



Tamar Bridge and Torpoint Ferry Joint Committee

2023/24 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 2023/24. 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 2023 to 31 March 2024 and the financial position at 31 March 2024.

(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 2024 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 2023/24

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.

The immediacy of financial pressures that followed the decrease in traffic and income volumes associated with the pandemic required that discounts were reduced in May 2022 prior to authority being received for a new toll order increasing the maximum tolls associated with cash payment. The Department for Transport provided authority for that increase in late 2022 and cash tolls rose on 1st January 2023. Due to the increase in inflationary pressures following submission of the request for a revised toll order, the toll revision will not now achieve a reserve balance above the £2m level previously considered the prudent minimum. As part of the ongoing review of the organisation's finances, it has been determined that a more appropriate minimum level, given the increase in inflation, age of infrastructure and increased revenue requirements since the prudent minimum was last considered, that there should be an aspiration to lift the prudent minimum reserve to £3m over the upcoming medium term financial plan. The balance of reserves at the 31st March 2024 totalled £1.702m and forecast net revenue deficits in future years led to the Joint Committee recommending further increases in tolls to the parent authorities. Both authorities subsequently endorsed the recommendation to make an application for increases to the Department for Transport.

Traffic volumes remained below the levels experienced prior to the pandemic. The view that commuter routes like those at the bridge and ferry will experience a greater effect from the changes in underlying travel patterns that accelerated during the pandemic has been further supported by volumes seen during the financial year. It remains likely that the crossings will not see volumes increase much above 90% of pre-pandemic levels until well after the middle of the decade. The reduced levels of traffic have little effect on the crossings' maintenance requirements and programmes continued through the financial year. Similarly, 90% volumes do not represent a significant enough reduction in traffic to modify service levels. In fact, demand patterns have become less predictable, putting additional pressure on services during weekdays between the morning and evening rush periods.

In 2023/24, operational expenditure was £11.976m, which is £0.711m less than the original budget of £12.687m for the year. The budget was revised in December which reduced the planned expenditure to £12.607m, which provides a favourable variance of £0.631m. The main reasons for the significant variance are:

- Increase in staffing costs with national pay awards higher than budgeted
- Delay in commencing significant bridge inspections
- Reductions in energy and fuel costs as market prices eased
- Additional expenditure on repair and maintenance of the Bridge structure
- Additional cost of tag purchases, in part offsetting savings from the previous financial year

The level of revenue raised was £17.032m which is £0.030m adverse variance to the original budget of £17.062m and £0.523m adverse variance when compared to the revised forecast.

At the operating level, a surplus of £5.056m was achieved in 2023/24 against an original budget forecast of £4.375m

From its income, the Joint Committee also has to fund its capital financing costs, which amounted to £4.614m for the year, a decrease from the original £4.797m budget and an increase from the revised budget estimate of £4.469m. The Joint Committee received interest on balances of £0.072m, compared no provision in the budget. After taking these factors into account, the overall position was a surplus of £0.514m, compared to an original budgeted deficit of £0.422m.

1.1 Comparison of Outturn Figures to Approved Budget

The table below provides a high level summary of the £0.514m surplus 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	5.068	5.566	(0.498)
Ferry Operations	6.027	6.556	(0.529)
Corporate Expenditure	0.881	0.565	0.316
Sub-total	11.976	12.687	(0.711)
Operational Income			
Toll Income	(16.312)	(16.506)	0.194
Other Income	(0.720)	(0.556)	(0.164)
Sub-total	(17.032)	(17.062)	0.030
Net Operational (Surplus)/Deficit	(5.056)	(4.375)	(0.681)
Other Expenditure			
Interest on Cornwall Council financing	1.566	1.673	(0.107)
Contribution to Cornwall Council's MRP	3.048	3.124	(0.076)
Sub-total	4.614	4.797	(0.183)
Income			
Interest on balances	(0.072)	-	(0.072)
Net Overall (Surplus)/Deficit	(0.514)	0.422	(0.936)

1.2 Comparison of Outturn against the Comprehensive Income and Expenditure Statement

There is a difference between the outturn surplus of (£0.514m) and the (Surplus) or Deficit on Provision of Services line of (£1.088m) as reported in the Comprehensive Income and Expenditure Statement (CIES) on page 12 of these Accounts.

