

Company Registration Number 06098925

CORNWALL AIRPORT LIMITED

Report and Financial Statements

31 March 2012

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CORNWALL AIRPORT LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8

CORNWALL AIRPORT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

EXECUTIVE DIRECTORS

A D Titterington
K Marshall
R Thomasson

NON-EXECUTIVE DIRECTORS

A Skipp
J H Currie
J Fitter

SECRETARY

K Marshall

REGISTERED OFFICE

Legal Services
Cornwall Council
New County Hall
Truro
Cornwall
TR1 3AY

BANKERS

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

SOLICITORS

Legal Services
Cornwall Council
Truro
Cornwall

AUDITOR

Deloitte LLP
Bristol

CORNWALL AIRPORT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

PRINCIPAL ACTIVITY

The principal activity of the company continues to be airport operations

BUSINESS REVIEW

The directors are satisfied with the result for the year and, as shown in the company's profit and loss account on page 6, the company's turnover amounts to £8,277,137 (2011 £9,111,452 for a 13-month period) including income under the terms of the Public Service Obligations Agreement ("PSOA") The balance sheet on page 7 of the financial statements shows the company's financial position at the year-end

It has been an extremely challenging year for the operation, given the cessation of operation of the airport's largest carrier Air Southwest The airline withdrew from all scheduled operations at the end of September 2011, but had reduced its frequency of flights from the start of the financial year As a consequence, passenger numbers have fallen to 199,928 (2011 304,174 in the 13 month period)

Some success has been achieved in replacing and adding to the route network that was reduced by the Air Southwest events Flybe added a Manchester route from October 2011, and this has already seen an increase from four rotations to six rotations per week Glasgow has been added to the route network with effect from the end of March 2012, operated by Loganair – a Flybe franchise In addition, at the end of the year we were pleased to be able to announce three further new routes to commence in May 2012, linking Newquay to Norwich, Newcastle and Belfast

Control and reduction of the cost base of the airport have been key over the last 12 months The fixed costs of operating an airport are high and are governed by regulation, particularly in respect of the provision of fire service, air traffic control, security staffing and insurance premiums However, significant savings have been realised from variable costs which has meant that the PSOA funding requirement has decreased in spite of the negative effect of revenue loss following the cessation of business of Air Southwest As a result of these savings, the business beat the PSOA budget set with Cornwall Council for the financial year

The average on-time punctuality was 87%, consistent with that of the last reporting period The vast majority of delays continue to be reactionary delays to late incoming aircraft, particularly with only a very small percentage being Cornwall Airport Limited's responsibility and this has affected punctuality The UK average is currently 80%

The average number of complaints against the airport from its users was 0.396 complaints per 1,000 passengers (2011 0.428 complaints per 1,000 passengers) The decrease has arisen largely due to the bedding in of changes to the enforcing of car park infringements that were introduced in the previous period

The business strategy is focused on developing the airport not only as a passenger terminal, but equally as an aerospace industry sector hub "Aerohub" at Newquay Cornwall Airport is one of 24 new Enterprise Zones in the United Kingdom which were announced by the Government in August 2011 "Aerohub" will be a key driver in the Company's Strategic Plan for attracting growth in aerospace businesses establishing operations at the Airport, which will deliver an increasing amount of property and related income The Enterprise Zone capitalises on the unique selling points of runway length, available land for development, relatively traffic-free skies and access to capital funding that Newquay Cornwall Airport offers

The company's directors do not believe further key performance indicators are necessary for an appropriate understanding of the performance and position of the business

GOING CONCERN

The company has no bank debt and the directors are confident that the company will meet its working capital requirements from the cash held and the support provided by Cornwall Council under the terms of the PSOA, as per note 1 to the financial statements Accordingly, the going concern basis continues to be adopted

CORNWALL AIRPORT LIMITED

DIRECTORS' REPORT (continued)

DIVIDENDS

The directors do not recommend the payment of a dividend (2011 £nil)

FINANCIAL RISK MANAGEMENT

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk

Credit risk and cash flow risk

The company's principal financial assets are bank balances, cash, trade and other debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. As per note 1 to the financial statements the company relies on support from Cornwall Council under the terms of the Public Service Obligations Agreement. The company's relationship with Cornwall Council is such that there is considered to be little credit risk regarding recoverability of the cash flows relating to the Public Service Obligations Agreement.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company is funded via the Public Service Obligations Agreement with Cornwall Council.

