

DUNDEE AIRPORT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

**DUNDEE AIRPORT LIMITED
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DIRECTORS

Grenville Johnston OBE TD CA	Chairman
Inglis Lyon	Managing Director
Gillian Bruton	
David Dorward	
Lorna Jack-Hooijenga	
James McLaughlin	
Timothy Whittome	

COMPANY SECRETARY

Inglis Lyon

REGISTERED OFFICE

Inverness Airport
Inverness
IV2 7JB

Registered in Scotland Number 325066

AUDITOR

Scott Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

**DUNDEE AIRPORT LIMITED
DIRECTORS' REPORT**

The Directors submit their report and financial statements for the year ended 31 March 2014.

RESULTS AND DIVIDENDS

The trading loss for the year, after taking account of taxation, amounted to £1,000 (2013: £13,000). The Directors recommend that no dividend be paid, leaving the full amount to be set against reserves.

PRINCIPAL ACTIVITY

The company's principal activity is to provide and operate a safe, secure and efficient airport which supports the communities we serve.

AUDITOR

The auditor, Ernst & Young LLP resigned during the year and Scott Moncrieff were subsequently appointed. Scott Moncrieff, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS

The Directors who served during the year to 31 March 2014 and subsequently are: -

Grenville Johnston	Chairman	
Inglis Lyon	Managing Director	
Michael Cantlay	Director	(Resigned 28 February 2014)
Andrew Castell	Director	(Resigned 28 February 2014)
Gillian Bruton	Director	(Appointed 22 May 2013)
David Dorward	Director	
Lorna Jack-Hooijenga	Director	(Appointed 1 March 2014)
James McLaughlin	Director	(Appointed 1 March 2014)
David Savile	Director	(Resigned 4 June 2014)
Timothy Whittome	Director	(Appointed 1 March 2014)

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 2. Having made enquiries of fellow Directors and of the company's auditor, each of these Directors confirms that: -

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

The report of the Directors has been prepared in accordance with the special provisions relating to companies subject to small companies regime within Part 15 of the Companies Act 2006.

By order of the board


Inglis Lyon
Company Secretary
19 August 2014

DUNDEE AIRPORT LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' 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 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.

DUNDEE AIRPORT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUNDEE AIRPORT LIMITED

We have audited the financial statements of Dundee Airport Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (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 Directors' Responsibilities Statement 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 2014 and of its loss 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.

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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report, and from the requirement to prepare a strategic report.

Emphasis of matter – going concern

We draw attention to the matter referred to in note 1.2 of the financial statements under the paragraph heading going concern. Our opinion is not qualified in respect of this matter



Nick Bennett (Senior statutory auditor)
for and on behalf of Scott Moncrieff, Statutory Auditor
Exchange Place 3
Sample Street
Edinburgh EH3 8BL

13 August 2014

DUNDEE AIRPORT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £000	2013 £000
TURNOVER – Continuing operations	2	1,176	1,304
SUBSIDIES			
Total receivable		3,224	2,946
Capital carried to deferred income		(84)	(149)
Revenue	3	<u>3,140</u>	<u>2,797</u>
		4,316	4,101
DIRECT OPERATING COSTS		<u>(3,982)</u>	<u>(3,810)</u>
GROSS PROFIT		334	291
ADMINISTRATIVE EXPENSES		<u>(392)</u>	<u>(348)</u>
OPERATING (LOSS) – Continuing operations	4	(58)	(57)
PROFIT ON DISPOSAL OF TANGIBLE FIXED ASSETS		3	9
OTHER FINANCE INCOME	5	<u>49</u>	<u>35</u>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(6)	(13)
TAX ON (LOSS) ON ORDINARY ACTIVITIES	6	<u>5</u>	<u>-</u>
(LOSS) FOR THE FINANCIAL YEAR		<u>(1)</u>	<u>(13)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014

		2014 £000	2013 £000
(Loss) for the financial year		(1)	(13)
Actuarial (loss)/gain recognised on defined pension scheme	14	<u>(689)</u>	<u>332</u>
Total (loss)/gain recognised relating to the year		<u>(690)</u>	<u>319</u>


