



Tamar Bridge and Torpoint Ferry Joint Committee

2015/16 Annual Financial Report and Statement of Accounts

Contents	Page
Explanatory Foreword	3
Statement of Accounts	
Statement of Responsibilities	10
Main Financial Statements	
Movement in Reserves Statement	12
Comprehensive Income and Expenditure Statement (CIES)	13
Balance Sheet	14
Notes to the Main Financial Statements	15
Index of Notes	16

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 2015/16. 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 2015 to 31 March 2016 and the financial position at 31 March 2016.

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 and confirms their approval.
 - **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 2016 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).

2. Financial Review of 2015/16

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.

A revised scale of tolls was implemented six years ago. The additional income generated by the increased tolls brought the level of reserves above £2m, which continues to be considered as the minimum prudent level. However, due to increasing maintenance and operating costs, without further intervention the level of reserves is expected to gradually diminish towards the minimum prudent level over the next few years.

The previous application to increase tolls recognised that a further increase would eventually be necessary and highlighted the critical nature of the level of financial reserves.

During previous financial years the Joint Committee gave consideration to a toll strategy, to ensure that the reserve levels stay above the agreed minimum. At the December 2013 Joint Committee it was resolved to recommend to the Cabinets of the Joint Councils to introduce a TamarTag account fee of 80p a month from April 2014 and this view was endorsed by both Councils in the first months of 2014. The account charge reflects the cost of providing tags, the operation of the prepaid electronic toll system and avoids the need for an increase in tolls paid by users for at least the next three years.

In 2015/16, operational expenditure was £8.374m, some £0.981m less than the original budget of £9.355m for the year. The budget was revised in December which reduced the planned expenditure to £9.281m, which provides a variance of £0.907m. The main reasons for the significant variance are; the new bridge inspection contract was let later than expected and at a lower than anticipated price. The scheduled inspections during the Winter months of 2015/16 were then postponed due to prolonged poor weather, unused contingencies within the bridge structural maintenance budgets, lower marine fuel costs, postponement of individual upgrades to toll collection equipment so that the works could be consolidated as a single, more substantial project and reassessment of infrastructure works at Torpoint led to a reprogramming following appointment of a new operations and technical management team.

The level of revenue raised was £11.087m, which is £0.302m higher than the original budget of £10.785m, as traffic levels have improved beyond revised forecasts and with continued growth in cash receipts following several years of significant recession related reduction in this payment method. At the operating level, a surplus of £2.713m was achieved in 2015/16. From its income, the Joint Committee also has to fund its capital financing costs, which amounted to £1.786m for the year, slightly reduced from the £1.881m original budget. After taking these costs into account and a small amount of interest received on cash balances, the overall position was a surplus of £0.936m, compared to an original budgeted deficit of £0.438m.

2.1 Comparison of Outturn Figures to Approved Budget

The table below provides a high level summary of the £0.936m 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 out of 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	2.942	3.644	(0.702)
Ferry Operations	5.011	5.207	(0.196)
Corporate Expenditure	0.421	0.504	(0.083)
Sub-total	8.374	9.355	(0.981)
Operational Income			
Toll Income	(10.101)	(9.873)	(0.228)
Other Income	(0.986)	(0.912)	(0.074)
Sub-total	(11.087)	(10.785)	(0.302)
Net Operational Surplus	(2.713)	(1.430)	(1.283)
Other Expenditure			
Interest on Cornwall Council financing	0.791	0.906	(0.115)
Contribution to Cornwall Council's MRP	0.995	0.975	0.020
Sub-total	1.786	1.881	(0.095)
Income			
Interest on balances	(0.009)	(0.013)	0.004
Net Overall Surplus	(0.936)	0.438	(1.374)

2.2 Comparison of Outturn against the Comprehensive Income and Expenditure Statement

There is a difference between the outturn surplus against budget of £0.936m and the Deficit on Provision of Services of £0.279m as reported in the Comprehensive Income and Expenditure Statement (CIES) on page 13 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 2015/16 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 in the table below:

	£m	£m
Net overall surplus per Outturn		(0.936)
Depreciation		1.694
IAS19 pension adjustments	0.249	
Net interest expense	0.253	
Increase in annual leave accrual		0.502
Contribution to Cornwall Council's MRP		0.014
		(0.995)
(Surplus) or Deficit on Provision of Services		0.279

The items giving rise to the difference between the Joint Committee's reported outturn surplus for 2015/16 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.
- A net pension debit (as defined by International Accounting Standard 19) of £0.502m 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) can not be charged to the CIES.

