

Registered number
06098925

Cornwall Airport Limited
Report and Financial Statements
29 February 2008

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Cornwall Airport Limited
Report and Financial Statements
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Cornwall Airport Limited

Company Information

Directors

Richard Thomasson (Appointed 23 April 2007)
Graham Bond (Appointed 27 April 2007)
Richard Fish (Appointed 15 March 2007)
Jeremy Rowe (Appointed 17 May 2007)
David Pattison (Appointed 6 February 2008)
Bryan Preston (Appointed 15 March 2007)
Alan Titterington (Appointed 13 February 2007)
Joseph Jacques (Appointed 15 March 2007)
Mark Jones (Appointed 19 April 2007, Resigned 31 October 2007)

Secretary

Andrew Allen (Appointed 14 March 2007)
Raymond Bevan (Appointed 13 February 2007, Resigned 14 March 2007)

Auditors

Deloitte & Touche LLP
Chartered Accountants
Bristol

Bankers

National Westminster Bank Plc
Truro Branch
2/4 St Nicholas Street
Truro
Cornwall
TR1 2RN

Solicitors

Cornwall County Council Solicitors
Cornwall County Council
Truro
Cornwall

Registered office

County Solicitors Office
Cornwall County Council
Truro
Cornwall

Registered number

06098925

Cornwall Airport Limited Directors' Report

The directors present their report and financial statements for the period ended 29 February 2008

The directors report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

Principal activities and review of the business

The company's principal activity during the year continued to be airport operations

The company was incorporated on the 13 February 2007 and commenced to trade on 1 April 2007

The company is in a good position to take advantage of any opportunities which may arise in the future

Results and dividends

The directors are satisfied with the results for the period as set out in the profit and loss account on page 6. The directors do not recommend payment of a dividend

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in this period. They consider that the next year will show a further significant growth in sales

Directors

The following directors served during the period

Richard Thomasson (Appointed 23 April 2007)
Graham Bond (Appointed 27 April 2007)
Richard Fish (Appointed 15 March 2007)
Jeremy Rowe (Appointed 17 May 2007)
David Pattison (Appointed 6 February 2008)
Bryan Preston (Appointed 15 March 2007)
Alan Titterington (Appointed 13 February 2007)
Joseph Jacques (Appointed 15 March 2007)
Mark Jones (Appointed 19 April 2007, Resigned 31 October 2007)

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

1 so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and


2 the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Cornwall Airport Limited
Directors' Report

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985

Deloitte and Touche LLP were appointed as auditors during the year

Approved by the Board of Directors on
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'Joseph Jacques', with a stylized flourish at the end.

Joseph Jacques
Director

18/07/2008

Cornwall Airport Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF CORNWALL AIRPORT LIMITED

We have audited the financial statements of Cornwall Airport Limited for the period ended 29th February which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes 1 - 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 February 2008 and of its results for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Bristol, United Kingdom

28 Aug 2008

Cornwall Airport Limited
Profit and Loss Account
for the period from 13 February 2007 to 29 February 2008

	Notes	2008 £
Turnover - continuing operations	2	4,629,019
Cost of sales		(4,645,213)
Gross loss		<u>(16,194)</u>
Administrative expenses		(277,518)
Other operating income		293,712
Operating profit - continuing operations	3	<u>-</u>
Profit on ordinary activities before taxation		<u>-</u>
Tax on profit on ordinary activities	7	-
Profit for the period		<u>-</u>

Cornwall Airport Limited
Statement of total recognised gains and losses
for the period from 13 February 2007 to 29 February 2008


	Notes	2008 £
Profit for the period		-
Actuarial gain relating to the pension scheme	6	7,000
Total recognised gains and losses related to the period		<u>7,000</u>

Cornwall Airport Limited
Balance Sheet
as at 29 February 2008

	Notes	2008 £
Current assets		
Stocks	8	16,908
Debtors	9	919,692
Cash at bank and in hand		88,111
		<u>1,024,711</u>
Creditors: amounts falling due within one year	10	(520,710)
Net current assets		<u>504,001</u>
Total assets less current liabilities		<u>504,001</u>
Net assets excluding pension asset		504,001
Pension asset		3,000
Net assets including pension asset		<u>507,001</u>
Capital and reserves		
Called up share capital	11	500,001
Profit and loss account	12	7,000
Shareholder's funds	12	<u>507,001</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors


 Joseph Jacques 18/07/2008
 Director

Cornwall Airport Limited
Cash Flow Statement
for the period from 13 February 2007 to 29 February 2008

	Notes	2008 £
CASH FLOW STATEMENT		
Net cash outflow from operating activities		(411,890)
Financing - issue of new share capital		500,001
Increase in cash		<u>88,111</u>
Reconciliation of net cash flow to movement in net debt		
Increase in cash in the period		88,111
Change in net debt	14	<u>88,111</u>
Net funds at 13 February		<u>-</u>
Net funds at 29 February		<u>88,111</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating profit		-
Increase in stocks		(16,908)
Increase in debtors		(919,692)
Increase in creditors		520,710
Adjustments for pension funding		4,000
Net cash outflow from operating activities		<u>(411,890)</u>

Cornwall Airport Limited
Notes to the Accounts
for the period from 13 February 2007 to 29 February 2008

1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards which have been applied consistently throughout the period. The particular accounting policies adopted by the directors are described below.

Accounting convention

The accounts have been prepared under the historical cost convention.

Public Service Obligations Agreement

Funding income from the Public Service Obligations Agreement is recognised in the period it relates to. Funding income is provided by Cornwall County Council for shortfalls arising from such activities that would typically be undertaken to operate an airport. It does not relate to other operating activities. Income due under this agreement is classified within turnover.

Stocks

Stock is valued at the lower of cost and net realisable value.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pension Costs

The company operates both a defined benefit and a defined contribution pension scheme. The pension costs for the defined contribution scheme are charged to the profit and loss account as they fall due.

For the defined benefit scheme, the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

Cornwall Airport Limited
Notes to the Accounts
for the period from 13 February 2007 to 29 February 2008

2 Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers

Turnover, which arises in the UK, is attributable to one continuing activity, airport operations
 Turnover also includes income due under the terms of the Public Service Obligations Agreement

3 Operating profit **2008**
£

This is stated after charging/(crediting)

Public Service Obligations Agreement income	(1,935,602)
Operating lease rentals - plant and machinery	33,249
Operating lease rentals - land buildings	582,878
Auditors' remuneration for audit services	<u>9,500</u>

4 Directors' emoluments **2008**
£

Emoluments	<u>95,811</u>
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Number of directors in company pension schemes: **2008**
Number

Defined benefit schemes	<u>2</u>
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5 Staff costs (including directors) **2008**
£

Wages and salaries	1,403,173
Social security costs	116,772
Other pension costs	<u>39,491</u>
	<u>1,559,436</u>

Average number of employees during the year **Number**

Operations	90
Commercial	<u>6</u>
	<u>96</u>

Cornwall Airport Limited
Notes to the Accounts
for the period from 13 February 2007 to 29 February 2008

6 Pension scheme

The defined benefit pension scheme was transferred from Cornwall County Council on the 1 April 2007, when Cornwall Airport Limited took over as principle employer

Assets of the scheme are held in trust funds separately from those of the company. The contributions are recommended by a qualified actuary, Hymans Robertson LLP, on the basis of triennial valuations for funding purposes using the projected unit method.

A full actuarial valuation for FRS 17 purposes was carried out at 31 March 2007 and updated to 29 February 2008 by a qualified actuary, Hymans Robertson LLP, using the projected unit method.

The major assumptions used by the actuary were

	29 Feb 2008	1 Apr 2007
Inflation	3.6%	3.2%
Salary increases	5.6%	5.2%
Pension increases	3.6%	3.2%
Discount rate	6.6%	5.4%

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at each balance sheet date were

	%	2008 £
Equities	7.8	15,000
Bonds	5.5	4,000
Property	5.7	2,000
Cash	4.8	2,000
Total fair value of assets	<u>7</u>	<u>23,000</u>

Reconciliation of Balance Sheet

	2008 £
Total market value of assets	23,000
Present Value of scheme liabilities	(20,000)
Actuarial surplus	<u>3,000</u>
FRS 17 defined benefit asset	<u>3,000</u>

The contribution rate in the period to 29 February 2008 was 15.7 percent of pensionable earnings.