Notes 1 to 17 form part of these financial statements

DUNDEE AIRPORT LIMITED
BALANCE SHEET
AS AT 31 MARCH 2014

	Notes	2014 £000	2013 £000
FIXED ASSETS			
Tangible assets	7	<u>11,223</u>	<u>13,056</u>
CURRENT ASSETS			
Stocks		32	34
Debtors	8	809	319
Cash at bank and in hand		<u>10</u>	<u>50</u>
		851	403
CREDITORS: Amounts falling due within one year	9	<u>(990)</u>	<u>(535)</u>
NET CURRENT (LIABILITES)		<u>(139)</u>	<u>(132)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,084	12,924
PROVISIONS FOR LIABILITIES	10	-	(5)
ACCRUALS AND DEFERRED INCOME			
Deferred Subsidies	11	<u>(10,844)</u>	<u>(12,637)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		240	282
Defined benefit pension liability	14	(659)	(11)
NET (LIABILITIES)/ASSETS		<u>(419)</u>	<u>271</u>
CAPITAL AND RESERVES			
Share capital	12	5	5
Profit and loss account	13	<u>(424)</u>	<u>266</u>
		(419)	271

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were authorised for issue by the board of directors on 13 August 2014 and signed on its behalf by :-



Grenville Johnston CA
Chairman

Inglis Lyon
Managing
Director
13 August 2014

Notes 1 to 17 form part of these financial statements

DUNDEE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 GOING CONCERN

The company's parent receives subsidies from the Scottish Ministers on an annual basis to ensure the continuing operation of Dundee Airport. The annual financial statements are prepared on the assumption that the company will continue to receive such subsidies, via the parent company, for the foreseeable future. The directors recognise the £419,000 deficit in shareholders' funds. The deficit arises from bringing a long term pension liability onto the balance sheet and does not reflect the company's ability to continue as a going concern or meet its liabilities when due.

The parent company, Highlands and Islands Airports Limited, sets an annual group budget which aims to balance income, expenditure and operating subsidy provisions set by government. The group's operating subsidy provision has been set at £19.9 million for the year ending 31 March 2015. This is considered by the Directors to be adequate to sustain the group as a going concern having considered the 12 months ahead from date of approval.

1.3 TANGIBLE ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on tangible fixed assets to spread the cost by equal annual instalments over their estimated useful lives, as follows: -

Freehold buildings	20-25 years
Leasehold buildings	over the remaining life of the lease to a maximum of 20 years
Plant and other equipment	3-10 years
Vehicles	5 years
Runways, aprons and main services	7-25 years

DUNDEE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

1.4 STOCKS

Stocks are stated at the lower of cost and net realisable value.

1.5 SUBSIDIES

Subsidies represent amounts received from the Scottish Ministers, via the parent company, in accordance with Section 34 of the Civil Aviation Act 1982 along with other revenue and capital grants.

Subsidies in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets.

Subsidies for revenue expenditure are separately disclosed within turnover in the period to which they relate.

1.6 DEFERRED TAXATION

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future 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 financial statements. Deferred tax assets and liabilities are not discounted.

1.7 CASH FLOW STATEMENT

The company is exempt from preparing a cash flow statement under the Financial Reporting Standard for Smaller Entities (effective April 2008) as it is a small company.

1.8 PENSION COSTS

The company's employees are members of the Tayside Superannuation Fund, a defined benefit scheme, which is operated by Dundee City Council. Contributions are charged to the profit and loss account in accordance with actuarial recommendations, so as to spread the cost over the employees' remaining working lives with the company.

On the advice of an independent qualified actuary, contributions are made to the plan to ensure that the plan's assets are sufficient to cover future liabilities. For the purpose of FRS 17 disclosures, pension plan assets are measured using market values. Pension plan liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond, based on an index of appropriate term and currency to the liability. Any increase in the present value of the liabilities of the defined benefit pension plan expected to arise from employee service in the period is charged against operating profit. The expected return on the plan's assets and the increase during the period in the present value of the plan's liabilities arising from the passage of time are included in interest receivable and similar income. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses.

DUNDEE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

2. TURNOVER

Turnover represents amounts received and receivable (stated net of value added tax) in respect of airport services provided in the UK.

