

Company Registration Number 06098925

CORNWALL AIRPORT LIMITED

Report and Financial Statements

**For the period from 1 March 2010
to 31 March 2011**

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CORNWALL AIRPORT LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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CORNWALL AIRPORT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

EXECUTIVE DIRECTORS

A D Titterington
K Marshall (appointed 20 June 2010)
R Thomasson

NON-EXECUTIVE DIRECTORS

A Skipp
J H Currie
J Fitter
C Jarvis (resigned 16 December 2010)

SECRETARY

A G Allen (resigned 17 June 2010)
K Marshall (appointed 17 June 2010)

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 period from 1 March 2010 to 31 March 2011

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 £9,111,452 (28 February 2010 £8,069,701) including income under the terms of the Public Service Obligations Agreement. The balance sheet on page 7 of the financial statements shows the company's financial position at the year end

This has been the first financial period over which the annual budget has been achieved, and this has demonstrated the success of the restructuring of the company in early 2010, with full day-to-day commercial responsibilities falling to the new management team. Whilst passenger numbers have fallen, as below, the costs of the business have come under close scrutiny and improved control

Passenger numbers have fallen in the thirteen month period by 16% to 304,174 (28 February 2010 13% down to 360,516 in the 12 month period). This is a result of a combination of factors. The Volcanic Ash event in April 2010 dramatically reduced aircraft movements, and extreme snow conditions closed London Gatwick – the main winter flight destination from Newquay Cornwall Airport - during both late November and December 2010. The economic climate has remained difficult, with route reductions and strategic cancellations by many air operators to minimise the costs on marginal routes

The overall number of routes fell to 15 (from a peak of 20 in 2010) as airlines looked to consolidate their operations around established routes and aircraft bases. However, certain key business routes at Newquay saw good growth despite the effects of the recession

The average on-time punctuality was 87%, marginally down from the previous period average of 89%. 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 which has affected punctuality. The UK average is 85%

The average number of complaints against the airport from its users was 0.428 complaints per 1,000 passengers (28 February 2010 0.381 complaints per 1,000 passengers). The increase has arisen largely due to changes in car park infringement enforcing

The business strategy is focused on developing the airport not only as a passenger terminal, but equally as an aerospace industry sector hub. This 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, and builds on the success from Agusta Westland operations flight training centre and British International Helicopters maintenance operation which are established on the aerodrome site

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 Public Service Obligations Agreement, 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 (28 February 2010 £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 2011

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 judgments 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 group and 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 CORNWALL AIRPORT LIMITED

We have audited the financial statements of Cornwall Airport Limited for the period from 1 March 2010 to 31 March 2011 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 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 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.

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 and of its result for the period 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

16 June 2011

CORNWALL AIRPORT LIMITED

PROFIT AND LOSS ACCOUNT

For the period from 1 March 2010 to 31 March 2011

	Note	Period ended 31 March 2011 £	Year ended 28 February 2010 £
TURNOVER - continuing operations	2	9,111,452	8,069,701
Cost of sales		(9,163,841)	(8,160,153)
GROSS LOSS		<u>(52,389)</u>	<u>(90,452)</u>
Administrative expenses		(296,113)	(203,528)
Exceptional loss on transfer in of FRS 17 liabilities		-	(291,000)
Other operating income		337,495	293,980
		<u>41,382</u>	<u>(200,548)</u>
OPERATING LOSS - continuing operations	3	(11,007)	(291,000)
Interest receivable and similar income		7	-
Other finance income		11,000	-
		<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(291,000)
Tax credit on profit on ordinary activities	5	-	8,000
RETAINED LOSS FOR THE PERIOD		<u>-</u>	<u>(283,000)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Period ended 31 March 2011

	Period ended 31 March 2011 £	Year ended 28 February 2010 £
Loss for the period	-	(283,000)
Actuarial gain/(loss) relating to the pension scheme	220,000	(179,000)
Total recognised gains/(losses) relating to the period	<u>220,000</u>	<u>(462,000)</u>

CORNWALL AIRPORT LIMITED

BALANCE SHEET

At 31 March 2011

	Note	At 31 March 2011 £	At 28 February 2010 £
CURRENT ASSETS			
Stocks	6	86,607	65,775
Debtors	7	1,481,233	1,376,351
Cash at bank and in hand		646,005	432,504
		<u>2,213,845</u>	<u>1,874,630</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(2,007,844)</u>	<u>(1,449,629)</u>
NET CURRENT ASSETS		<u>206,001</u>	<u>425,001</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>206,001</u>	<u>425,001</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>206,001</u>	<u>425,001</u>
PENSION LIABILITY	12	<u>-</u>	<u>(439,000)</u>
NET ASSETS/(LIABILITIES) INCLUDING PENSION LIABILITY		<u>206,001</u>	<u>(13,999)</u>
CAPITAL AND RESERVES			
Called up share capital	9	500,001	500,001
Profit and loss account	10	(294,000)	(514,000)
SHAREHOLDER'S FUNDS/(DEFICIT)	10	<u>206,001</u>	<u>(13,999)</u>