DIRECTORS

The directors who served during the period and the present membership of the Board are set out on page 1.

AUDITOR

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 auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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



K Marshall
Director

14 June 2012

CORNWALL AIRPORT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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, 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 MEMBER OF CORNWALL AIRPORT LIMITED

We have audited the financial statements of Cornwall Airport Limited for the year ended 31 March 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member 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 member those matters we are required to state to it 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 member, 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 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. 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2012 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.


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.

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.


Mark Hill (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

15 June 2012

CORNWALL AIRPORT LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 March 2012

	Note	Year ended 31 March 2012 £	13 months ended 31 March 2011 £
TURNOVER - continuing operations	2	8,277,137	9,111,452
Cost of sales		(8,376,909)	(9,163,841)
GROSS LOSS		<u>(99,772)</u>	<u>(52,389)</u>
Administrative expenses		(295,508)	(296,113)
Other operating income		331,559	337,495
		<u>36,051</u>	<u>41,382</u>
OPERATING LOSS - continuing operations	3	(63,721)	(11,007)
Interest receivable and similar income		721	7
Other finance income		63,000	11,000
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on result on ordinary activities	5	(881)	-
LOSS FOR THE FINANCIAL PERIOD	10	<u>(881)</u>	<u>-</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES For the year ended 31 March 2012

	Year ended 31 March 2012 £	13 months ended 31 March 2011 £
Loss for the period	(881)	-
Actuarial gain relating to the pension scheme	-	220,000
Total recognised gains and losses relating to the period	<u>(881)</u>	<u>220,000</u>

CORNWALL AIRPORT LIMITED

BALANCE SHEET **At 31 March 2012**

	Note	£	2012 £	£	2011 £
CURRENT ASSETS					
Stocks	6	83,548		86,607	
Debtors	7	1,336,369		1,481,233	
Cash at bank and in hand		861,864		646,005	
		2,281,781		2,213,845	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(2,076,661)		(2,007,844)	
NET CURRENT ASSETS			205,120		206,001
TOTAL ASSETS LESS CURRENT LIABILITIES			205,120		206,001
NET ASSETS EXCLUDING PENSION LIABILITY			205,120		206,001
PENSION LIABILITY	12		-		-
NET ASSETS INCLUDING PENSION LIABILITY			205,120		206,001
CAPITAL AND RESERVES					
Called up share capital	9		500,001		500,001
Profit and loss account	10		(294,881)		(294,000)
SHAREHOLDER'S FUNDS	10		205,120		206,001

The financial statements of Cornwall Airport Limited, registered number 06098925, were approved by the Board of Directors and authorised for issue on 14 June 2012

Signed on behalf of the Board of Directors


A D Titterington
Director

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The company has no bank debt and the directors are confident that the company will meet its working capital requirements from the cash held and the support provided by Cornwall Council under the terms of the Public Service Obligations Agreement. Accordingly, the going concern basis continues to be adopted.

Cash flow statement

The company is exempt from preparing a cash flow statement as required by Financial Reporting Standard 1 (revised) 1996 as it is a wholly owned subsidiary undertaking within the context of the standard. A consolidated group cash flow statement is included in the accounts of Cornwall Council, the parent company, incorporated in the United Kingdom.

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 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.

Stock

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

Leasing commitments

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

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

In accordance with Financial Reporting Standard 19, deferred taxation is provided in full on timing differences which represent an asset or liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

1 ACCOUNTING POLICIES (continued)

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 the operating result 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, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. A defined benefit pension scheme asset is only recognised when there is deemed to be future economic benefit from any resulting surplus.

2. TURNOVER AND OTHER OPERATING INCOME

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 United Kingdom, is attributable to one continuing activity - that of airport operations. Turnover is recognised as services are delivered. Turnover also includes income due under the terms of the Public Service Obligations Agreement.

Other operating income 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 for products and services which are outside the scope of the Public Service Obligations Agreement. Other operating income, which arises in the United Kingdom, is attributable to one continuing activity, that of airport operations.