3. SUBSIDIES

Revenue subsidies of £3,140,389 were received from Scottish Ministers, via the parent company, in relation to the company's trading year ending 31 March 2014, in accordance with Section 34 of the Civil Aviation Act 1982.

4. OPERATING (LOSS)

	2014 £000	2013 £000
<i>This is stated after charging: -</i>		
Depreciation	1,918	2,079
Auditor's remuneration – audit services	3	3
 <i>And after crediting: -</i>		
Deferred subsidies released	1,877	2,034

The Directors did not receive any remuneration from the company during the year.

5. OTHER FINANCE INCOME

	2014 £000	2013 £000
Expected return on pension scheme assets	226	191
Interest on pension scheme liabilities	<u>(177)</u>	<u>(156)</u>
	<u>49</u>	<u>35</u>

6. TAX

(a) Tax on (Loss) on ordinary activities

The tax charge is made up as follows: -

	2014 £000	2013 £000
<i>Current Tax: -</i>		
UK Corporation tax at 23% (2013: 24%)	-	-
Total current tax charge	<u>-</u>	<u>-</u>

Deferred Tax: -

Origination and reversal of timing differences	5	-
Tax on (Loss) on ordinary activities	<u>5</u>	<u>-</u>

(b) Factors affecting the current tax charge

The tax assessed for the period on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are reconciled below: -

	2014 £000	2013 £000
(Loss) on ordinary activities before tax	<u>(6)</u>	<u>(13)</u>
Tax at 23% (2013: 24%) thereon:	(1)	(3)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1	-
Net depreciation in excess of capital allowances	11	9
Pension provisions not deductible for tax purposes	(9)	(7)
Adjustments relating to the sale of fixed assets	(1)	(2)
Small Companies Tax Relief	-	-
Unrelieved Tax Losses	-	3
Current tax charge for year	<u>-</u>	<u>-</u>

DUNDEE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

7. TANGIBLE FIXED ASSETS

	Land and Buildings Freehold £000	Land and Buildings Leasehold £000	Nav aids £000	Plant and Other Equipment Vehicles Furniture £000	Runways Aprons and Main Services £000	Assets in Course of Construction and Installation £000	Total £000
COST							
At 1 April 2013	389	3,801	740	4,638	14,439	14	24,021
Additions during year	-	-	-	86	-	10	96
Disposals during year	-	-	-	(13)	-	-	(13)
Transfers during year	-	-	-	14	-	(14)	-
At 31 March 2014	389	3,801	740	4,725	14,439	10	24,104
DEPRECIATION							
At 1 April 2013	(80)	(1,920)	(649)	(3,178)	(5,138)	-	(10,965)
Provided during year	(21)	(360)	(16)	(501)	(1,020)	-	(1,918)
Disposals during year	-	-	-	2	-	-	2
At 31 March 2014	(101)	(2,280)	(665)	(3,677)	(6,158)	-	(12,881)
NET BOOK VALUE							
at 31 March 2014	288	1,521	75	1,048	8,281	10	11,223
at 31 March 2013	309	1,881	91	1,460	9,301	14	13,056

8. DEBTORS

	2014 £000	2013 £000
Trade debtors	82	102
Other debtors	33	38
Amount due from parent undertaking	694	179
	<u>809</u>	<u>319</u>

9. CREDITORS: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	1	1
Other taxes and social security costs	28	29
Other creditors	5	6
Accruals and deferred income	927	470
Amounts due to group undertaking	29	29
	<u>990</u>	<u>535</u>

DUNDEE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

10.	PROVISIONS FOR LIABILITIES		2014	2013
			£000	£000
	Deferred taxation		<u>-</u>	<u>5</u>
	<i>Movement on deferred tax: -</i>			
	Opening		5	5
	Movement		<u>(5)</u>	<u>-</u>
	Closing		<u>-</u>	<u>5</u>
	<i>Analysis of deferred tax balances: -</i>			
	Capital allowances timing differences		-	5
	Timing differences relating to pensions		<u>-</u>	<u>-</u>
			<u>-</u>	<u>5</u>
11.	DEFERRED SUBSIDIES		2014	2013
			£000	£000
	Balance at 1 April		12,637	14,522
	Subsidies receivable		84	149
	Released to profit and loss account		<u>(1,877)</u>	<u>(2,034)</u>
	Balance at 31 March		<u>10,844</u>	<u>12,637</u>
12.	SHARE CAPITAL			
		Authorised		Issued and fully paid
		2014	2013	2013
		No.	No.	£
	Ordinary shares of £1 each	5,000	5,000	5,000
13.	SHARE CAPITAL, MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS			
		Share Capital	Profit and Loss account	Total
		£000	£000	£000
	At 1 April 2013	5	266	271
	Retained (loss) for the year	-	(1)	(1)
	Actuarial loss on pension scheme	-	(689)	(689)
	At 31 March 2014	<u>5</u>	<u>(424)</u>	<u>(419)</u>