Consequently, although the CIES shows a deficit on the provision of services of £0.279m for the year, the Joint Committee's usable reserves position has improved by £0.936m.

3. Material Items of Income or Expense

There are no material Items of Income or Expense .

4. Pensions Assets and Liabilities

The Joint Committee participates in the Local Government Pension Scheme, administered locally by Cornwall Council. This is a combination of a funded defined benefit final salary scheme and a Career Average Revalued Earnings (CARE) 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. 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 2016 was £6.900m, down from £7.758m in March 2015. This should be considered alongside the level of usable reserves of £3.923m, up from £2.987m in March 2015 and total assets less liabilities of £104.106m, increased from £103.025m in March 2015.

5. 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. Because of this, it is not normally controlled against a fixed annual budget as with revenue spending, but rather through a programme of approved schemes within a multi-year capital plan.

During 2015/16, actual capital spending was £1.170m (2014/15 £1.096m). The following table shows where the money was spent:

	2015/16 £m
Capital Expenditure	
Bridge Access Works	0.127
Bridge protective coating	0.576
Bridge Main Joint Replacement	0.246
Bridge Office Development	0.218
Bridge Weigh in Motion	0.003
Total	1.170

This expenditure was funded through advances from Cornwall Council (£1.170m).

6. 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 a 25 year period. 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.

7. Looking Ahead to 2015/16 and Beyond

The toll revision which came into effect in March 2010 has helped to increase the Joint Committee's reserves, to what is currently considered to be an appropriate level. This position has been further strengthened following the implementation of the TamarTag account fee which commenced in April 2014.

Significant savings are anticipated from recent revisions to the ferries' drydocking schedule. 2016 and 2017 will be "fallow" years when no drydocking will be required.

Substantial capital expenditure is programmed with the commencement of building work associated with the replacement of the bridge office, replacement of bridge kerb/drainage units and the continuation of bridge recoating.

The growth in traffic levels, has brought higher than expected levels of income as cash payment recovered after the recession. Levels of cash payment are now exceed 2009 levels and future income is expected to grow at 1% in line with the rate of overall traffic growth forecast for the period up to 2019.

A noticeable element of the 2015/16 underspends resulted from prudent delays in commencing or completing projects and there is an expectation of a correction in the position during the forthcoming years.

The Committee will continue to monitor its expenditure and overall financial position closely to ensure that it continues to deliver its services in a cost effective manner.

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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 as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

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
- complied with the Code, except for the use of depreciated replacement cost (DRC) valuation basis with infrastructure for the toll bridge.

The Joint Treasurers have also:

- kept proper accounting records which were up to date
- 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 other unusable reserves. 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 Notes 15	Total Usable Reserves £m	Unusable Reserves £m 16	Total Authority Reserves £m	Notes
Balance at 31 March 2014	(4.307)	(4.307)	(192.406)	(196.713)	
Movement in reserves during 2014/15					
(Surplus) or deficit on the provision of services	79.984	79.984	-	79.984	
Other Comprehensive Income and Expenditure	-	-	13.704	13.704	
Total Comprehensive Income and Expenditure	79.984	79.984	13.704	93.688	
Adjustments between accounts basis & funding basis	(80.828)	(80.828)	80.828	-	
Exceptional adjustment for capital financing entries relating to prior years	2.164	2.164	(2.164)	-	
Increase/Decrease in Year	1.320	1.320	92.368	93.688	
Balance at 31 March 2015 carried forward	(2.987)	(2.987)	(100.038)	(103.025)	
Movement in reserves during 2015/16					
(Surplus) or deficit on the provision of services	0.279	0.279	-	0.279	
Other Comprehensive Income and Expenditure	-	-	(1.360)	(1.360)	
Total Comprehensive Income and Expenditure	0.279	0.279	(1.360)	(1.081)	
Adjustments between accounts basis & funding basis	(1.215)	(1.215)	1.215	-	
Increase/Decrease in Year	(0.936)	(0.936)	(0.145)	(1.081)	
Balance at 31 March 2016 carried forward	(3.923)	(3.923)	(100.183)	(104.106)	

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.

