



Tamar Bridge and Torpoint Ferry Joint Committee

2021/22 Annual Financial Report and Statement of Accounts

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Explanatory Foreword from the Joint Treasurers

We are pleased to introduce the Tamar Bridge and Torpoint Ferry Joint Committee's Annual Financial Report and Statement of Accounts for 2021/22. The Joint Committee carry out the operation, maintenance and control of the Tamar Bridge and the Torpoint Ferries on behalf of Cornwall Council and Plymouth City Council.

This document provides a summary of the Joint Committee's financial affairs for the financial year 1 April 2021 to 31 March 2022 and the financial position at 31 March 2022.

(The term Joint Treasurers refers to the respective Section 151 Officers of Cornwall Council and Plymouth City Council.)

1. The Financial Report and Statements

Our Annual Financial Report and Statement of Accounts includes the following financial statements and disclosure notes:

- **Explanatory Foreword** – from the Joint Treasurers. This provides a concise guide for the reader of the accounts of the most significant aspects of the Joint Committee's financial performance, year-end position and cash flows.
- **Statement of Accounts**
 - **Statement of Responsibilities** – this explains the different responsibilities relating to the Statement of Accounts.
 - **The Main Financial Statements**
 - **Movement in Reserves Statement** – this statement shows the movement in the year on the different reserves held by the Joint Committee.
 - **Comprehensive Income and Expenditure Statement** – this statement shows the net cost in the year of providing the Joint Committee services.
 - **Balance Sheet** – the Balance Sheet shows the value at 31 March 2022 of the assets and liabilities held by the Joint Committee.
 - **Notes to the Main Financial Statements** – these provide additional, more detailed information on certain issues included in the main financial statements.

Except where otherwise indicated, figures are presented in millions of pounds (£m) and are rounded to the nearest thousand pounds (£0.001m).

Financial Review of 2021/22

The Tamar Bridge and Torpoint Ferries are run as a self-funding joint undertaking by the Joint Committee on behalf of the parent authorities, Cornwall Council and Plymouth City Council. The only significant source of revenue generated by the Joint Committee is the revenue from tolls charged for using the crossings and it is therefore entirely dependent on this income stream to fund its day to day running costs and ongoing programme of repairs and maintenance.

Tolls were increased on 19 November 2019 following a Public Inquiry and Department for Transport authorisation. It was anticipated that the increase would ensure that reserve levels remained above £2m until 2023. The £2m continues to be considered as the minimum prudent level for reserves. The balance of reserves at the 31st March 2022 totalled £1.522m. The adverse position compared to that which was anticipated reflects the profound effect of the pandemic, which severely depressed traffic and income levels. Action was taken during the financial year to pursue a toll increase which will stabilise finances and return reserves to above the minimum prudent level during the financial year 2023/24.

The crossings continued to be impacted by the Covid 19 pandemic as restrictions and regulations changed through the year, staff absences associated with infection or more commonly, contact related isolation impacted on service levels and traffic volumes remained below those seen pre-pandemic and patterns of travel changed. The effect of lower traffic has been to depress revenues whilst maintenance and service level requirements remained unchanged. Central government grants provided marginal assistance during the first quarter of the financial year, after which the organisation's reliance on limited reserves increased. The pressure on finances dominated Committee meeting agendas during the financial year. Following clear feedback from central government that no further ongoing support would be made available, the internal process of decision making and approvals to apply to the Department for Transport (DfT) for an increase in tolls to restore stability was completed near year end.

In 2021/22, operational expenditure was £9.860m, some £0.231m less than the original budget of £10.091m for the year. The budget was revised in December which increased the planned expenditure to £10.192m, which provides a favourable variance of £0.332m.

The main reasons for the significant variance are:

- reduction of staffing costs
- Saving on ferry maintenance
- Saving on Marine Gas and Oil.
- Saving on other supplies and services.
- Increased in tag purchases

The level of revenue raised was £13.277m (which includes £0.156m of government support of loss of income during the current Covid19 pandemic) which is £0.216m favourable than the original budget of £13.061m and £0.153m adverse variance when compared to the revised forecast. At the operating level, a surplus of £3.417m was achieved in 2021/22 against an original budget forecast of £2.970m.

From its income, the Joint Committee also has to fund its capital financing costs, which amounted to £4.380m for the year, a decrease from the original £4.585m budget and revised budget estimate of £4.435m. After taking these costs into account, the overall position was a deficit of £0.963m, compared to an original budgeted deficit of £1.614m.

