

**The Teignmouth Harbour Commission**

**Annual Report**

**Year Ended 31 March 2019**

# The Teignmouth Harbour Commission

Annual Report

Year Ended 31 March 2019

<b>Contents</b>	<b>Page</b>
Commissioners' Report	1
Independent Auditors' Report to the Commissioners	4
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes and Accounting Policies	10
<b>The following do not form part of the audited statements: -</b>	
Income and Expenditure Account Analysis	19

# The Teignmouth Harbour Commission

## Commissioners' Report

The Commissioners submit their report and the audited financial statements for the year ended 31 March 2019.

### Results

The post-tax trading profit for the year was £116,158. The results also take account of income of £57,435 from a surcharge on shipping dues that has been remitted to the PNPf as part of the required deficit reduction plan. Without these items the net profit after tax would have been £58,723.

### Principal Activity

The Commission's principal activity during the year was the operation of Teignmouth Harbour.

### Commissioners

The Commissioners who served during the year were as follows:

S Astbury	
D Atkin	Retired 01/01/2019
J Bailey	Retired 01/01/2019
G Bond	Chairman of Teignmouth Harbour Commission
A Chinchin	Appointed 01/01/2019
T Cox	
E Jackson	Retired 01/01/2019
R Lord	
K Richards	Vice Chairman of Teignmouth Harbour Commission
V Weston	
J Ashton	Appointed 01/01/2019
J Chilvers	Appointed 01/01/2019
D Hallett	Co-opted 01/01/2019

All of the above are selected by the Harbour Commission under Trust Port legislation.

### Harbour Master and Chief Executive Officer of the Teignmouth Harbour Commission:

Commander D M Vaughan OBE BA FRIN MNI Royal Navy

### Clerk and Legal Adviser:

G N Bond LL.B

# The Teignmouth Harbour Commission

## Commissioners' Report

### Statement of Commissioners' Responsibilities

The Harbours Act 1964 as amended by subsequent legislation requires the Commissioners to prepare financial statements in accordance with applicable accounting standards and the Companies Act 2006. The Commissioners must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Commission and of the profit or loss of the Commission for that period. In preparing these financial statements, the Commissioners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Commission will continue in business.

The Commissioners are responsible for keeping proper accounting records that are sufficient to show and explain the Commission's transactions and disclose with reasonable accuracy at any time the financial position of the Teignmouth Harbour Commission and enable them to ensure that the accounts comply with Section 42 of the Harbours Act 1964, as amended by the Transport Act 1981. They are also responsible for safeguarding the assets of the Commission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Commissioners are aware:

- there is no relevant audit information of which the Commission's auditors are unaware; and
- the Commissioners have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

# The Teignmouth Harbour Commission

## Commissioners' Report

### Key Performance Indicators

The more relevant Key Performance Indicators covering the activities of the Commission are detailed below:

	<b>2019</b>	<b>2018</b>
Cargo Tonnage	<u><b>457,654</b></u>	<u>472,638</u>
Number of Acts of Pilotage	<u><b>346</b></u>	<u>360</u>
Ship Tonnage (SDWT)	<u><b>578,225</b></u>	<u>585,833</u>
Return on Capital Employed **	<u><b>10.2%</b></u>	<u>(1.0%)</u>

\*\* excluding income arising from PNPf deficit surcharge

### Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**By Order of the Commission**

**D M Vaughan**  
**Chief Executive Officer of the Commission**

# The Teignmouth Harbour Commission

## Independent Auditors' Report to the Commissioners

### Qualified opinion

We have audited the financial statements of Teignmouth Harbour Commission (the 'Commission') for the year ended 31 March 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes and Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) incorporating the requirements of Section 1A.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Harbours Act 1964 as amended by the Transport Act 1981 which require the financial statements to be prepared in accordance with the requirements of the Companies Act 2006.

### Basis for qualified opinion

As explained in notes 2(g) and 11, the Commission has not complied with the requirements of FRS102 in relation to Retirement Benefits under the Pilots National Pension Fund, in that it has not obtained an updated accounting valuation at the balance sheet date, and is not able to make certain disclosures required by FRS102. In particular, the financial statements do not disclose the Commission's share of the assets and liabilities of the defined benefit scheme, calculations of current year service and interest costs, and actuarial gains and losses.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the commissioners use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the commissioners have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# The Teignmouth Harbour Commission

## Independent Auditors' Report to the Commissioners

### **Other information**

The Commissioners are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matter prescribed by the Companies Act 2006 and the Harbours Act 1964 as amended by the Transport Act 1981**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the commissioner's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the commissioner's report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the commission and its environment obtained in the course of the audit, we have not identified material misstatements in the commissioner's report.