	2015/16 £m	2014/15 £m
Gross Expenditure	10.332	12.917
Exceptional revaluation loss of Tamar Toll Bridge	-	77.044
Gross Income	(11.087)	(10.979)
Cost of services	(0.755)	78.982
Financing and investment income and expenditure	1.034	1.002
(Surplus) or deficit on provision of services	0.279	79.984
(Surplus) or deficit on revaluation of property, plant and equipment	-	11.606
Remeasurement of the net defined benefit liability/(asset)	(1.360)	2.098
Other comprehensive income and expenditure	(1.360)	13.704
Total comprehensive income and expenditure	(1.081)	93.688

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 2016 £m	31 March 2015 £m	Notes
Property, Plant and Equipment	125.137	125.661	3
Long Term Assets	125.137	125.661	
Cash and Cash Equivalents	4.867	2.742	
Inventories	0.628	0.648	4
Short Term Debtors	2.757	1.555	
Current Assets	8.252	4.945	
Deferred Liabilities - Short Term	(1.042)	(0.995)	8
Short Term Creditors	(4.369)	(1.984)	
Current Liabilities	(5.411)	(2.979)	
Deferred Liabilities - Long Term	(16.972)	(16.844)	8
Other Long Term Liabilities - Pensions	(6.900)	(7.758)	
Long Term Liabilities	(23.872)	(24.602)	
Net Assets	104.106	103.025	
Usable Reserves	(3.923)	(2.987)	5
Unusable Reserves	(100.183)	(100.038)	6
Total Reserves	(104.106)	(103.025)	

Notes to the Main Financial Statements

Index of Notes

	<i>Page</i>
Note 1 Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty	17
Note 2 Adjustments between Accounting Basis and Funding Basis under Regulations	18
Note 3 Property, Plant and Equipment	20
Note 4 Inventories	23
Note 5 Usable Reserves	23
Note 6 Unusable Reserves	23
Note 7 Officers' Remuneration	27
Note 8 Deferred Liabilities	28

**Note
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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 2016 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
Property, Plant and Equipment	Assets are included on the basis of valuations and assessed useful lives determined by Cornwall Council's Chief Valuer on the basis of condition surveys and standards of professional practice set out by the Royal Institute of Chartered Surveyors (RICS). The assumptions underlying such valuations and the assessment of useful lives are subject to revision and the valuation would therefore be expected to change accordingly. The carrying value of these long term assets at the end of the reporting period was £125.137m.	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 was (£6.900m).	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

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 2015/16	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	(1.694)	1.694
Revaluation losses on Property, Plant and Equipment	-	-
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:		
Capital expenditure charged against the General Fund	-	-
Contribution to Cornwall Council MRP	0.995	(0.995)
Exceptional adjustment for capital financing entries relating to prior years	-	-
Adjustments primarily involving the Reserve for Pensions:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1.113)	1.113
Employer's pensions contributions and direct payments to pensioners payable in the year	0.611	(0.611)
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	(0.014)	0.014
Total Adjustments	(1.215)	1.215

Adjustments in 2014/15	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	(1.686)	1.695
Revaluation losses on Property, Plant and Equipment	(79.838)	-
Movements in the market value of Investment Properties	-	-
Amortisation of intangible assets	-	-
Capital grants and contributions applied	-	-
Movement in the Donated Assets Account	-	-
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:		
Capital expenditure charged against the General Fund	0.081	-
Contribution to Cornwall Council MRP	0.955	(0.955)
Exceptional adjustment for capital financing entries relating to prior years	2.164	-
Adjustments primarily involving the Reserve for Pensions:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(0.905)	0.860
Employer's pensions contributions and direct payments to pensioners payable in the year	0.567	(0.611)
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	(0.002)	0.014
Total Adjustments	(78.664)	1.003