14. PENSION COSTS

The employees of Dundee Airport Limited are included within the Tayside Superannuation Fund, a defined benefit scheme operated in the UK and is funded by payment of contributions to a separately administered trust fund.

The valuation used has been based on the most recent actuarial valuation at 31 March 2011 and was updated by Barnett Waddingham to take account of the requirements of FRS17 in order to assess the liabilities of the scheme at 31 March 2014.

DUNDEE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

14. PENSION COSTS (CONTINUED)

The assets and liabilities of the scheme at 31 March are:

	2014 £000	2013 £000
<i>Scheme assets at fair value</i>		
Equities	3,211	2,673
Gilts	380	264
Other bonds	169	414
Property	380	339
Cash	85	75
	—	—
Fair value of scheme assets	4,225	3,765
Present value of scheme liabilities	(4,884)	(3,776)
	—	—
Unrecognised past service cost	(659)	(11)
	—	—
Defined benefit pension scheme deficit	<u>(659)</u>	<u>(11)</u>

The pension scheme has not invested in any of the company's own financial instruments nor in properties or other assets used by the company.

The amounts recognised in the Profit and Loss Account and in the Statement of Total Recognised Gains and Losses for the year are analysed as follows:

	2014 £000	2013 £000
<i>Recognised in the Profit and Loss Account</i>		
Current service cost	(212)	(212)
Past service cost	-	-
Recognised in arriving at operating profit	<u>(212)</u>	<u>(212)</u>
Expected return on scheme assets	226	191
Interest on obligation	(177)	(156)
	—	—
Other finance income	49	35
	—	—
Total recognised in the Profit and Loss Account	<u>(163)</u>	<u>(177)</u>
	2014 £000	2013 £000
<i>Taken to the Statement of Total Recognised Gains and Losses</i>		
Actual return on scheme assets	285	525
Less: expected return on scheme assets	(226)	(191)
	—	—
Experience gains and losses	59	334
Changes in assumptions underlying the present value of the scheme liabilities	-	-
	(748)	(2)
	—	—
Actuarial gains and losses recognised in the Statement of Total Recognised Gains/(Losses)	<u>(689)</u>	<u>332</u>

Pensions

Pension contributions are determined with the advice of independent qualified actuaries, Barnett Waddingham, on the basis of annual valuations using the projected unit credit method. The projected unit credit method is an accrued benefits valuation method in which the scheme liabilities make allowance for future earnings. Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

DUNDEE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

14. PENSION COSTS (CONTINUED)

Main assumptions:

	2014	2013
	%	%
Rate of salary increases	3.7	3.4
Rate of increase in pensions in payment	2.9	2.6
Discount rate	4.6	4.7
Expected rates of return on scheme assets		
Equities	7.3	6.8
Gilts	3.5	3.0
Other bonds	4.3	4.1
Property	4.5	4.0
Cash	0.5	0.5
RPI Inflation assumption	3.7	3.4
CPI Inflation assumption	2.9	2.6

The discount rate is the annualised yield at the 25 year point on the Merrill Lynch AA rated corporate bond curve which has been chosen to meet the requirements of FRS17 and with the consideration of the duration of the Employer's liabilities. This is consistent with the approach used at the last accounting date. The RPI inflation assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England, specifically the 25 year point on the BoE spot inflation curve. This is consistent with the approach used at the last accounting date. The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 April 2014 for the year to 31 March 2015). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

	2014	2013
	Years	Years
Post-retirement mortality		
Current pensioners at 65 – male	21.0	20.6
Current pensioners at 65 – female	23.3	22.9
Future pensioners at 65 – male	23.2	21.9
Future pensioners at 65 – female	25.6	24.5

Mortality rates for 2013 and 2014 are based on S1PA tables with a 120% multiplier, making allowance for future improvement factors in line with the CMI 2013 projections, with a long term rate of 1.5%. The disclosures above in respect of mortality relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 20 years time.

