423

TEESSIDE INTERNATIONAL AIRPORT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Share premium account	Capital contribution reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 April 2022	19,417,166	31,627,276	18,108,272	(79,191,995)	(10,039,281)
Year ended 31 March 2023:					
Loss and total comprehensive income for the year	-	-	-	(4,456,327)	(4,456,327)
Balance at 31 March 2023	19,417,166	31,627,276	18,108,272	(83,648,322)	(14,495,608)
Year ended 31 March 2024:					
Loss and total comprehensive income for the year	-	-	-	(6,625,147)	(6,625,147)
Balance at 31 March 2024	19,417,166	31,627,276	18,108,272	(90,273,469)	(21,120,755)

1 Accounting policies

Company information

Teesside International Airport Limited is a private company limited by shares incorporated in England and Wales. The registered office is Teesside International Airport Limited, Darlington, Durham, DL2 1LU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Teesside International Airport Limited is a wholly owned subsidiary of Goosepool 2019 Limited and the results of Teesside International Airport Limited are included in the consolidated financial statements of Goosepool 2019 Limited which are available from Teesside Airport Business Suite, Teesside International Airport, Darlington, United Kingdom, DL2 1NJ

1 Accounting policies **(Continued)**

1.2 Going concern

The financial statements have been prepared on a going concern basis.

As at 31 March 2024 the company has net current liabilities of £95,715,888 (2023 - £70,759,717) and net liabilities of £ 21,120,755 (2023 - £14,495,608). The company meets its day to day working capital requirements through cash generated from operations and utilisation of a loan facility ultimately provided by the Tees Valley Combined Authority. The loan facility is approved for an amount of up to £64.4m which can be drawn down as required over the period to 31 March 2029. A facility for an amount of £23.6m which is to be used to fund the Southside development is in place. The total amount drawn down at the year end under both facilities was £89.6m including interest and further draw downs are forecast to be made over the next 2-3 years in line with the company's development and expansion plans. The facility is repayable on demand and the directors have received a letter from Tees Valley Combined Authority confirming their continued support for a period of not less than 12 months from the date of signing these financial statements.

The directors have prepared both short term and long term forecasts which indicate that, taking into account reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent, Tees Valley Combined Authority, to meet its liabilities as they fall due for that period. The directors are confident that the forecasts will be met based on the success of securing new long term arrangements with airlines as discussed in the Strategic Report.

Based on the factors set out above, the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing of the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

1.3 Turnover

Turnover comprising airport charges, rental and other income represents amounts receivable by the company in respect of facilities and services provided during the year and is recognised as the services are provided. Turnover is shown net of value added tax.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Runways, lighting & car parks	5 to 100 years straight line
Plant & Machinery	5 to 20 years straight line
Fixtures & Fittings	3 to 30 years straight line
Office equipment	2 to 20 years straight line
Motor vehicles	4 to 20 years straight line

Freehold land and assets in the course of construction are not depreciated.

The runway, terminal buildings and other fixed assets relating to airport operations were fully impaired in previous years.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies **(Continued)**

1.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss .

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. Provision is made for obsolete, slow moving or defective items where appropriate.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 **Accounting policies** **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior period.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment

The company made enhanced defined benefit obligations to 4 retiring employees whilst the company was a contributing employer to the local authority pension scheme. This obligation is a unfunded liability and the annual contributions payable by the company are calculated by the scheme actuary. The company contributions should be sufficient to cover the future obligation. Any movements in excess of the contributions will be accounted in line with FRS 102.

1.16 Government grants

Government grants for assets are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to a fixed asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

A grant relating to investment properties that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of investment properties
Investment properties are carried at fair value based on valuations performed by independent qualified professional valuers and application of their methodologies which have been adopted by the directors. The values are based on a combination of the rental yields on the properties and the estimated resale value of land for commercial development purposes. The assumptions applied are inherently subjective and so are subject to a degree of uncertainty. The carrying amount is £49,472,000 (2023 - £34,954,000).

Carrying value of provisions
The company holdings a number of provisions, including those relating to onerous contracts, relating to the best estimate of future costs associated with liabilities which existed at the year end. The values are based on the directors best estimates of the likely future costs, utilising third party reports where relevant. The carrying amount is £1,000,000 (2023 - £1,000,000)

3 Turnover

	2024	2023
	£	£
Turnover analysed by class of business		
Airport operations and provision of associated facilities and services	14,907,440	15,575,088

	2024	2023
	£	£
Turnover analysed by geographical market		
UK	14,907,440	15,575,088

4 Operating loss

	2024	2023
Operating loss for the year is stated after charging:	£	£
Depreciation of owned tangible fixed assets	1,081,747	816,375

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2024 £	2023 £
For audit services		
Audit of the financial statements of the company	41,500	37,000
For other services		
Taxation compliance services	3,950	3,500

6 Employees

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

	2024 Number	2023 Number
Administration	43	51
Airport operations	110	73
Total	153	124

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	5,366,914	4,341,184
Social security costs	489,001	416,682
Pension costs	210,714	188,933
	6,066,629	4,946,799

7 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	103,124	348,870
Company pension contributions to defined contribution schemes	6,044	14,534
	109,168	363,404

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2023 - 4).