Cornwall Airport Limited
Notes to the Accounts
for the period from 13 February 2007 to 29 February 2008

Movement in the scheme surplus/(deficit) during the period

	2008
	£
Current service cost	(17,000)
Contributions	13,000
Actuarial gain	7,000
At end of the period	<u>3,000</u>

At 29 February 2008 there were no outstanding contributions payable to the fund

	2008
	£
Analysis of amount charged to operating profit	
Current service cost	17,000
Total operating charge	<u>17,000</u>

	£
Analysis of amount charged to operating profit	
Expected return on pension scheme assets	1,000
Interest cost	(1,000)
Net return	<u>-</u>

	2008
	£
Analysis of amount recognised in statement of total recognised gains and losses	
Actual return less expected return on pension assets	(1,000)
Changes in financial assumptions underlying the scheme liabilities	<u>8,000</u>
Actuarial gain recognised in statement of total recognised gains and losses	<u>7,000</u>

The company operates a defined contribution pension scheme for 18 staff. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the schemes and amounted to £26,491. No contributions were outstanding at the end of the period.

Cornwall Airport Limited
Notes to the Accounts
for the period from 13 February 2007 to 29 February 2008

7 Taxation **2008**
£

Analysis of charge in period

Tax on profit on ordinary activities	-
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Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2008 £
Profit on ordinary activities before tax	-
Standard rate of corporation tax in the UK	30%
	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	-
Effects of	
Current tax charge for period	-

Factors that may affect future tax charges

From the 1 April 2008 the rate of corporation taxes reduces from 30% to 28%. This is not expected to have a material effect on the future tax charges of the company

8 Stocks **2008**
£

Raw materials and consumables	2,418
Finished goods and goods for resale	14,490
	16,908

The difference between purchase price or production cost of stocks and their replacement cost is not material

9 Debtors **2008**
£

Trade debtors	462,451
Amounts owed by group undertakings	385,655
Other debtors	460
Prepayments and accrued income	71,126
	919,692

Cornwall Airport Limited
Notes to the Accounts
for the period from 13 February 2007 to 29 February 2008

10 Creditors: amounts falling due within one year	2008
	£
Trade creditors	164,416
Amounts owed to group undertakings	239,213
Other taxes and social security	49,599
Other creditors	9,238
Accruals and deferred income	58,244
	<u>520,710</u>

11 Share capital	2008
	£
Authorised Ordinary shares of £1 each	<u>500,001</u>

	2008	2008
	No	£
Allotted, called up and fully paid Ordinary shares of £1 each	500,001	<u>500,001</u>

500,001 ordinary shares with a nominal value of £500,001 were issued during the period for proceeds of £500,001

12 Combined reconciliation of movements in shareholders funds and statement of movements in reserves

	Called up share capital	Profit and loss account	2008
	£	£	£
New shares issued	500,001	-	500,001
Profit for the year	-	-	-
Amount relating to defined benefit pension scheme asset	-	7,000	7,000
At 29 February	<u>500,001</u>	<u>7,000</u>	<u>507,001</u>

13 Pension Reserve	2008
	£
Arising on revaluation during the period	7,000
At 29 February	<u>7,000</u>

Cornwall Airport Limited
Notes to the Accounts
for the period from 13 February 2007 to 29 February 2008

14 Analysis of changes in net funds

	At 13 Feb 2007 £	Cash flows £	Non-cash changes £	At 29 Feb 2008 £
Cash at bank and in hand	-	88,111	-	88,111
Total	<u>-</u>	<u>88,111</u>	<u>-</u>	<u>88,111</u>

15 Other financial commitments

At the period end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2008 £	Other 2008 £
Operating leases which expire within one year	-	9,812
within two to five years	<u>616,000</u>	<u>26,460</u>
	<u>616,000</u>	<u>36,272</u>

16 Transactions with directors

The company entered into transactions to the value of £41,000 with Airport Planning and Development (APD) Limited which provided consultancy services to the company. The father of the director Alan Titterington is a shareholder and director of Airport Planning and Development (APD) Limited. At 29 February £23,436 was owed to Airport Planning and Development (APD) Limited in respect of these services.

17 Related parties

The company has applied the exemption granted by Financial Reporting Standards 8 'Related Party Disclosures' not to disclose transactions with the Cornwall County Council, fellow subsidiaries of Cornwall County Council or any undertaking in which any member of the group holds an investment which would otherwise qualify as related parties.

Cornwall Airport Limited
Notes to the Accounts
for the period from 13 February 2007 to 29 February 2008

18 Ultimate controlling party

The company's ultimate parent undertaking and controlling party is Cornwall County Council. Cornwall County Council heads the largest and smallest group of undertakings of which the company is a member and for which group financial statements are prepared.

The address of Cornwall County Council is New County Hall, Truro, Cornwall, TR7 3AY.