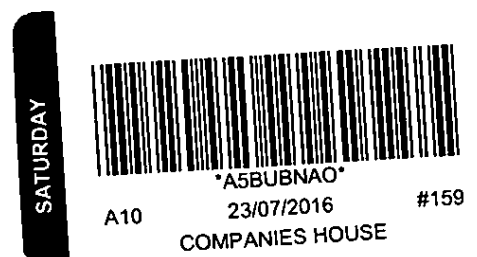


CH

Registration number 02774189

GLOUCESTERSHIRE AIRPORT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



GLOUCESTERSHIRE AIRPORT LIMITED
CONTENTS

Company Information	1
Directors' Report	2 to 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Statement of Total Recognised Gains and Losses	8
Balance Sheet	9
Notes to the Financial Statements	10 to 19

GLOUCESTERSHIRE AIRPORT LIMITED
COMPANY INFORMATION

Directors	M Ryan D J Lawrence D M Lewington J C Lugg M G Stennett G Taylor C H Dennis E S J Carter
Registered office	Terminal Building Gloucestershire Airport Staverton Cheltenham Gloucestershire GL51 6SR
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

GLOUCESTERSHIRE AIRPORT LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016

Principal activity

The principal activity of the company is that of the operation of Gloucestershire Airport and the management of its properties

Business Review

Following a Governance review by our shareholders, a new board was introduced during the year. The new structure consists of 3 executive directors, 2 specialist non-executive directors with operational and property experience and 4 elected non-executive directors appointed by the shareholders. The principle behind this was to allow the business to achieve a greater commercial and strategic focus. This is a welcome move by our shareholders and demonstrates their commitment to our future.

Gloucestershire Airport remains the busiest General Aviation Airport in the UK. During the year ended March 2016, we reported 76,139 movements, an increase of 4.7%, up on previous levels. Business aviation, a core component of our business plan, exceeded target by 9.9% for the year. This positive growth is noteworthy given the delays to some capital projects which would have stimulated further traffic growth. Furthermore, this is against a backdrop of a challenging economic position.

A sustained and unprecedented period of low oil price and a weak pound against the dollar has had an adverse effect on the business. However, the business continues to deliver its Master Plan, which is fully supported by our shareholders. The delivery of this plan was advanced this year following a capital receipt and support from GFirst LEP via the Growth Deal 2 Fund. This capital injection into the business has enabled stalled projects to be started. In particular, with property forming an important part of our business, development of a new site for premium aircraft hangars has commenced.

We continue to raise our profile within industry as a business aviation airport by attending key events throughout the year. We exhibited at EBACE for the first time in order to raise our profile amongst the corporate and charter services. This is a premier event and the annual meeting place for the European business aviation community. We also attended AeroExpo as this is the UK's leading GA event.

In partnership with CityWing we have also added two new routes to Glasgow and Newcastle via the Isle of Man. These new routes have enhanced the existing services to Jersey, Northern Ireland and the Isle of Man.

Pension Scheme

Certain employees are members of the Local Government Pension Scheme ("LGPS") and the airport makes employer contributions to fund this liability. The reform of the LGPS and requirements under the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) has created a long-term liability that affects our ability to reward our shareholders with dividend distributions.

In arriving at the amounts to be included in the financial statements, the scheme actuary uses a number of key assumptions, one of the main assumptions being the discount rate. The movement in the discount rate from 4.3% at 31 March 2014 to 3.2% at 31 March 2015 contributed towards the actuarial loss of £0.561m reported in the Statement of Total Recognised Gains and Losses ("STRGL") for the year ended 31 March 2015. The subsequent increase to 3.5% in the discount rate used by the scheme actuary at 31 March 2016 is reflected in the actuarial gain of £0.579m reported in the STRGL for the year ended 31 March 2016. This demonstrates how the LGPS creates significant uncertainty and volatility in our reported results. Further information concerning the LGPS is set out in note 14 to the financial statements.