8 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Other interest income	195,302	33,254

9 Interest payable and similar expenses

	2024	2023
	£	£
Interest payable to group undertakings	2,346,657	1,408,480

10 Taxation

	2024	2023
	£	£
Deferred tax		
Origination and reversal of timing differences	(80,214)	-
Write down or reversal of write down of deferred tax asset	80,214	-
Total deferred tax	-	-
Total tax charge	nil	nil

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Loss before taxation	(6,625,147)	(4,456,327)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	(1,656,287)	(846,702)
Tax effect of expenses that are not deductible in determining taxable profit	-	(716)
Tax effect of income not taxable in determining taxable profit	(91,821)	(40,493)
Change in unrecognised deferred tax assets	1,668,787	887,911
Chargeable gains/(losses)	79,321	-
Taxation charge for the year	-	-

There are £64,158,544 of unused tax losses (2023- £57,672,364) and for which no deferred tax asset is recognised in the Statement of Financial Position due to uncertainty over future recoverability. Applying the rate of tax of 25% which will be in force from 1 April 2023, these losses would, if recognised, represent an asset of £10,503,083 (2023 - £ 9,816,508).

11 Tangible fixed assets

	Freehold land and buildings	Runways, lighting & car parks	Assets under construction	Plant & Machinery	Fixtures & Fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 April 2023	19,838,926	22,790,791	5,897,936	6,642,277	6,914,557	875,218	5,105,558	68,065,263
Additions	-	-	8,251,385	20,000	191,809	72,157	-	8,535,351
Disposals	-	-	-	-	-	-	(4,341,131)	(4,341,131)
Transfers	-	-	(4,246,923)	372,000	147,027	(139,410)	-	(3,867,306)
At 31 March 2024	19,838,926	22,790,791	9,902,398	7,034,277	7,253,393	807,965	764,427	68,392,177
Depreciation and impairment								
At 1 April 2023	19,838,926	22,561,905	-	2,342,617	419,589	273,824	4,949,738	50,386,599
Depreciation charged in the year	-	116,052	-	386,841	488,840	76,904	13,110	1,081,747
Eliminated in respect of disposals	-	-	-	-	-	-	(4,341,131)	(4,341,131)
At 31 March 2024	19,838,926	22,677,957	-	2,729,458	908,429	350,728	621,717	47,127,215
Carrying amount								
At 31 March 2024	-	112,834	9,902,398	4,304,819	6,344,964	457,237	142,710	21,264,962
At 31 March 2023	-	228,886	5,897,936	4,299,660	6,494,968	601,394	155,820	17,678,664

11 Tangible fixed assets **(Continued)**

The runway and terminal assets were fully impaired in previous years due to the company incurring large losses. Given the ongoing uncertain recovery from the Covid-19 pandemic and the Russia - Ukraine crisis there remains significant uncertainty over the impact on travel and airports, therefore the directors believe that it would not be prudent to consider any reversal of impairments at this stage. Amounts capitalised in the current year relate to new assets and developments which the directors consider will create economic benefit going forward.

12 Investment property

	2024 £
Fair value	
At 1 April 2023	34,954,000
Additions through external acquisition	10,333,413
Transfers	3,867,305
Net gains or losses through fair value adjustments	317,282
At 31 March 2024	49,472,000

Investment properties have been valued at fair value based on valuations performed by independent qualified professional valuers and adoption of their methodologies by the directors. Changes in fair values are recognised in profit or loss.

13 Fixed asset investments

	Notes	2024 £	2023 £
Investments in joint ventures	**14**	2	2
Other financial assets		6,162,121	6,044,429
		6,162,123	6,044,431

13 **Fixed asset investments** **(Continued)**

Movements in fixed asset investments

	Shares in joint ventures	Other financial assets	Total
	£	£	£
Cost or valuation			
At 1 April 2023	2	6,044,429	6,044,431
Interest	-	117,692	117,692
At 31 March 2024	2	6,162,121	6,162,123
Carrying amount			
At 31 March 2024	2	6,162,121	6,162,123
At 31 March 2023	2	6,044,429	6,044,431

In a prior year cash was paid into a designated bank account in order that the company could comply with its obligations under an agreement to develop land on the Southside of the airport. In the event certain conditions are not met this sum is payable to other parties to the agreement. The movement during the year of £117,692 (2023 - £43,480) relates to interest earned on the total sum. This interest is due to Tees Valley Combined Authority.