3. OPERATING LOSS

	Year ended 31 March 2012 £	13 months ended 31 March 2011 £
Operating loss is stated after charging/(crediting)		
Public Service Obligations Agreement income	(4,235,171)	(4,308,281)
Operating lease rentals		
- plant and machinery	108,312	127,499
- land and buildings	616,000	649,520
Auditor's remuneration for audit services	13,000	13,000
Auditor's remuneration for other services	2,350	2,350

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 March 2012**

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES	Year ended 31 March 2012 £	13 months ended 31 March 2011 £
Directors' remuneration		
Emoluments	<u>254,906</u>	<u>273,208</u>
	No.	No.
The number of directors who were members of a defined benefit pension scheme	<u>2</u>	<u>2</u>
	£	£
Remuneration of the highest paid director	<u>105,538</u>	<u>125,788</u>
	£	£
Employee costs during the period		
Wages and salaries	3,499,960	4,144,887
Social security costs	304,076	359,248
Other pension costs	186,842	267,394
	<u>3,990,878</u>	<u>4,771,529</u>
	No.	No.
Average number of persons employed		
Operations	152	175
Commercial	<u>3</u>	<u>3</u>
	<u>155</u>	<u>178</u>

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 March 2012**

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 March 2012 £	13 months ended 31 March 2011 £
Current tax		
UK corporation tax charge on result for the period	881	-
Total current tax	881	-
Deferred tax charge		
Origination and timing differences	54,630	49,917
Adjustment in respect of previous periods	(54,630)	(49,917)
Total deferred tax charge	-	-
Total tax charge in the period	881	-

The standard rate of current tax for the period, based on the UK standard rate of corporation tax, is 20% (2011 21%). The tax on profit on ordinary activities for the year differs from 20% (2011 exceeds 21%) for the reasons set out in the following reconciliation

	£	£
Tax on profit at small company's rate in the UK of 20 % (2011 21%)	-	-
Factors affecting tax charge for the period		
Accelerated capital allowances	-	2,507
Capital allowances in excess of depreciation	(470)	-
Movement in short-term timing differences	(5,253)	(46,133)
Generation of tax losses	-	39,698
Expenses not deductible for tax purposes	6,604	3,928
UK corporation tax charge for the period	881	-

The deferred tax asset not recognised in the financial statements in respect of losses and short-term timing differences amounted to £54,640 (2011 £54,132). A deferred tax asset has not been recognised as the company does not anticipate sufficient taxable profits arising within the immediate future to be able to recover the deferred tax asset.

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

6.	STOCKS	2012 £	2011 £		
	Finished goods	83,548	86,607		
	The difference between the purchase price or production cost of stocks and their replacement cost is not material				
7.	DEBTORS	2012 £	2011 £		
	Trade debtors	335,959	570,621		
	Amounts owed by group undertakings	543,015	260,310		
	Other debtors	-	1,826		
	Prepayments and accrued income	457,395	648,476		
		1,336,369	1,481,233		
8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2012 £	2011 £		
	Trade creditors	183,029	315,036		
	Amounts owed to group undertakings	848,863	901,796		
	Other taxes and social security	324,079	251,142		
	Other creditors	61,840	69,999		
	Accruals and deferred income	657,969	469,871		
	Corporation tax	881	-		
		2,076,661	2,007,844		
9.	SHARE CAPITAL	2012 £	2011 £		
	Allotted, called up and fully paid 500,001 Ordinary shares of £1 each	500,001	500,001		
10.	COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AND STATEMENT OF MOVEMENTS IN RESERVES				
		Called up share capital £	Profit and loss account £	Total 2012 £	Total 2011 £
	At beginning of the period	500,001	(294,000)	206,001	(13,999)
	Loss for the period	-	(881)	(881)	-
	Amount relating to defined benefit pension	-	-	-	220,000
	At end of the period	500,001	(294,881)	205,120	206,001

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 March 2012**

11. OPERATING LEASE COMMITMENTS

At 31 March 2012 and 2011 the company was committed to making the following payments during the next year in respect of non-cancellable operating leases

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire				
- within one year	-	66,054	616,000	20,400
- within two to five years	730,000	-	-	87,673
	<u>730,000</u>	<u>66,054</u>	<u>616,000</u>	<u>108,073</u>

12. PENSION SCHEMES

The defined benefit pension scheme was transferred from Cornwall Council on 1 April 2007, when Cornwall Airport Limited took over as principal 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 of funding purposes using the projected unit method.