Furthermore, the airport continues to experience increases in the contributions required to fund the deficit for its share of the LGPS which was closed to new members prior to 2006.

The results of the next triennial actuarial valuation (which is performed as at 31 March 2016) will be known later in this calendar year, changes to contribution levels arising as a result are anticipated to take effect from 1 April 2017.

GLOUCESTERSHIRE AIRPORT LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

Directors of the company

The directors who held office during the year were as follows

M Ryan

J E Hilton (resigned 25 September 2015)

D J Lawrence

D M Lewington

J A Fletcher (resigned 23 December 2015)

J C Lugg

M G Stennett

G Taylor

J Ingram (appointed 02 November 2015 and resigned 03 June 2016)

C H Dennis (appointed 01 January 2016)

E S J Carter (appointed 01 January 2016)

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 4/7/16 and signed on its behalf by



M Ryan
Director

GLOUCESTERSHIRE AIRPORT LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GLOUCESTERSHIRE AIRPORT LIMITED**

We have audited the financial statements of Gloucestershire Airport Limited for the year ended 31 March 2016, set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GLOUCESTERSHIRE AIRPORT LIMITED**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report

David Williams (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date 18/7/16

GLOUCESTERSHIRE AIRPORT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Turnover		4,039,407	4,649,795
Cost of sales		(3,005,241)	(3,347,554)
Gross profit		1,034,166	1,302,241
Administrative expenses		(1,112,649)	(1,018,712)
Operating profit	2	(78,483)	283,529
Earnings before interest, tax, depreciation, profit on disposal and amortisation (EBITDA)			
		150,419	519,613
Profit on disposal of fixed assets	3	960,603	-
Other interest receivable and similar charges		611	130
Interest payable and similar charges	5	(41,318)	(79,477)
Profit on ordinary activities before taxation		841,413	204,182
Tax on profit on ordinary activities	6	(162,777)	(44,611)
Profit for the financial year	13	678,636	159,571

GLOUCESTERSHIRE AIRPORT LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2016


	Note	2016 £	2015 £
Profit for the financial year		678,636	159,571
Actuarial gain/(loss) recognised on defined benefit pension scheme		579,000	(561,000)
Deferred tax on actuarial gain/loss recognised on defined benefit pension scheme		<u>(138,400)</u>	<u>89,800</u>
Total recognised gains and losses relating to the year		<u>1,119,236</u>	<u>(311,629)</u>

GLOUCESTERSHIRE AIRPORT LIMITED
(REGISTRATION NUMBER 02774189)
BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible fixed assets	7	4,830,058	4,986,185
Current assets			
Stocks		48,061	56,628
Debtors	8	365,655	444,846
Cash at bank and in hand		1,279,477	357,644
		<u>1,693,193</u>	<u>859,118</u>
Creditors Amounts falling due within one year	9	<u>(1,664,877)</u>	<u>(1,170,265)</u>
Net current assets/(liabilities)		<u>28,316</u>	<u>(311,147)</u>
Total assets less current liabilities		<u>4,858,374</u>	<u>4,675,038</u>
Creditors Amounts falling due after more than one year	10	<u>(1,631,267)</u>	<u>(2,004,593)</u>
Provisions for liabilities	11	<u>(73,780)</u>	<u>(82,754)</u>
Net assets excluding pension liability		<u>3,153,327</u>	<u>2,587,691</u>
Net pension liability	14	<u>(1,775,200)</u>	<u>(2,328,800)</u>
Net assets		<u>1,378,127</u>	<u>258,891</u>
Capital and reserves			
Called up share capital	12	870,442	870,442
Profit and loss account	13	<u>507,685</u>	<u>(611,551)</u>
Shareholders' funds		<u>1,378,127</u>	<u>258,891</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015)

Approved by the Board and authorised for issue on 4/7/16 and signed on its behalf by


M Ryan
Director

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015)

The directors consider it appropriate to prepare the financial statements on a going concern basis which assumes the company will be able to meet its liabilities as they fall due

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Long leasehold property	2% per annum of cost
Plant and machinery	4% - 20% per annum of cost

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less selling costs

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRSSE

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Pensions

The company operates two pension schemes for the benefit of its employees, a defined contribution scheme and a defined benefit scheme. The defined benefit scheme was closed to new entrants prior to the 2006 financial year.