The results stated in the tables above are sensitive to the assumptions used. The following table sets out the impact of a change in the discount rates on the total obligation and projected service cost, along with a +/- 1 year age rating adjustment to the mortality assumption:

<i>Change in assumption</i>	<i>+ 0.1%</i>	<i>- 0.1%</i>	<i>+ 1 year</i>	<i>- 1 year</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Present value of defined benefit obligation	<u>(4,728)</u>	<u>(5,045)</u>	<u>(4,706)</u>	<u>(5,063)</u>
Projected service cost	<u>249</u>	<u>268</u>	<u>249</u>	<u>268</u>

The projected pension expense for the year ending 31 March 2015 is as follows:

	2015
	£000
Current service cost	259
Interest cost	224
Return on assets	(278)
	—
Total	<u>205</u>
Employer contributions	<u>209</u>

DUNDEE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

14. PENSION COSTS (CONTINUED)

Changes in the present value of the defined benefit pension obligations are analysed as follows:

	2014 £000	2013 £000
As at 1 April	3,776	3,372
Current service cost	212	212
Past service cost	-	-
Interest cost	177	156
Benefits paid net of transfers in	(133)	(47)
Contributions by scheme participants	104	81
Actuarial loss	748	2

As at 31 March	<u>4,884</u>	<u>3,776</u>
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Changes in the fair value of plan assets are analysed as follows:

	2014 £000	2013 £000
As at 1 April	3,765	2,998
Expected return on plan assets	226	191
Employer contributions	204	208
Contributions by scheme participants	104	81
Benefits paid net of transfer in and including unfunded	(133)	(47)
Actuarial gain	59	334

As at 31 March	<u>4,225</u>	<u>3,765</u>
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	2014 £000	2013 £000
Fair value of scheme assets	4,225	3,765
Present value of defined benefit obligation	(4,884)	(3,776)

Deficit in the scheme	<u>(659)</u>	<u>(11)</u>
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Experience adjustments arising on plan liabilities	-	-
Experience adjustments arising on plan assets	59	334

Reconciliation of movements in the deficit:

	2014 £000s	2013 £000s
Deficit at beginning of year	(11)	(374)
Current service cost	(212)	(212)
Employer contributions	204	208
Other finance income	49	35
Actuarial (losses)/gains	(689)	332

Deficit at the end of the year	<u>(659)</u>	<u>(11)</u>
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DUNDEE AIRPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

15. CAPITAL COMMITMENTS

	2014 £000	2013 £000
Contracted	<u>19</u>	<u>85</u>

16. RELATED PARTIES

- (a) During the period subsidies of £3,140,389 (2013: 2,957,603) was received from the Scottish Ministers via Highland & Islands Airports Ltd and £306,424 (2013: £341,027) was payable to AMSL, a fellow subsidiary of Highland & Islands Airports. Of this £694,182 (2013: £179,803) remained outstanding at 31st March 2014 from Highlands & Islands Airports Ltd and £28,906 (2013: £29,459) to AMSL
- (b) £391,753 was due to HIAL from Dundee Airport Limited and disclosed within Accruals & Deferred Income (2013; £348,499)
- (c) During the year purchases of £186,930 and sales of £Nil were made, in relation to normal operating activities, from Dundee City Council. At 31 March 2014, £13,912 was due to Dundee City Council by Dundee Airport Limited and disclosed within accruals and deferred income (2013: £25,930). David Dorward, a director of Dundee Airport Limited, is the Chief Executive of Dundee City Council.

These transactions were entered into on an arm's length basis.

17. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Highlands and Islands Airports Limited. It has included the company in its group financial statements, copies of which are available from the Registrar of Companies, Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF.

The company's ultimate controlling party is the Scottish Ministers who own the entire share capital of Highlands and Islands Airports Limited.