In respect solely of the limitation on our work relating to the Pilots National Pension Fund

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine whether adequate accounting records had been kept.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Harbours Act 1964 as amended by the Transport Act 1981

require us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of commissioners' remuneration specified by law are not made; or
- The commissioners were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of small companies' exemptions in preparing the Commissioners' report and from the requirement to prepare a Strategic Report.

### **Responsibilities of commissioners**

As explained more fully in the Statement of Commissioner's Responsibilities [set out on page 2], the commissioner's are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the commissioners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the commissioners are responsible for assessing the commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the commissioners either intend to liquidate the commission or to cease operations, or have no realistic alternative but to do so.

# The Teignmouth Harbour Commission

Independent Auditors' Report to the Commissioners

Year Ended 31 March 2019

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the commissioner's, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Harbours Act 1964 as amended by the Transport Act 1981. Our audit work has been undertaken so that we might state to the commissioners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the commissioner's as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Hicks BA FCA DChA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor  
Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
TQ2 7FF

19 September 2019

# The Teignmouth Harbour Commission

## Profit and Loss Account

Year Ended 31 March 2019

	Note	2019 £	2018 £
Ship, Cargo and Mooring dues		598,723	553,114
Operating and maintenance of Harbour and River		315,346	372,576
		<hr/>	<hr/>
		283,377	180,538
Pilotage services (net income)		(2,524)	21,985
<b>Gross Profit/(Loss)</b>	3	<hr/> 280,853	<hr/> 202,523
Administration and general expenditure		166,014	150,171
<b>Operating Profit/(Loss)</b>		<hr/> 114,839	<hr/> 52,352
Investment and sundry income		1,319	5,559
Gain on investments		-	930
<b>Profit/(Loss) for the year before taxation</b>		<hr/> 116,158	<hr/> 58,841
Taxation		-	(1,109)
<b>Profit/(Loss) for the year after taxation</b>		<hr/> <hr/> 116,158	<hr/> <hr/> 57,732

# The Teignmouth Harbour Commission

## Balance Sheet

31 March 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	6	101,975	121,716
		<u>101,975</u>	<u>121,716</u>
<b>Current assets</b>			
Stock		8,742	8,594
Debtors	7	109,881	133,115
Cash at bank and in hand		486,476	409,373
		<u>605,099</u>	<u>551,082</u>
<b>Creditors</b> - Amounts falling due within one year	8	141,808	165,694
		<u>463,291</u>	<u>385,388</u>
<b>Total assets less current liabilities</b>		<b>565,266</b>	507,104
Pension deficit	11	(834,798)	(892,794)
<b>Net liabilities including pension deficit</b>		<b>(269,532)</b>	<b>(385,690)</b>
<b>Reserves</b>			
Replacement vessels reserve fund		564,322	564,322
Revenue account		(833,854)	(950,012)
<b>Total Reserves</b>		<b>(269,532)</b>	<b>(385,690)</b>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to small companies regime with Part 15 of the Companies Act 2006.

These financial statements were approved by the Commission and authorised for issue on 19 September 2019 and are signed on their behalf by:

**G Bond**  
Chairman

**D M Vaughan**  
Chief Executive Officer of the Commission

# The Teignmouth Harbour Commission

## Statement of Changes in Equity

31 March 2019

	<b>Replacement vessels reserve fund £</b>	<b>Revenue account £</b>	<b>Total £</b>
At 1 April 2018	564,322	(950,012)	(385,690)
Profit for the year and total comprehensive income	-	116,158	116,158
Transfers	-	-	-
At 31 March 2019	<u>564,322</u>	<u>(833,854)</u>	<u>(269,532)</u>

	<b>Replacement vessels reserve fund £</b>	<b>Revenue account £</b>	<b>Total £</b>
At 1 April 2017	546,701	(990,123)	(443,422)
Profit for the year and total comprehensive income	-	57,732	57,732
Transfers	17,621	(17,621)	-
At 31 March 2018	<u>564,322</u>	<u>(950,012)</u>	<u>(385,690)</u>

# The Teignmouth Harbour Commission

## Notes and Accounting Policies

Year Ended 31 March 2019

### 1 General Information

Teignmouth Harbour Commission is an unincorporated organisation set up, under the Harbour Order 1924, for the administration of the affairs of Teignmouth Harbour and the administration of the pilotage services as a competent Harbour authority under the Pilotage Act 1987.