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 2015/16	Other Land and Buildings £m	Vehicles, Plant, Furniture and 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 2015	2.668	18.712	0.776	112.500	1.262	135.918
Additions	-	0.003	-	0.373	0.794	1.170
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the surplus/deficit on the Provision of services	-	-	-	-	-	-
Other movements in cost or valuation	-	0.034	-	0.526	(0.560)	-
At 31 March 2016	2.668	18.749	0.776	113.399	1.496	137.088
Accumulated Depreciation and Impairment						
At 1 April 2015	(0.083)	(9.184)	(0.052)	(0.938)	-	(10.257)
Depreciation charge	(0.072)	(0.668)	(0.009)	(0.945)	-	(1.694)
Depreciation written out to the surplus/deficit on the Provision of Services	-	-	-	-	-	-
At 31 March 2016	(0.155)	(9.852)	(0.061)	(1.883)	-	(11.951)
Net Book Value						
at 31 March 2016	2.513	8.897	0.715	111.516	1.496	125.137
at 31 March 2015	2.585	9.528	0.724	111.562	1.262	125.661

Comparative Movements in 2014/15						
	Other Land and Buildings £m	Vehicles, Plant, Furniture and 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 2014	4.458	18.639	0.340	221.586	0.286	245.309
Additions	-	0.073	0.047	-	0.976	1.096
Other movements in cost or valuation	(0.389)	-	0.389	-	-	-
At 31 March 2015	2.668	18.712	0.776	112.500	1.262	135.918
Accumulated Depreciation and Impairment						
At 1 April 2014	(0.644)	(8.517)	(0.043)	(18.411)	-	(27.615)
Depreciation charge	(0.072)	(0.667)	(0.009)	(0.938)	-	(1.686)
Depreciation written out to the Revaluation Reserve	-	-	-	-	-	-
Depreciation written out to the surplus/deficit on the Provision of Services	0.633	-	-	18.411	-	19.044
At 31 March 2015	(0.083)	(9.184)	(0.052)	(0.938)	-	(10.257)
Net Book Value						
at 31 March 2015	2.585	9.528	0.724	111.562	1.262	125.661
at 31 March 2014	3.814	10.122	0.297	203.175	0.286	217.694

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 very five years. All valuations were carried out by the Asset Valuation and Rating Manager of Cornwall Council. 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	-	8.897	0.715	-	1.496	11.108
Valued at fair value as at:						
31 March 2016	2.513	-	-	111.516	-	-
31 March 2015	-	-	-	-	-	-
31 March 2014	-	-	-	-	-	-
31 March 2013	-	-	-	-	-	-
31 March 2012	-	-	-	-	-	-
31 March 2011	-	-	-	-	-	-
Net Book Value - Valuation Movements	2.513	8.897	0.715	111.516	1.496	125.137

Note 4 Inventories

	Chain & Materials		Tamar Tags		Fuel		Other		Total	
	2015/16 £m	2014/15 £m	2015/16 £m	2014/15 £m	2015/16 £m	2014/15 £m	2015/16 £m	2014/15 £m	2015/16 £m	2014/15 £m
Balance outstanding at start of year	0.334	0.382	0.153	0.006	0.052	0.054	0.109	0.053	0.648	0.495
Purchases	0.589	0.274	0.160	0.370	0.190	0.216	0.409	0.444	1.348	1.304
Recognised as an expense in the year	(0.595)	(0.322)	(0.210)	(0.223)	(0.201)	(0.218)	(0.362)	(0.388)	(1.368)	(1.151)
Balance at year end	0.328	0.334	0.103	0.153	0.041	0.052	0.156	0.109	0.628	0.648