1.1 Comparison of Outturn Figures to Approved Budget

The table below provides a high level summary of the £0.963m deficit set out on the basis on which it was monitored during the year by the Joint Committee. This reflects the costs that the Joint Committee budgets for from its revenues.

A number in brackets in the Variance from Budget column represents an underspend against the budget.

	Outturn £m	Original Budget £m	Variance from Budget £m
Operational Expenditure			
Bridge Operations	3.890	4.231	(0.341)
Ferry Operations	5.293	5.368	(0.075)
Corporate Expenditure	0.677	0.492	0.185
Sub-total	9.860	10.091	(0.231)
Operational Income			
Toll Income	(12.284)	(12.135)	(0.149)
Other Income	(0.993)	(0.926)	(0.067)
Sub-total	(13.277)	(13.061)	(0.216)
Net Operational (Surplus)/Deficit	(3.417)	(2.970)	(0.447)
Other Expenditure			
Interest on Cornwall Council financing	1.450	1.725	(0.275)
Contribution to Cornwall Council's MRP	2.930	2.860	0.070
Sub-total	4.380	4.585	(0.205)
Income			
Interest on balances	-	(0.001)	0.001
Net Overall (Surplus)/Deficit	0.963	1.614	(0.651)

1.2 Comparison of Outturn against the Comprehensive Income and Expenditure Statement

There is a difference between the outturn deficit of £0.963m and the (Surplus) or Deficit on Provision of Services line of (£1.597m) as reported in the Comprehensive Income and Expenditure Statement (CIES) on page 12 of these Accounts.

This is because the Joint Committee is required to prepare its accounts in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 published by CIPFA. Under the Code, there are a number of notional (non-cash) costs that the Joint Committee is required to recognise in its CIES even though it is not required to meet these costs out of its cash revenues and therefore does not budget for them out of its General Fund (usable reserves).

The items that give rise to these different bases of reporting are identified below:

	2021/22	
	£m	£m
Net overall deficit per Outturn		0.963
Depreciation		0.804
Adjustment on Revaluation		(1.501)
IAS19 pension adjustments	0.881	
Net interest expense	0.233	
		1.114
Decrease in annual leave accrual		(0.047)
Contribution to Cornwall Council's MRP		(2.930)
(Surplus) or Deficit on Provision of Services		(1.597)

The items giving rise to the difference between the Joint Committee's reported outturn surplus for 2021/22 and the deficit on the CIES are explained below:

- Depreciation is not included in the budget outturn position but is a required charge to the CIES within the Statement of Accounts. The charge is reversed out in the Movement in Reserves Statement (MIRS) so as not to impact the Joint Committee's usable reserves.
- An upward adjustment on the revaluation of assets is not included in the budget outturn position but is required as a charge to the CIES within the Statement of Accounts. The charge is reversed out in the Movement in Reserves Statement (MIRS) so as not to impact the Joint Committee's usable reserves.
- A net pension debit (as defined by International Accounting Standard 19) of £1.114m has been applied to the CIES, as required by regulation.
- An accrual for short-term compensated absences (annual leave) has been applied to the CIES, as required by regulation.

- The Joint Committee's contribution to Cornwall Council's Minimum Revenue Provision (MRP) cannot be charged to the CIES.

Consequently, although the CIES shows a surplus on the provision of services of (£1.597m) (2020/21 £7.675m) for the year, the Joint Committee's usable reserves position has reduced by £0.963m (2020/21 £0.307m).

2. Material Items of Income or Expense

There are no material Items of Income or Expense.

3. Pensions Assets and Liabilities

The Joint Committee participates in the Local Government Pension Scheme, administered locally by Cornwall Council. This is the combination of a funded defined benefit final salary scheme, meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance pension liabilities with investment assets and career average revalued earnings scheme. The joint authorities are liable as employers for any deficit in the funding of the pension scheme.

The Joint Committee has fully adopted the provisions of International Accounting Standard 19 (IAS 19) in relation to accounting for post-employment benefits. On the basis of valuation required by IAS 19, the Joint Committee's net pension liability at 31 March 2022 was £9.142m, (2020/21 £11.227m). This should be considered alongside the level of usable reserves of £1.522m (2020/21 £2.485m) and total assets less liabilities of £94.370m (2020/21 £89.574m).

4. Capital Expenditure and Funding

In addition to our day to day running costs, the Joint Committee spends money on assets such as the bridge and ferries, vehicles and information and communications technology. Such expenditure is intended to contribute to service provision over a number of years and is defined as capital expenditure.