The address of its primary office is:  
2nd Floor, ABP Port Office  
Old Quay Road  
Teignmouth  
Devon  
TQ14 8ES

### 2 Accounting Policies

#### (a) Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (b) Basis of accounting and preparation

The organisation's financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The organisation's financial statements have been prepared using the historic cost convention except that as disclosed in the accounting policies certain items are disclosed at fair value.

The functional currency of the organisation is considered to be pounds sterling because that is the currency of the primary economic environment in which the organisation operates.

#### (c) Going concern

The Commission has net liabilities of £269,532 as 31 March 2019, which includes a pension deficit of £834,798. A deficit recovery plan is in place for payments to be made up to 2028, as disclosed in note 11. The Commission expects to be able to meet the payments of this liability as they fall due and has therefore adopted the going concern basis for the preparation of these accounts.

#### (d) Revenue recognition

The ship, cargo, mooring dues and tug dredger hire income shown in the Profit and Loss Account and the boarding and landing fees shown in the Income from Pilotage Analysis statement represents amounts receivable during the year, exclusive of Value Added Tax.

Where payments are received in advance of services provided, the amounts are recorded as Income Received in Advance and are included as part of Creditors: amounts falling due within one year.

# The Teignmouth Harbour Commission

## Notes and Accounting Policies

Year Ended 31 March 2019

### 2 Accounting Policies (continued)

#### (e) Tax

Tax is recognised in the profit and loss, except that a change attributable to an item of income or expenses recognised as other comprehensive income is also recognised directly in other comprehensive income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay or to receive more, tax. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the assets to be recovered.

#### (f) Tangible fixed assets and depreciation

All tangible fixed assets are initially recorded at cost. Tangible assets other than freehold property are depreciated over their estimated useful lives, at the following rates:

Commercial vessels	5-33%	Straight line
Pontoons	5-10%	Straight line
Trots and moorings	10-20%	Straight line
Harbour equipment	15-33%	Straight line
Office furniture and equipment	15%	Straight line
Motor vehicle	33%	Straight line
Computer equipment	15-33%	Straight line

#### (g) Pension Costs

The commission contributes to two pension schemes.

The Commission makes employer contributions to personal pension schemes on behalf of employees. The contributions paid are charged to the profit and loss account as they fall due.

The Commission is also a member of the Association of Participating Bodies (APB) of the Pilots National Pension Fund (PNPF), a defined benefit funded pension scheme. As explained in note 11, since the actuarial valuation as at December 31 2013 the Commission has not been able to identify its share of the assets of the PNPF. Actuarial valuations are carried out triennially by the Trustee, but the Commissioners do not believe that the additional cost of obtaining an updated accounting valuation to the balance sheet date can be justified. In this respect this is not in accordance with the requirements of FRS102, and certain disclosures required by FRS102 are also therefore not available. The financial statements do not disclose the Commission's share of the assets and liabilities of the defined benefit scheme, calculations of current year service and interest costs, and actuarial gains and losses. The value of the Commission's future contributions to eliminate the deficit, as confirmed by the actuarial valuation as at 31 December 2016, is included in the balance sheet, and contributions made are set against the liability. The liability and the recovery plan will be subject to further review in late 2020.

#### (h) Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

# The Teignmouth Harbour Commission

## Notes and Accounting Policies

Year Ended 31 March 2019

### 2 Accounting Policies (continued)

#### (i) Financial instruments

##### *Classification*

The commission holds the following financial instruments:

- Short term trade and other debtors and creditors
- Cash and bank balances

All financial instruments are classified as basic.

##### *Recognition and measurement*

The commission has chosen to apply the recognition and measurement principals of FRS102.

Financial instruments are recognised when the commission becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transition price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

# The Teignmouth Harbour Commission

## Notes and Accounting Policies

Year Ended 31 March 2019

<b>3</b>	<b>Gross Profit</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Turnover</b>		
	Revenue from Harbour Activities:		
	Dues: on ships	<b>93,702</b>	89,814
	on goods	<b>157,388</b>	152,567
		<hr/>	<hr/>
		<b>251,090</b>	242,381
	Moorings fees	<b>211,979</b>	189,420
	Revenue from Pilotage	<b>54,399</b>	53,065
	Income from Tug Dredger	<b>38,985</b>	25,219
	Other revenue	<b>96,669</b>	96,094
		<hr/>	<hr/>
		<b>653,122</b>	606,179
		<hr/>	<hr/>
	<b>Cost of sales</b>		
	Operating and maintenance of harbour and river	<b>349,514</b>	374,556
	Depreciation	<b>24,915</b>	29,100
		<hr/>	<hr/>
		<b>374,429</b>	403,656
		<hr/>	<hr/>
	<b>Gross Profit</b>	<b>278,693</b>	202,523
		<hr/> <hr/>	<hr/> <hr/>

### 4 Staff numbers

The average number of persons employed by the company (including the Harbour Master) during the year was 8 (2018: 7).