For the defined contribution scheme the costs of contributions are charged to the profit and loss account in the period in which they become payable.

Under the defined benefit scheme the current service costs, past service costs and gains and losses on settlements and curtailments are charged to the profit and loss account. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for the benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

The interest costs and the expected return on assets are shown as a net amount in the profit and loss account as other finance costs or income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2016 £	2015 £
Auditor's remuneration - The audit of the company's annual accounts	12,575	12,500
Profit on sale of tangible fixed assets	(292)	-
Depreciation of owned assets	<u>229,194</u>	<u>236,084</u>

3 Exceptional items

	2016 £	2015 £
(Profit) / loss on sale of fixed assets	<u>(960,603)</u>	<u>-</u>

During the year the company granted a 99 year property lease receiving a premium payment of £1,040,000. As all the significant benefits and risks relating to the property have been transferred by the grant of the 99 year lease, the company has therefore treated this grant as a disposal of the related asset giving rise to the profit on disposal shown above and an associated corporation tax charge of £192,121, before offset of trading losses.

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

4 Directors' remuneration

The directors' remuneration for the year was as follows

	2016 £	2015 £
Remuneration (including money purchase pension scheme contributions)	<u>134,793</u>	<u>126,492</u>

During the year the number of directors who were receiving benefits was as follows

	2016 No	2015 No
Accruing benefits under defined benefit pension scheme	<u>2</u>	<u>2</u>

5 Interest payable and similar charges

	2016 £	2015 £
Interest on amounts owed to related parties	39,318	45,477
Pension scheme other finance costs	<u>2,000</u>	<u>34,000</u>
	<u>41,318</u>	<u>79,477</u>

6 Taxation

Tax on profit on ordinary activities

	2016 £	2015 £
Current tax		
Corporation tax charge	171,751	44,764
Deferred tax		
Origination and reversal of timing differences	<u>(8,974)</u>	<u>(153)</u>
Total tax on profit on ordinary activities	<u>162,777</u>	<u>44,611</u>

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

7 Tangible fixed assets

	Long leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2015	4,111,912	3,078,927	7,190,839
Additions	16,918	65,762	82,680
Disposals	(17,585)	-	(17,585)
At 31 March 2016	4,111,245	3,144,689	7,255,934
Depreciation			
At 1 April 2015	579,424	1,625,230	2,204,654
Charge for the year	78,599	150,595	229,194
Eliminated on disposals	(7,972)	-	(7,972)
At 31 March 2016	650,051	1,775,825	2,425,876
Net book value			
At 31 March 2016	3,461,194	1,368,864	4,830,058
At 31 March 2015	3,532,488	1,453,697	4,986,185

8 Debtors

	2016 £	2015 £
Trade debtors	340,963	411,296
Other debtors	24,692	33,550
	<u>365,655</u>	<u>444,846</u>

9 Creditors Amounts falling due within one year

	2016 £	2015 £
Trade creditors	92,434	134,791
Amounts owed to related parties	373,326	369,182
Corporation tax	171,751	44,764
Other taxes and social security	99,502	85,115
Other creditors	927,864	536,413
	<u>1,664,877</u>	<u>1,170,265</u>

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

10 Creditors Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to related parties	<u>1,631,267</u>	<u>2,004,593</u>

Included in the creditors are the following amounts due after more than five years

	2016 £	2015 £
After more than five years by instalments	<u>515,007</u>	<u>765,671</u>