Note 5 Usable Reserves

General Fund Reserve

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

	2015/16 £m	2014/15 £m
Balance at 1 April	(2.987)	(4.307)
Transfer to / (from) the Comprehensive Income and Expenditure Statement	(0.936)	(0.844)
Adjustment for capital financing entries relating to prior years	0	2.164
Balance at 31 March	(3.923)	(2.987)

Note 6 Unusable Reserves

	2015/16 £m	2014/15 £m
Revaluation Reserve	(2.311)	(2.311)
Capital Adjustment Account	(104.812)	(105.511)
Pensions Reserve	6.900	7.758
Accumulated Absences Account	0.040	0.026
Total Unusable Reserves	(100.183)	(100.038)

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	2015/16		2014/15
	£m	£m	£m
Balance at 1 April		(2.311)	(13.899)
Upward revaluation of assets	-		(2.142)
Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the Provision of Services	-		13.748
Surplus or deficit on revaluation of non-current assets not posted to the surplus or deficit on the Provision of Services		-	11.606
Difference between fair value depreciation and historical cost depreciation	-		
Adjustment to Capital Adjustment Account	-		(0.018)
Amount written off to the Reserve Held for Capital Adjustment Account		-	(0.018)
Balance at 31 March		(2.311)	(2.311)

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	2015/16		2014/15
	£m	£m	£m
Balance at 1 April		(105.511)	(183.853)
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	1.694		1.686
Revaluation losses on Property, Plant and Equipment	-		79.838
			81.524
Adjusting amounts written out of the Reserve Held for Revaluation	-		0.018
Net written out amount of the cost of non-current assets consumed in the year		1.694	81.542
Capital financing applied in the year:			
Cornwall Council provision for the financing of capital investment charged against the General Fund	(0.995)		(0.955)
Capital expenditure charged against the General Fund	-		(0.081)
Material Item:			
Adjustment for capital financing entries relating to prior years	-		(2.164)
		(0.995)	(3.200)
Balance at 31 March		(104.812)	(105.511)

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, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore 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	2015/16	2014/15
	£m	£m
Balance at 1 April	7.758	5.322
Remeasurements of the net defined benefit liability/(asset)	(1.360)	2.098
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	1.113	0.905
Employer's pensions contributions and direct payments to pensioners payable in the year	(0.611)	(0.567)
Balance at 31 March	6.900	7.758

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, eg 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	2015/16 £m	2014/15 £m
Balance at 1 April	0.026	0.024
Settlement or cancellation of accrual made at the end of the preceding year	(0.026)	(0.024)
Amounts accrued at the end of the current year	0.040	0.026
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	0.014	0.002
Balance at 31 March	0.040	0.026

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 £	Bonuses £	Expenses Allowances £	Compensation for loss of office £	Pension Contribution £	Total £
General Manager	2015/16	76,372	-	-	-	13,521	89,893
	2014/15	88,910	-	-	-	14,603	103,513
Bridge Operations Manager 1	2015/16	55,974	-	-	-	10,586	66,560
	2014/15	50,003	-	-	-	9,204	59,207
Engineering Manager ¹	2015/16	50,509	-	-	-	9,597	60,106
	2014/15	0	-	-	-	0	0
Bridge Operations Manager 2 ²	2015/16	0	-	-	-	0	0
	2014/15	51,624	-	-	-	9,550	61,174

Notes

¹ Engineering Manager in 2014/15 earned below the threshold for this note.

² Bridge Operations Manager 2 Left the post 31.8.15. Salary to that date was pro rata below the reportable level of £50,000 per annum.

Remuneration Bands (£):		Number of Employees	
From	To	2015/16	2014/15
50,000	54,999	1	2
55,000	59,999	1	-
60,000	64,999	-	-
65,000	69,999	-	-
70,000	74,999	-	-
75,000	79,999	1	-
80,000	84,999	-	-
85,000	89,999	-	1
		3	3

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).

	2015/16	2014/15
	£m	£m
Balance at 1 April	17.839	17.778
New Advances	1.170	1.016
Repayments Due	(0.995)	(0.955)
Total	18.014	17.839
Of Which: Due within one year	(1.042)	(0.955)
Due after more than one year	(16.972)	(16.844)