The financial statements of Cornwall Airport Limited, registered number 06098925, were approved by the Board of Directors and authorised for issue on 14 June 2011

Signed on behalf of the Board of Directors


A D Titterington
Director

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 March 2010 to 31 March 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards which have been applied consistently throughout the period 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 period from 1 March 2010 to 31 March 2011

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 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, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

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 UK, is attributable to one continuing activity, 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 Obligation Agreement. Other operating income, which arises in the UK, is attributable to one continuing activity, airport operations.

3. OPERATING LOSS

	Period ended 31 March 2011 £	Year ended 28 February 2010 £
Operating profit is stated after charging/(crediting)		
Public Service Obligations Agreement income	(4,308,281)	(3,934,526)
Operating lease rentals		
- plant and machinery	127,499	104,829
- land buildings	649,520	635,084
Auditor's remuneration for audit services	13,000	13,000
Auditor's remuneration for other services	2,350	3,350
Realised exceptional loss on transfer in of FRS 17 liabilities	-	291,000

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 March 2010 to 31 March 2011

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES	Period ended 31 March 2011 £	Year ended 28 February 2010 £
Directors' emoluments:		
Emoluments	<u>273,208</u>	<u>250,248</u>
	No.	No.
The number of directors who were members of a defined benefit pension scheme	<u>2</u>	<u>3</u>
	£	£
The highest paid director	<u>125,788</u>	<u>69,350</u>
Employee costs during the period:	£	£
Wages and salaries	4,144,887	3,895,344
Social security costs	359,248	344,399
Other pension costs	<u>267,394</u>	<u>179,671</u>
	<u>4,771,529</u>	<u>4,419,414</u>
Average number of persons employed:	No.	No.
Operations	175	171
Commercial	<u>3</u>	<u>3</u>
	<u>178</u>	<u>174</u>

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 March 2010 to 31 March 2011

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period ended 31 March 2011 £	Year ended 28 February 2010 £
Current tax credit		
UK corporation tax on profits for the period	-	(5,162)
Refund received in respect of previous periods	-	(2,838)
Total current tax credit	-	(8,000)
Deferred tax charge		
Origination and timing differences	49,917	-
Adjustment in respect of previous periods	(49,917)	-
Total deferred tax charge	-	-
Total tax credit in the period	-	-

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 21% (28 February 2010 21%) The tax on profit on ordinary activities for the period exceeds 21% (28 February 2010 exceeds 21%) for the reasons set out in the following reconciliation

	£	£
Tax on profit at small companies rate in the UK of 21% (28 February 2010 21%)	-	(61,110)
Factors affecting tax charge for the period		
Accelerated capital allowances	2,507	1,078
Movement in short-term timing differences	(46,133)	48,409
Generation of tax losses	39,698	6,012
Prior period adjustments	-	(2,838)
Expenses not deductible for tax purposes	3,928	191
Effect of change in tax rate	-	258
UK corporation tax credit for the period	-	(8,000)

The deferred tax asset not recognised in the financial statements to 28 February 2010 in respect of losses and short term timing differences amounted to £54,132 (28 February 2010 £104,261) 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 period from 1 March 2010 to 31 March 2011

6. STOCKS	At 31 March 2011 £	At 28 February 2010 £
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Finished goods	<u>86,607</u>	<u>65,775</u>
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The difference between purchase price or production cost of stocks and their replacement cost is not material

7. DEBTORS	At 31 March 2011 £	At 28 February 2010 £
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Trade debtors	570,621	528,916
Amounts owed by group undertakings	260,310	534,742
Corporation tax	-	8,000
Other debtors	1,826	-
Prepayments and accrued income	648,476	304,693
	<u>1,481,233</u>	<u>1,376,351</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	At 31 March 2011 £	At 28 February 2010 £
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Trade creditors	315,036	53,867
Amounts owed to group undertakings	901,796	656,603
Other taxes and social security	251,142	305,729
Other creditors	69,999	52,321
Accruals and deferred income	469,871	381,109
	<u>2,007,844</u>	<u>1,449,629</u>