Capital expenditure tends to be characterised by large individual schemes, with expenditure often incurred over several financial years. As a consequence, it is controlled through a programme of approved schemes within a multi-year capital plan.

During 2021/22, actual capital spending was £5.452m (2020/21 £5.757m). The following table shows where the money was spent:

	2021/22
Capital Expenditure	£m
Bridge Protective Coating	0.437
Bridge Office Development	0.066
Toll Refresh	0.088
Bridge Kerb Units and Waterproofing	0.400
Bridge Structural Monitoring System	0.007
Ferry Refit	0.002
Bridge Resurfacing	4.443
Ferry Chain Gantry	0.009
Total	5.452

This expenditure was fully funded through advances from Cornwall Council.

5. Current Borrowing Facilities and Capital Funding

The Joint Committee cannot legally borrow in its own right. However, the parent authorities have the power to borrow on its behalf and provide advances to the Joint Committee to fund its capital expenditure programme. In recent years, these advances have been made by Cornwall Council.

The Joint Committee pays interest to Cornwall Council at a rate reflecting the Council's own cost of borrowing. The Joint Committee also makes a contribution to Cornwall Council in respect of the Minimum Revenue Provision (MRP) charged by the Council in its own accounts to provide for future repayment of the funding advanced to the Joint Committee.

The level of contribution made will provide for repayment of the amounts advanced evenly over the life of the asset or 25 year period (as appropriate for asset type). This is considered by the Joint Treasurers to be a prudent basis on which to make that provision and complies with Cornwall Council's MRP policy. The advances are held in the Joint Committee's balance sheet as deferred liabilities, split between the elements payable within one year and more than one year from the balance sheet date.

Looking Ahead to 2022/23 and Beyond

The impact of the Covid 19 pandemic has severely compromised the organisation's financial position. The effect of lockdowns and reduced travel activity has been to suppress toll income, whilst revenue and capital expenditure needs have been largely unchanged.

Although significant restrictions were removed towards the end of the financial year, the pandemic accelerated a number of trends such as remote working which mean that volumes are not likely to return to pre-pandemic levels for some considerable time. Inflationary pressures on domestic budgets and the general economy present a further drag on growth. Planned tolls increases of 30% for tag users in May 2022 and, following DfT approval, cash users in January 2023 will do no more than support a minimum reserve until 2025 when it is anticipated volumes will finally reach pre pandemic levels.

A further cycle of ferry refits will commence in 2023 which will include further replacement of near obsolescent machinery and parallel significant work on shoreside chain gantries. The extent of work required on the bridge's pendles is also likely to become clearer during the forthcoming financial year allowing budget provisions for that work to be refined. The engineering team will also continue to monitor the condition of supplementary support cables installed during the strengthening and widening project as refurbishment of some is likely in the medium term.

The Committee and parent authorities will continue to lobby central government for supporting funding of the crossings over the coming year. It will consider ways to update the governance arrangements for the bridge and ferry to improve accountability, effectiveness and responsiveness to ensure the crossings meet the current financial and climate challenges.

Statement of Responsibilities

Our Responsibilities

We must:

- make sure that one of our officers is responsible for proper administration of our financial affairs. In our case the Joint Treasurers are responsible for doing this;
- manage our affairs so as to use our resources economically, efficiently and effectively and to protect our assets; and
- approve this Statement of Accounts.

The Joint Treasurers responsibilities

The Joint Treasurers are responsible for preparing our Statement of Accounts in accordance with proper practices.

In preparing this Statement of Accounts, the Joint Treasurers have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Main Financial Statements

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee analysed into 'usable reserves' (those that can be applied to fund expenditure) and 'unusable reserves' (which have specific purposes). The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance.

	General Fund Balance £m	Total Usable Reserves ⁵ £m	Unusable Reserves ⁶ £m	Total Authority Reserves £m
Balance at 31 March 2020	(2.792)	(2.792)	(98.585)	(101.377)
Movement in reserves during 2020/21				
(Surplus) or deficit on the provision of services	7.675	7.675	-	7.675
Other Comprehensive Income and Expenditure	-	-	4.128	4.128
Total Comprehensive Income and Expenditure	7.675	7.675	4.128	11.803
Adjustments between accounts basis & funding basis	(7.368)	(7.368)	7.368	-
Increase/Decrease in Year	0.307	0.307	11.496	11.803
Balance at 31 March 2021 carried forward	(2.485)	(2.485)	(87.089)	(89.574)
Movement in reserves during 2021/22				
(Surplus) or deficit on the provision of services	(1.597)	(1.597)	-	(1.597)
Other Comprehensive Income and Expenditure	-	-	(3.199)	(3.199)
Total Comprehensive Income and Expenditure	(1.597)	(1.597)	(3.199)	(4.796)
Adjustments between accounts basis & funding basis	2.560	2.560	(2.560)	-
Increase/Decrease in Year	0.963	0.963	(5.759)	(4.796)
Balance at 31 March 2022 carried forward	(1.522)	(1.522)	(92.848)	(94.370)