An actuarial valuation for FRS17 purposes was carried out at 31 March 2012 by a qualified actuary, Hymans Robertson LLP, using the projected unit method.

The major assumptions used by the actuary were

	At 31 March 2012	At 31 March 2011	At 28 February 2010
Inflation	2.5%	2.8%	3.7%
Salary increases	4.8%	5.1%	5.7%
Expected return on assets	5.5%	6.8%	7.1%
Discount rate	4.8%	5.5%	5.7%

The inflation assumption used for the year ended 31 March 2012 and period ended 31 March 2011 is in line with the Consumer Prices Index (CPI).

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

		2012		2011
	%	£	%	£
Equities	6.2%	1,889,000	7.5%	1,838,000
Bonds	4.0%	444,000	4.9%	357,000
Property	4.4%	194,000	5.5%	179,000
Cash	3.5%	250,000	4.6%	179,000
Total fair value of assets		<u>2,777,000</u>		<u>2,553,000</u>

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 March 2012**

12. PENSION SCHEMES (continued)	2012	2011
	£	£
Reconciliation of balance sheet		
Total market value of assets	2,777,000	2,553,000
Present value of scheme liabilities	(2,443,000)	(2,014,000)
2012 surplus not recognised as an asset	(334,000)	(539,000)
Actuarial surplus	-	-
FRS 17 defined benefit liability	-	-

The contribution rate in the year to 31 March 2012 was 14.9 % (2011 19.3%) of pensionable earnings

The accounting valuation under FRS17 at 31 March 2012 shows a surplus of £334,000 (2011 surplus of £539,000). The directors do not consider that there are likely to be any future economic benefits available to the company from the surplus as at 31 March 2012 calculated in accordance with FRS17, hence an asset has not been recognised in the balance sheet.

Movement in the scheme surplus/(deficit) during the period	£	£
At beginning of the period	-	(439,000)
Surplus not recognised at beginning of the period	539,000	-
Current service cost	(154,000)	(223,000)
Contributions	118,000	191,000
Actuarial (loss)/gain	(232,000)	759,000
Other finance income	63,000	11,000
Past service gains	-	240,000
2012 surplus not recognised as an asset	(334,000)	(539,000)
At end of the period	-	-

There were no outstanding contributions payable to the fund at either period-end.

Analysis of amount charged to operating loss	£	£
Current service cost	(154,000)	(223,000)
Past service gains	-	240,000
Total operating (charge)/income	(154,000)	17,000

Analysis of amount credited to other finance income	£	£
Expected return on pension scheme assets	179,000	141,000
Interest cost	(116,000)	(130,000)
Net return	63,000	11,000

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

12. PENSION SCHEMES (continued)	2012 £	2011 £
Analysis of amount recognised in statement of total recognised gains and losses		
Actual return less expected return on pension assets	30,000	223,000
Changes in financial assumptions underlying the scheme liabilities	304,000	536,000
2012 surplus not recognised as an asset	(334,000)	(539,000)
Actuarial gain recognised in statement of total recognised gains and losses	-	220,000

The company operates a defined contribution pension scheme for 41 staff (2011 29 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 £57,994 (2011 £64,368) Contributions amounting to £9,539 were outstanding at the end of the year (2011 £9,371)

13. TRANSACTIONS WITH DIRECTORS

The company entered into transactions to the value of £5,725 (2011 £5,525) with Airport Planning and Development (APD) Limited which provided consultancy services to the company A close relation of director Alan Titterton is a shareholder and director of Airport Planning and Development (APD) Limited No amount was owed to Airport Planning and Development (APD) Limited in respect of these services at the end of either period

14. TRANSACTIONS WITH RELATED PARTIES

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

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party is Cornwall Council Cornwall 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 Council is New County Hall, Truro, Cornwall, TR7 3AY