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 March 2010 to 31 March 2011

9. SHARE CAPITAL

	At 31 March 2011 £	At 28 February 2010 £
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 at 31 March 2011 £	Total at 28 February 2010 £
At beginning of the period	500,001	(514,000)	(13,999)	448,001
Loss for the period	-	-	-	(283,000)
Amount relating to defined benefit pension	-	220,000	220,000	(179,000)
At end of the period	500,001	(294,000)	206,001	(13,999)

11. OPERATING LEASE COMMITMENTS

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

	At 31 March 2011	At 28 February 2010
	Land and buildings £	Land and buildings £
Leases which expire		
- within one year	616,000	-
- within two to five years	-	19,459
	87,673	616,000
	616,000	110,010
	108,073	616,000
	129,469	

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 March 2010 to 31 March 2011

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.

A full actuarial valuation for FRS 17 purposes was carried out at 31 March 2010 and updated to 31 March 2011 by a qualified actuary, Hymans Robertson LLP, using the projected unit method.

The major assumptions used by the actuary were

	At 31 March 2011	At 28 February 2010	At 28 February 2009
Inflation	2.8%	3.7%	3.1%
Salary increases	5.1%	5.7%	5.1%
Expected return on assets	6.8%	7.1%	3.1%
Discount rate	5.5%	5.7%	6.6%

The inflation assumption this year will be in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) as in previous years. This is as a result of the Emergency Budget announcement in June 2010.

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

	At 31 March 2011		At 28 February 2010	
		£	%	£
Equities	7.5%	1,838,000	7.9%	1,188,000
Bonds	4.9%	357,000	5.1%	255,000
Property	5.5%	179,000	5.8%	102,000
Cash	4.6%	179,000	4.9%	153,000
Total fair value of assets		<u>2,553,000</u>		<u>1,698,000</u>

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 March 2010 to 31 March 2011

12 PENSION SCHEMES (continued)

Reconciliation of balance sheet

	At 31 March 2011 £	At 28 February 2010 £
Total market value of assets	2,553,000	1,698,000
Present value of scheme liabilities	(2,014,000)	(2,137,000)
2011 surplus not recognised as an asset	(539,000)	-
Actuarial deficit	-	(439,000)
FRS 17 defined benefit liability	-	(439,000)

The contribution rate in the period to 31 March 2011 was 19.3% (28 February 2010 19.6%) of pensionable earnings

The accounting valuation under FRS17 at 31 March 2011 shows a 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 2011 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)	(17,000)
Current service cost	(223,000)	(117,000)
Contributions	191,000	165,000
Actuarial gain/(loss)	759,000	(179,000)
Other finance income	11,000	-
Past service gains	240,000	-
FRS 17 liabilities assumed during the year	-	(1,622,000)
FRS 17 assets acquired during the year	-	1,331,000
2011 surplus not recognised as an asset	(539,000)	-
At end of the period	-	(439,000)

At 31 March 2011 there were no outstanding contributions payable to the fund (28 February 2010 £nil)

Analysis of amount charged to operating profit

	£	£
Current service cost	(223,000)	(117,000)
Past service gains	240,000	-
Total operating income/(charge)	17,000	(117,000)

CORNWALL AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 March 2010 to 31 March 2011

12. PENSION SCHEMES (continued)

Analysis of amount credited to other finance income	£	£
Expected return on pension scheme assets	141,000	13,000
Interest cost	(130,000)	(13,000)
Net return	11,000	-
Analysis of amount recognised in statement of total recognised gains and losses	At 31 March 2011 £	At 28 February 2010 £
Actual return less expected return on pension assets	223,000	44,000
Changes in financial assumptions underlying the scheme liabilities	536,000	(223,000)
2011 surplus not recognised as an asset	(539,000)	-
Actuarial gain/(loss) recognised in statement of total recognised gains and losses	220,000	(179,000)

The company operates a defined contribution pension scheme for 29 staff (28 February 2010 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 of the schemes and amounted to £64,368 (28 February 2010 £62,671) Contributions amounting to £9,371 were outstanding at the end of the period (28 February 2010 £9,174)

13. TRANSACTIONS WITH DIRECTORS

The company entered into transactions to the value of £5,525 (28 February 2010 £10,450) with Airport Planning and Development (APD) Limited which provided consultancy services to the company A close relation of director Alan Titterington is a shareholder and director of Airport Planning and Development (APD) Limited At 31 March 2011 £nil (28 February 2010 £nil) was owed to Airport Planning and Development (APD) Limited in respect of these services

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 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