Notes are explained more fully in "Notes to the Financial Statements" pages 14-23

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from toll income.

	2021/22 £m	2020/21 £m
Gross Expenditure	9.997	18.714
Gross Income	(13.277)	(12.617)
Cost of services	(3.280)	6.097
Financing and investment income and expenditure	1.683	1.578
(Surplus) or deficit on provision of services	(1.597)	7.675
Remeasurement of the net defined benefit liability/(asset)	(3.199)	4.128
Other comprehensive income and expenditure	(3.199)	4.128
Total comprehensive income and expenditure	(4.796)	11.803

Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Joint Committee at 31 March. The net assets are matched by usable and unusable reserves.

	31 March 2022 £m	31 March 2021 £m
Property, Plant and Equipment ³	143.574	137.424
Long Term Assets	143.574	137.424
Cash and Cash Equivalents	7.490	0.890
Inventories ⁴	0.361	0.501
Short Term Debtors	0.881	4.283
Current Assets	8.732	5.674
Deferred Liabilities - Short Term ⁸	(2.919)	(2.172)
Short Term Creditors	(7.275)	(3.299)
Current Liabilities	(10.194)	(5.471)
Deferred Liabilities - Long Term ⁸	(38.600)	(36.825)
Other Long Term Liabilities - Pensions	(9.142)	(11.227)
Long Term Liabilities	(47.742)	(48.052)
Net Assets	94.370	89.574
Usable Reserves ⁵	(1.522)	(2.485)
Unusable Reserves ⁶	(92.848)	(87.089)
Total Reserves	(94.370)	(89.574)

Notes are explained more fully in "Notes to the Financial Statements" pages 14-23

Notes to the Main Financial Statements

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**Note
1****Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future, or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Joint Committee's Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Revaluations Property, Plant and Equipment	<p>Certain classes of assets are re-valued according to the rolling revaluation programme outlined in the accounting principles.</p> <p>Whilst these valuations are carried out by a professionally qualified valuer and the valuations themselves are made in accordance with International Financial Reporting Standards (IFRS), as interpreted by the current CIPFA Code of Practice for Local Council Accounting, there is an element of assumption built into these valuations, as detailed in the valuation reports.</p> <p>For example the estimated remaining economic life of each asset is based on assumptions surrounding the continuation of repairs and maintenance programmes. The overall valuation of the assets is based on the assumption that the inspection of the visible and accessible element of the assets provides a reasonable assessment of the whole asset.</p>	<p>The impact of a change in valuation or useful life would be to affect the carrying value of the asset in the balance sheet and the charge for depreciation or impairment in the CIES.</p> <p>These changes do not have an impact on the Joint Committee's usable reserves as the Joint Committee is not required to pay for such charges out of its revenues.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates, and expected return on pension fund assets. Cornwall Council, the administrators of the Joint Committee's pension arrangements, have engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The carrying value of this long term liability is (£9.142m).</p>	<p>The impact of a change in the actuarial assumptions will be to increase or decrease the net pension liability shown in the balance sheet and the cost shown in the CIES.</p> <p>These changes do not have an impact on the Joint Committee's usable reserves as the Joint Committee is not required to pay for such charges out of its revenues.</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

**Note
2****Adjustments between Accounting Basis and Funding Basis under Regulations**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Joint Committee in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Joint Committee to meet future capital and revenue expenditure.