14 Joint ventures

Details of the company's joint ventures at 31 March 2024 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct
Teesside International Airport Business Park Limited	Cavendish House, Teesdale Business Park, Stockton-On-Tees, TS176QY, United Kingdom	Ordinary	50.00

15 Stocks

	2024 £	2023 £
Raw materials and consumables	307,062	346,096

16 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	2,084,223	1,530,208
Amounts owed by group undertakings	613,122	355,045
Other debtors	592,478	541,521
Prepayments and accrued income	760,147	1,119,799
	4,049,970	3,546,573

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	2,281,564	2,792,404
Amounts owed to group undertakings	95,950,742	70,086,797
Taxation and social security	123,881	126,415
Other creditors	215,074	163,854
Accruals and deferred income	3,713,133	3,223,332
	102,284,394	76,392,802

Amounts due to group undertakings consists of a working capital facility granted by the immediate parent, Goosepool 2019 Limited. Interest on this facility is charged at 5.09%. All amounts outstanding are repayable on demand. The facility is secured by a fixed and floating charge over the company's land and buildings.

18 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Deferred income		1,303,952	1,412,986

19 Provisions for liabilities

	2024	2023
	£	£
Other provisions	1,000,000	1,000,000

Other provisions relate to contractual obligations between the company and Network Rail to maintain a rail halt. The estimated costs of repair are £1,000,000.

20 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	210,714	188,933

Contributions totalling £43,883 (2023 - £37,537) were payable to the scheme at the end of the year and are included in creditors.

Defined benefit scheme

On 30 November 2017 the Company's participation in the Local Government Pension Scheme (LGPS) ceased and all past service liabilities of the Company's employees transferred back to the Local Authorities who were both original majority shareholders of the Company and also participants of the particular pension fund (the Teesside Pension Fund') within the LGPS.

The company made enhanced defined benefit obligations to 4 retiring employees whilst the company was a contributing employer to the local authority pension scheme. This obligation is a unfunded liability and the annual contributions payable by the company are calculated by the scheme actuary. The company contributions should be sufficient to cover the future obligation.

As at 31 March 2024 the actuarial valuation calculated the unfunded liability as £60,000 (2023 - £65,000). This has been included in other creditors at the year end.

The date of the most recent comprehensive actuarial valuation was 31 March 2022. The latest actuarial valuation of the scheme assets and the present value of the defined benefit obligation were carried out at 31 March 2024 was prepared by Hymans Robertson LLP for Middlesbrough Borough Council in accordance with IAS 19 and FRS 102.

21 Share capital

	2024	2023	2024	2023
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
'A' ordinary shares of 1p each	54,091,420	54,091,420	540,914	540,914
'B' ordinary shares of 1p each	6,625,000	6,625,000	66,250	66,250
Deferred shares of 1p each	1,881,000,200	1,881,000,200	18,810,002	18,810,002
	1,941,716,620	1,941,716,620	19,417,166	19,417,166

22 Share premium account

This reserve records amount paid above nominal value on the issue of share capital.

23 Capital Contribution Reserve

	2024	2023
	£	£
At the beginning and end of the year	18,108,272	18,108,272

As part of a change in ownership in prior years, an amount of £18,108,272 was settled as part of the sale and purchase agreement. This amount was due to the previous shareholder and has been reflected as a capital contribution following settlement.

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2024	2023
	£	£
Acquisition of tangible fixed assets	6,148,039	8,780,246

25 Financial guarantee contracts

The ultimate parent undertaking, Tees Valley Combined Authority, holds a fixed and floating charge over the over the company's land and buildings in relation to borrowings of the immediate parent, Goosepool 2019 Limited.

26 Related party transactions

Transactions with related parties
During the year the company entered into the following transactions with related parties:

Other information
The company has taken advantage of the exemptions contained in s33.11 of FRS 102 and has not disclosed details of transactions and balances with other entities under the control of Tees Valley Combined Authority.

During the year the company was charged consultancy fees of £35,280 (2023 - £43,200) by Willard KGM Ltd, at the year end creditors include £Nil (2023 - £3,600) owed to Willard KGM Ltd. Willard KGM Ltd is controlled by Ms K C L Willard who is a director of Goosepool 2019 Limited, this company's immediate parent.

During the year the company purchased services to the value of £2,751 (2023 - £10,381) from Ward Hadaway LLP. A close family member of Ms A Fellows, a former director of this company, is a partner at the firm.

During the year the company purchased services to the value of £Nil (2023 - £15,660) from Mark Reynolds Consulting Limited. Mark Reynolds Consulting Limited is controlled by Mark Reynolds who was a director of TIA until 14 April 2023
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27 Ultimate controlling party

The company's immediate parent is Goosepool 2019 Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Tees Valley Combined Authority. These financial statements are available upon request from Teesside Airport Business Suite, Teesside International Airport Limited, Darlington, Durham, DL2 1NJ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.