The Local Audit and Accountability Act 2014 removed the requirement for Joint Committees to separately prepare accounts and have them audited as they are consolidated into the accounts of the Authorities that make up the Joint Committee. However, the TBTF Joint Committee has continued to prepare its accounts in line with the CIPFA code. 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:

	2023/24	
	£m	£m
Net overall deficit per Outturn		(0.514)
Depreciation		2.493
Adjustment on Revaluation		-
IAS19 pension adjustments	(0.098)	
Net interest expense	0.080	
		(0.018)
Decrease in annual leave accrual		(0.001)
Contribution to Cornwall Council's MRP		(3.048)
(Surplus) or Deficit on Provision of Services		(1.088)

The items giving rise to the difference between the Joint Committee's reported outturn surplus for 2023/24 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 credit (as defined by International Accounting Standard 19) of £0.018m 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 (£1.088m) (2022/23 a deficit of £3.466m) for the year, the Joint Committee's usable reserves position has increased by £0.514m (2022/23 decrease of £0.334m).

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 2024 was £0.219m, (2022/23 £1.074m). This should be considered alongside the level of usable reserves of £1.702m (2022/23 £1.188m) and total assets less liabilities of £145.798m (2022/23 £100.052m).

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 2023/24, actual capital spending was £2.550m (2022/23 £1.570m). The following table shows where the money was spent:

This expenditure was fully funded through advances from Cornwall Council.

Capital Expenditure	2023-24
	£m
Toll Refresh Project	0.102
Bridge Access (Phase 4)	0.025
Main Cable Remedial Works	0.107
Supplementary Cable Works	0.150
Bridge LED Lighting	0.028
Rocker/Pendle Remedial Works	0.081
Ferry Refit	1.954
Bridge Resurfacing	0.007
Ferry Chain Gantry Refurbishment	0.078
Torpoint Office and Workshop Refurbishment	0.012
Toll Booth Replacement	0.006
Total	2.550

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 2025 and Beyond

As reported above, the inflationary pressures that developed after the revision request required that a further review of income, expenditure and service options was undertaken, resulting in approval to submit a toll revision application for further increases to the Department for Transport. This application pack was presented to the Department for Transport on 15 April 2024 and the application was formally made 2 May 2024. It was initially hoped that the toll revision approval would be given late summer or early autumn 2024, however it is now looking as if it will not be until early 2025, as the Public Inquiry is not going to take place until October 2024.

The Tamar 2050 programme agreed in December 2023 will impact on finances through the coming years with a range of actions to transform the organisation. The initial steps in the programme will be undertaken in during 2024 into 2025.

Capital investment will continue during 2024/25. The second refit of a programme for the three ferries will commence early in the financial year with parallel work being undertaken to renew the associated chain gantry structure. The bridge structure will also see significant work on its support cables commence. It is anticipated that smaller projects to refit toll booths and refresh the ferry office building will be completed in the financial year whilst progress will be made on the delayed project to improve onshore traffic control systems at Torpoint.

Statement of Responsibilities

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.

Notes are explained more fully in "Notes to the Financial Statements" pages 14-24

	General Fund Balance £m	Total Usable Reserves ⁵ £m	Unusable Reserves ⁶ £m	Total Authority Reserves £m
Balance at 31 March 2022	(1.522)	(1.522)	(92.848)	(94.370)
Movement in reserves during 2022/23				
(Surplus) or deficit on the provision of services	3.466	3.466	-	3.466
Other Comprehensive Income and Expenditure	-	-	(9.148)	(9.148)
Total Comprehensive Income and Expenditure	3.466	3.466	(9.148)	(5.682)
Adjustments between accounts basis & funding basis	(3.132)	(3.132)	3.132	-
Increase/Decrease in Year	0.334	0.334	(6.016)	(5.682)
Balance at 31 March 2023 carried forward	(1.188)	(1.188)	(98.864)	(100.052)
Movement in reserves during 2023/24				
(Surplus) or deficit on the provision of services	(1.088)	(1.088)	-	(1.088)
Other Comprehensive Income and Expenditure	-	-	(0.837)	(0.837)
Total Comprehensive Income and Expenditure	(1.088)	(1.088)	(0.837)	(1.925)
Adjustments between accounts basis & funding basis	0.574	0.574	(44.395)	(43.821)
Increase/Decrease in Year	(0.514)	(0.514)	(45.232)	(45.746)
Balance at 31 March 2024 carried forward	(1.702)	(1.702)	(144.096)	(145.798)

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.