Adjustments in 2021/22	General Fund Balance £m	Movement in Unusable Reserves £m
Adjustments primarily involving the Reserve Held for Capital Adjustment Account:		
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non current assets	(0.804)	0.804
Revaluation Gains on Property, Plant and Equipment	1.501	(1.501)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:		
Contribution to Cornwall Council MRP	2.930	(2.930)
Adjustments primarily involving the Reserve for Pensions:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1.977)	1.977
Employer's pensions contributions and direct payments to pensioners payable in the year	0.863	(0.863)
Adjustment primarily involving the Reserve Held for Accumulated Absences Account:		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year	0.047	(0.047)
Total Adjustments	2.560	(2.560)

**Note
3** **Property, Plant and Equipment**

The main assets held by the Joint Committee and reflected in its balance sheet are set out below:

- Tamar Bridge - The Tamar Bridge and approach roads, associated land and offices.
- Torpoint Ferries - The three Torpoint ferries (Plym II, Tamar II and Lynher II) and landing stages, associated land and offices.
- Joint / Other - Rendell Park, Torpoint, Electronic Toll System and Advance Traffic Signage System.

Movements on Balances 2021/22	Other Land and Buildings £m	Vehicles, Plant, Furniture Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total Property, Plant and Equipment £m
Cost or Valuation						
At 1 April 2021	7.281	22.067	0.798	119.133	1.568	150.846
Additions	-	-	-	-	5.452	5.452
Revaluation increases/(decreases) in the Revaluation Reserve	1.108	-	-	0.393	-	1.501
Assets reclassified (to)/from Other	-	0.011	-	5.642	(5.652)	-
At 31 March 2022	8.389	22.078	0.798	125.168	1.368	157.800
Accumulated Depreciation and Impairment						
At 1 April 2021	-	(13.315)	(0.107)	-	-	(13.422)
Depreciation charge	-	(0.795)	(0.009)	-	-	(0.804)
Depreciation written out to the Revaluation Reserve	-	-	-	-	-	-
At 31 March 2022	-	(14.110)	(0.116)	-	-	(14.226)
Net Book Value						
at 31 March 2022	8.389	7.968	0.682	125.168	1.368	143.574
at 31 March 2021	7.281	8.752	0.691	119.133	1.568	137.424
Movements on Balances 2020/21						
Cost or Valuation						
At 1 April 2020	7.453	18.750	0.798	121.063	5.034	153.098
Additions	-	-	-	-	5.757	5.757
Revaluation increases/(decreases) recognised	(0.258)	-	-	(7.750)	-	(8.008)
in the Revaluation Reserve						
Assets reclassified (to)/from Other	0.086	3.317	-	5.820	(9.223)	-
At 31 March 2021	7.281	22.067	0.798	119.133	1.568	150.846
Accumulated Depreciation and Impairment						
At 1 April 2020	-	(12.528)	(0.098)	-	-	(12.626)
Depreciation charge	-	(0.787)	(0.009)	-	-	(0.796)
Depreciation written out to the Revaluation Reserve	-	-	-	-	-	-
At 31 March 2021	-	(13.315)	(0.107)	-	-	(13.422)
Net Book Value						
at 31 March 2021	7.281	8.752	0.691	119.133	1.568	137.424
at 31 March 2020	7.453	6.222	0.700	121.063	5.034	140.472

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Other Land and Buildings – offices 30-35 years, ferry waiting area 35 years
- Vehicles, plant, furniture and equipment – Torpoint ferries 25 years, IT equipment 5 years
- Infrastructure – approach road 40 years
- Infrastructure (Toll Bridge) – Tamar Bridge 120 years.

Revaluations

The Joint Committee carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out by property consultants, Brunton Knowles. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on current prices where there is an active second-hand market or latest prices adjusted for the condition of the asset.

	Other Land and Buildings £m	Vehicles, Plant, Furniture and Equipment £m	Infrastructure Assets £m	Infrastructure Assets Toll Bridge £m	Assets Under Construction £m	Total £m
Carried at historical cost	-	7.968	0.682	-	1.368	10.017
Valued at fair value as at:						
31 March 2022	8.389	-	-	125.168	-	133.556
31 March 2021	-	-	-	-	-	-
31 March 2020	-	-	-	-	-	-
31 March 2019	-	-	-	-	-	-
31 March 2018	-	-	-	-	-	-
Net Book Value - Valuation Movements	8.389	7.968	0.682	125.168	1.368	143.574

Note 4 Inventories

	Chain & Materials		Tamar Tags		Fuel		Other		Total	
	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m
Balance outstanding at start of year	0.362	0.286	0.064	0.108	0.051	0.045	0.024	0.065	0.501	0.504
Purchases	0.504	0.489	0.181	0.165	0.153	0.112	0.352	0.248	1.190	1.014
Recognised as an expense in the year	(0.595)	(0.413)	(0.216)	(0.209)	(0.149)	(0.106)	(0.370)	(0.289)	(1.330)	(1.017)
Balance at year end	0.271	0.362	0.029	0.064	0.055	0.051	0.006	0.024	0.361	0.501

**Note
5****Usable Reserves****General Fund Reserve**

The General Fund Reserve is a usable reserve, i.e. a reserve that the Joint Committee may use to provide services, subject to the need to maintain the reserve at a prudent level.