11 Provisions

	Deferred tax £
At 1 April 2015	82,754
Credited to the profit and loss account	<u>(8,974)</u>
At 31 March 2016	<u>73,780</u>

Analysis of deferred tax

	2016 £	2015 £
Difference between accumulated depreciation and amortisation and capital allowances	74,172	83,190
Other timing differences	<u>(392)</u>	<u>(436)</u>
	<u>73,780</u>	<u>82,754</u>

12 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No	£	No.	£
'A' Ordinary shares of £1 each	435,221	435,221	435,221	435,221
'B' Ordinary shares of £1 each	<u>435,221</u>	<u>435,221</u>	<u>435,221</u>	<u>435,221</u>
	<u>870,442</u>	<u>870,442</u>	<u>870,442</u>	<u>870,442</u>

All shares rank pari passu in terms of capital, voting rights and rights to dividends

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

13 Reserves

	Profit and loss account £
At 1 April 2015	(611,551)
Profit for the year	678,636
Actuarial gain on pension schemes	579,000
Deferred tax relating to actuarial gain/loss on pension schemes	(138,400)
At 31 March 2016	<u>507,685</u>

14 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to (£23,173) (2015 - £4,370)

Contributions totalling £8,704 (2015 - £6,551) were payable to the schemes at the end of the year and are included in creditors

Defined benefit pension schemes

Local Government Pension Scheme

The company participates in the defined benefit Local Government Pension Scheme (LGPS) administered by Gloucestershire County Council. This is a funded scheme, meaning both employer and employees pay contributions to the fund, calculated at a level that is estimated to balance the pension liabilities with investment assets. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected model unit method. The most recent full actuarial valuation was as at 31 March 2013. For the purposes of the financial statements a valuation has been performed at the year end to determine the amounts to be included in the financial statements.

Contributions payable to the pension scheme at the end of the year are £20,074 (2015 - £20,359)

The total contributions in the next year are expected to be £246,000

The scheme is now closed to new members and so under the projected unit method the current service costs would be expected to increase over time as members of the scheme approach retirement.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows

	2016 £	2015 £
Fair value of scheme assets	5,129,000	5,032,000
Present value of scheme liabilities	(7,348,000)	(7,943,000)
Defined benefit pension scheme deficit	(2,219,000)	(2,911,000)
Related deferred tax asset	443,800	582,200
Net liability in the balance sheet	<u>(1,775,200)</u>	<u>(2,328,800)</u>

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Scheme assets

Changes in the fair value of scheme assets are as follows

	2016 £	2015 £
Fair value at start of year	5,032,000	4,301,000
Expected return on assets	252,000	255,000
Actuarial gains and losses	(246,000)	384,000
Employer contributions	250,000	249,000
Contributions by scheme participants	36,000	35,000
Benefits paid	(195,000)	(192,000)
Fair value at end of year	<u>5,129,000</u>	<u>5,032,000</u>

Analysis of assets

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2016 %	2015 %
Equity instruments	70 00	74 00
Debt instruments	21 00	17 00
Property	8 00	7 00
Cash	<u>1 00</u>	<u>2 00</u>

Actual return on scheme's assets

	2016 £	2015 £
Actual return on scheme assets	<u>6,000</u>	<u>639,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company

The overall expected return on assets assumption is derived as the weighted average of the expected returns from each of the main asset classes

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Scheme liabilities

Changes in the present value of scheme liabilities are as follows

	2016 £	2015 £
Present value at start of year	7,943,000	6,763,000
Current service cost	135,000	103,000
Actuarial gains and losses	(825,000)	945,000
Interest cost	254,000	289,000
Benefits paid	(195,000)	(192,000)
Contributions by scheme participants	36,000	35,000
Present value at end of year	<u>7,348,000</u>	<u>7,943,000</u>
Analysed as		
Present value arising from unfunded schemes	57,000	62,000
Present value arising from wholly or partly funded schemes	<u>7,291,000</u>	<u>7,881,000</u>
	<u>7,348,000</u>	<u>7,943,000</u>