	2023/24 £m	2022/23 £m
Gross Expenditure	14.382	16.953
Gross Income	(17.044)	(15.424)
Cost of services	(2.662)	1.529
Financing and investment income and expenditure	1.574	1.937
(Surplus) or deficit on provision of services	(1.088)	3.466
Remeasurement of the net defined benefit liability/(asset)	(0.837)	(9.148)
Other comprehensive income and expenditure	(0.837)	(9.148)
Total comprehensive income and expenditure	(1.925)	(5.682)

Balance Sheet

The Balance Sheets 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.

Notes are explained more fully in "Notes to the Financial Statements" pages 14-24

	31 March 2024 £m	31 March 2023 £m	Notes
Property, Plant and Equipment ³	184.048	140.170	3
Long Term Assets	184.048	140.170	
Cash and Cash Equivalents	2.625	1.426	
Inventories ⁴	1.159	0.628	4
Short Term Debtors	1.234	2.435	
Current Assets	5.018	4.489	
Deferred Liabilities - Short Term ⁸	(3.476)	(3.023)	8
Short Term Creditors	(3.373)	(3.359)	
Current Liabilities	(6.849)	(6.382)	
Deferred Liabilities - Long Term ⁸	(36.200)	(37.151)	8
Other Long Term Liabilities - Pensions	(0.219)	(1.074)	
Long Term Liabilities	(36.419)	(38.225)	
Net Assets	145.798	100.052	
Usable Reserves ⁵	(1.702)	(1.188)	5
Unusable Reserves ⁶	(144.096)	(98.864)	6
Total Reserves	(145.798)	(100.052)	

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 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

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

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Revaluations Property, Plant and Equipment	Certain classes of assets are re-valued according to the rolling revaluation programme outlined in the accounting principles. 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. 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.	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. 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.
Pensions Liability	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 (£0.219m).	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. 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.

**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 2023/24	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	(2.493)	2.493
Revaluation Gains on Property, Plant and Equipment	-	(43.821)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:		
Contribution to Cornwall Council MRP	3.048	(3.048)
Adjustments primarily involving the Reserve for Pensions:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(0.989)	0.989
Employer's pensions contributions and direct payments to pensioners payable in the year	1.007	(1.007)
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	0.001	(0.001)
Total Adjustments	0.574	(44.395)

**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 2023/24	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 2023	5.305	22.078	0.798	124.114	2.907	155.201
Additions	-	-	-	-	2.550	2.550
Revaluation increases/(decreases) in the Revaluation Reserve	0.190	-	-	42.019	-	42.209
Assets reclassified (to)/from Other	-	1.954	-	0.034	(1.988)	-
At 31 March 2024	5.495	24.032	0.798	166.167	3.469	199.960
Accumulated Depreciation and Impairment						
At 1 April 2023	-	(14.905)	(0.126)	-	-	(15.031)
Depreciation charge	(0.097)	(0.872)	(0.009)	(1.515)	-	(2.493)
Depreciation written out to the Revaluation Reserve	0.097	-	-	1.515	-	1.612
At 31 March 2024	-	(15.777)	(0.135)	-	-	(15.912)
Net Book Value						
at 31 March 2024	5.495	8.255	0.663	166.167	3.469	184.048
at 31 March 2023	5.305	7.173	0.672	124.114	2.907	140.170
Movements on Balances 2022/23						
Cost or Valuation						
At 1 April 2022	8.389	22.078	0.798	125.168	1.368	157.800
Additions	-	-	-	-	1.569	1.569
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(3.084)	-	-	(1.084)	-	(4.168)
Assets reclassified (to)/from Other	-	-	-	0.030	(0.030)	-
At 31 March 2023	5.305	22.078	0.798	124.114	2.907	155.201
Accumulated Depreciation and Impairment						
At 1 April 2022	-	(14.110)	(0.116)	-	-	(14.226)
Depreciation charge	(0.144)	(0.795)	(0.010)	(1.490)	-	(2.439)
Depreciation written out to the Revaluation Reserve	0.144	-	-	1.490	-	1.634
At 31 March 2023	-	(14.905)	(0.126)	-	-	(15.031)
Net Book Value						
at 31 March 2023	5.305	7.173	0.672	124.114	2.907	140.170
at 31 March 2022	8.389	7.968	0.682	125.168	1.368	143.574

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, NORSE. 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	-	8.255	0.663	-	3.469	12.386
Valued at fair value as at:						
31 March 2024	5.495	-	-	166.167	-	171.661
31 March 2023	-	-	-	-	-	-
31 March 2022	-	-	-	-	-	-
31 March 2021	-	-	-	-	-	-
31 March 2020	-	-	-	-	-	-
Net Book Value - Valuation Movements	5.495	8.255	0.663	166.167	3.469	184.048