	2021/22 £m	2020/21 £m
General Fund Reserve	(1.522)	(2.485)
Total Usable Reserves	(1.522)	(2.485)

**Note
6****Unusable Reserves**

	2021/22 £m	2020/21 £m
Revaluation Reserve	(3.290)	(1.789)
Capital Adjustment Account	(98.765)	(96.639)
Pensions Reserve	9.142	11.227
Accumulated Absences Account	0.065	0.112
Total Unusable Reserves	(92.848)	(87.089)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Joint Committee arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the service provision and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Revaluation Reserve	2021/22		2020/21
	£m	£m	£m
Balance at 1 April		(1.789)	(1.827)
Adjustment to Capital Adjustment Account		(1.501)	0.038
Amount written off to the Reserve Held for Capital Adjustment Account		(1.501)	0.038
Balance at 31 March		(3.290)	(1.789)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Joint Committee to finance acquisitions, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Joint Committee. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 2 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	2021/22		2020/21
	£m	£m	£m
Balance at 1 April		(96.639)	(103.463)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
Charges for depreciation and impairment of non-current assets	0.804		0.796
Revaluation Gains on Property, Plant and Equipment	(1.501)		8.008
		(0.697)	8.804
Adjusting amounts written out of the Reserve Held for Revaluation		1.501	(0.038)
Net written out amount of the cost of non-current assets consumed in the year		0.804	8.766
Cornwall Council provision for the financing of capital investment charged against the General Fund	(2.930)		(1.942)
		(2.930)	(1.942)
Balance at 31 March		(98.765)	(96.639)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service. Associated liabilities are updated to reflect inflation, changing assumptions, and investment returns on any resources set aside to meet the costs. Statutory arrangements require benefits earned to be financed, therefore, the Joint Committee either makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. Consequently, the debit balance on the Pensions Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Joint Committee has set aside to meet them. The statutory arrangement will ensure that funding will have been set aside by the time the benefits come to be paid.

Pensions Reserve	2021/22	2020/21
	£m	£m
Balance at 1 April	11.227	6.655
Remeasurements of the net defined benefit liability/(asset)	(3.199)	4.128
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1.977	1.285
Employer's pensions contributions and direct payments to pensioners payable in the year	(0.863)	(0.841)
Balance at 31 March	9.142	11.227

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact of the General Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	2021/22	2020/21
	£m	£m
Balance at 1 April	0.112	0.050
Settlement or cancellation of accrual made at the end of the preceding year	(0.112)	(0.050)
Amounts accrued at the end of the current year	0.065	0.112
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(0.047)	0.062
Balance at 31 March	0.065	0.112

Note 7 Officers' Remuneration

The Joint Committee's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

		Salary, Fees and Allowances £	Expenses Allowances £	Pension Contribution £	Total £
General Manager	2021/22	84,634	470	15,737	100,841
	2020/21	83,471	469	15,505	99,445
Bridge Operations Manager	2021/22	54,022	750	10,804	65,576
	2020/21	52,101	189	10,420	62,710
Engineering Manager	2021/22	65,437	617	13,087	79,141
	2020/21	53,951	596	10,790	65,337
Governance & Finance Manager	2020/21	58,365	84	11,673	70,122
	2020/21	53,623	476	10,725	64,824
Ferry Manager*	2021/22	0	-	0	0
	2020/21	44,959	358	8,992	54,309

*Post vacated in December 2020 with formal cover arrangements shared between Ferry Ops and Ferry Engineering Manager until Feb 2022.
From Feb 2022 Ferry Ops Manager formally acting up.

Note 8 Deferred Liabilities

The Joint Committee has a liability to Cornwall Council in respect of long-term financing for capital expenditure, an element of which is payable within one year from the balance sheet date and which is therefore treated as a current liability. The repayment of this liability is made in the form of contributions to Cornwall Council's Minimum Revenue Provision (MRP).

	2021/22 £m	2020/21 £m
Balance at 1 April	38.997	35.182
New Advances	5.452	5.757
Repayments Due	(2.930)	(1.942)
Total	41.519	38.997
Of Which: Due within one year	(2.919)	(2.172)
Due after more than one year	(38.600)	(36.825)