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows

	2016 %	2015 %
Discount rate	3.50	3.20
Future salary increases	3.70	3.80
Future pension increases	2.20	2.40
Inflation	3.10	2.40
Expected return on scheme assets	<u>3.50</u>	<u>3.20</u>

Post retirement mortality assumptions

	2016 Years	2015 Years
Current pensioners at retirement age - male	22.50	22.50
Current pensioners at retirement age - female	24.60	24.60
Future pensioners at retirement age - male	24.40	24.40
Future pensioners at retirement age - female	<u>27.00</u>	<u>27.00</u>

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Amounts recognised in the profit and loss account

	2016 £	2015 £
Amounts recognised in operating (loss)/profit		
Current service cost	135,000	103,000
Recognised in arriving at operating (loss)/profit	135,000	103,000
Amounts recognised in other finance cost		
Interest cost	254,000	289,000
Expected return on scheme assets	(252,000)	(255,000)
Recognised in other finance cost	2,000	34,000
Total recognised in the profit and loss account	137,000	137,000

Amounts recognised in the statement of total recognised gains and losses

	2016 £	2015 £
Actual return less expected return on scheme assets	(246,000)	384,000
Changes in assumptions	707,000	(1,014,000)
Other actuarial gains (losses)	118,000	69,000
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	579,000	(561,000)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and (losses) since 1 January 2002 is (£2,604,000) (2015 - (£3,183,000))

History of experience adjustments on scheme assets and liabilities

Amounts for the current and previous 5 periods are as follows

	2016 £	2015 £	2014 £	2013 £	2012 £
Fair value of scheme assets	5,129,000	5,032,000	4,301,000	4,349,000	3,852,000
Present value of scheme liabilities	(7,348,000)	(7,943,000)	(6,763,000)	(6,771,000)	(5,942,000)
Deficit in scheme	(2,219,000)	(2,911,000)	(2,462,000)	(2,422,000)	(2,090,000)

Experience adjustments

	2016 £	2015 £	2014 £	2013 £	2012 £
Experience adjustments arising on scheme assets	(246,000)	384,000	(306,000)	340,000	(134,000)
Experience adjustments arising on scheme liabilities	118,000	69,000	502,000	10,000	(88,000)

GLOUCESTERSHIRE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

15 Commitments

Operating lease commitments

As at 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2016 £	2015 £
Other		
Within one year	524	9,796
Within two and five years	2,973	9,465
	<u>3,497</u>	<u>19,261</u>

16 Related party transactions

Gloucester City Council and Cheltenham Borough Council were this company's controlling related parties throughout the current year and previous year by the virtue of their equal ownership of the total issued share capital of the company. Both councils are represented on the board of directors.

During the year the company were charged rent of £25,686 (2015 - £25,498) from Gloucester City Council and £25,419 (2015 - £25,230) from Cheltenham Borough Council. The company were also charged £26,000 (2015 - £nil) from both Gloucester City Council and Cheltenham Borough Council in relation to a share of profits from the disposal of long leasehold property. At the balance sheet date £7,621 (2015 - £67) was owed to Gloucester City Council and £8,550 (2015 - £nil) was owed to Cheltenham Borough Council in respect of these goods and services.

In addition at the balance sheet date the company owed £1,002,296 (2015 - £1,186,887) to Gloucester City Council and £1,002,296 (2015 - £1,186,887) to Cheltenham Borough Council in respect of a number of loans. Interest charged on these loans for the year amounted to £39,318 (2015 - £45,477). At the balance sheet date £nil (2015 - £nil) of this interest was unpaid.

D M Lewington, a director of the company, is a trustee of Gloucestershire Aviation Collection (registered charity number 297818) who lease property from the company. During the year rent of £267 (2015 - £268) was charged by the company.

17 Control

The company is jointly owned by Gloucester City Council and Cheltenham Borough Council.