Note 4 Inventories

	Ferry Refit 2023/24 £m	2022/23 £m	Chain & Materials 2023/24 £m	2022/23 £m	Tamar Tags 2023/24 £m	2022/23 £m	Fuel 2023/24 £m	2022/23 £m	Other 2023/24 £m	2022/23 £m	Total 2023/24 £m	2022/23 £m
Balance outstanding at start of year	0.191		0.278	0.271	0.052	0.029	0.073	0.055	0.034	0.006	0.628	0.361
Purchases	2.182	0.162	0.474	1.069	0.540	0.156	0.235	0.346	0.446	0.229	3.877	1.962
Recognised as an expense in the year	(1.959)	0.029	(0.312)	(1.062)	(0.467)	(0.133)	(0.230)	(0.328)	(0.378)	(0.201)	(3.346)	(1.695)
Balance at year end	0.414	0.191	0.440	0.278	0.125	0.052	0.078	0.073	0.102	0.034	1.159	0.628

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.

	2023/24 £m	2022/23 £m
General Fund Reserve	(1.702)	(1.188)
Total Usable Reserves	(1.702)	(1.188)

Note 6 Unusable Reserves

	2023/24 £m	2022/23* £m
Revaluation Reserve*	(44.943)	(1.122)
Capital Adjustment Account	(99.429)	(98.874)
Pensions Reserve	0.219	1.074
Accumulated Absences Account	0.057	0.058
Total Unusable Reserves	(144.096)	(98.864)

*Restated due to incorrect reporting of prior year figure

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	2023/24		2022/23*
	£m	£m	£m
Balance at 1 April		(1.122)	(3.290)
Upward revaluation of assets	(43.821)		-
Surplus or deficit on revaluation of non-current assets not posted to the surplus or deficit on the Provision of Services		(43.821)	-
Adjustment to Capital Adjustment Account*		-	2.168
Amount written off to the Reserve Held for Capital Adjustment Account		-	2.168
Balance at 31 March*		(44.943)	(1.122)

*Restated due to incorrect reporting of prior year figure

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	2023/24		2022/23
	£m	£m	£m
Balance at 1 April		(98.874)	(98.765)
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	2.493		2.439
Revaluation Gains on Property, Plant and Equipment	-		2.535
		2.493	4.974
Adjusting amounts written out of the Reserve Held for Revaluation		-	(2.169)
Net written out amount of the cost of non-current assets consumed in the year		2.493	2.805
Cornwall Council provision for the financing of capital investment charged against the General Fund	(3.048)		(2.914)
		(3.048)	(2.914)
Balance at 31 March		(99.429)	(98.874)

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	2023/24 £m	2022/23 £m
Balance at 1 April	1.074	9.142
Remeasurements of the net defined benefit liability/(asset)	(1.484)	(9.148)
Adjustment in relation to prior year	0.647	-
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	0.989	1.992
Employer's pensions contributions and direct payments to pensioners payable in the year	(1.007)	(0.912)
Balance at 31 March	0.219	1.074

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	2023/24 £m	2022/23 £m
Balance at 1 April	0.058	0.065
Settlement or cancellation of accrual made at the end of the preceding year	(0.058)	(0.065)
Amounts accrued at the end of the current year	0.057	0.058
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	(0.001)	(0.007)
Balance at 31 March	0.057	0.058

Note 7 Officers' Remuneration

The remuneration paid to the Joint Committee's senior employees is detailed below:

		Salary, Fees and Allowances £	Expenses Allowances £	Compensation for loss of office £	Pension Contribution £	Total £
General Manager	2023/24	88,091	575	-	16,914	105,580
	2022/23	87,045	-	-	16,122	103,167
Governance & Finance Manager	2023/24	65,835	286	-	12,640	78,762
	2022/23	62,304	-	-	12,447	74,750

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

Remuneration Bands(£):		Number of Employees	
From	To	2023/24	2022/23
50,000	54,999	4	
55,000	59,999	2	1
60,000	64,999	1	2
65,000	69,999	1	
70,000	74,999		
75,000	79,999		
80,000	84,999		
85,000	89,000	1	1
		9	4

Note that, this table includes senior employees included in the previous table

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).

	2023/24 £m	2022/23 £m
Balance at 1 April	40.175	41.519
New Advances	2.550	1.570
Repayments Due	(3.048)	(2.914)
Total	39.677	40.175
Of Which: Due within one year	(3.476)	(3.024)
Due after more than one year	(36.200)	(37.151)