### 5 Taxation

The Commission has unrealised tax losses totalling £113,414 (2018: £187,173 ( )).

# The Teignmouth Harbour Commission

## Notes and Accounting Policies

Year Ended 31 March 2019

### 6 Fixed Assets

	At 1 April 2018 £	Additions £	Disposals £	At 31 March 2019 £
<b>Cost</b>				
Commercial vessels	642,001	5,760	-	647,761
Pontoons	54,911	-	-	54,911
Trots and moorings	6,850	-	-	6,850
Harbour equipment	189,278	4,769	-	194,047
Office furniture and equipment	18,136	-	-	18,136
Motor vehicle	11,199	-	-	11,199
Computer equipment	31,288	579	-	31,867
Freehold property	410	-	-	410
	<u>954,073</u>	<u>11,108</u>	<u>-</u>	<u>965,181</u>
	At 1 April 2018 £	Charge for year £	Eliminated on disposals £	At 31 March 2019 £
<b>Depreciation</b>				
Commercial vessels	603,518	6,030	-	609,548
Pontoons	33,205	2,983	-	36,188
Trots and moorings	6,850	-	-	6,850
Harbour equipment	156,261	12,404	-	168,665
Office furniture and equipment	13,506	1,462	-	14,968
Motor vehicle	999	3,498	-	4,497
Computer equipment	18,018	4,472	-	22,490
Freehold property	-	-	-	-
	<u>832,357</u>	<u>30,849</u>	<u>-</u>	<u>863,206</u>
	At 31 March 2018 £			At 31 March 2019 £
<b>Net book amounts</b>				
Commercial vessels	38,483			38,213
Pontoons	21,706			18,723
Trots and moorings	-			-
Harbour equipment	33,017			25,382
Office furniture and equipment	4,630			3,168
Motor vehicle	10,200			6,702
Computer equipment	13,270			9,377
Freehold property	410			410
	<u>121,716</u>			<u>101,975</u>
The Phillip Lucette Beacon at Cost	1,534			1,534
Less: The Phillip Lucette Memorial Fund	1,534			1,534
	<u>-</u>			<u>-</u>

# The Teignmouth Harbour Commission

## Notes and Accounting Policies

Year Ended 31 March 2019

### 7 Debtors

	2019 £	2018 £
Ship and cargo dues	44,065	58,070
Prepayments	65,655	72,548
VAT	-	2,497
Loans	161	-
	<u>109,881</u>	<u>133,115</u>

### 8 Creditors: amounts falling due within one year:

	2019 £	2018 £
Operating creditors	16,021	44,762
Mooring dues received in advance	120,431	116,057
PAYE and social security	4,034	3,766
Corporation tax	-	1,109
VAT	1,322	-
	<u>141,808</u>	<u>165,694</u>

### 9 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £23,923 (2018: £34,556). This relates to lease commitments.

# The Teignmouth Harbour Commission

## Notes and Accounting Policies

Year Ended 31 March 2019

### 10 Related Party Transactions

- a) During the year the Commission traded with entities in which certain Commissioners hold an interest or key management position as follows:

Name of Commissioner	Name of related party - relationship	Value of transactions in year		Debtor outstanding at 31 March	
		2019	2018	2019	2018
		£	£	£	£
<b>Income</b>					
D Atkin/ A Chinchen	Associated British Ports Ports Manager	10,823	10,279	6,051	1,059

The Commission received £19,500 from Associated British Ports in relation to a contribution towards dredging works (2018: £12,000) and paid £491 to Associated British Ports in regular business transactions (2018: £476)

The Commission occupied premises owned by Associated British Ports, for which a peppercorn rent was paid.

- b) The Commission is a self governing body and is under the control of the Commissioners. Commissioners' personal liability is limited under the provisions of the Commissioners Clauses Act 1847.
- c) The Commissioners received £104 (2018: £104) each to cover expenses of holding office.
- d) Five Commissioners paid aggregate mooring fees of £2,152 during the year at full market rate. (2018: £2,073).

# The Teignmouth Harbour Commission

## Notes and Accounting Policies

Year Ended 31 March 2019

### 11 The Pilots' National Pension Fund (PNPF)

The PNPF is a centralised multi-employer defined benefit pension scheme for non-associated employers. It provides benefits for employed and self-employed maritime Pilots. Teignmouth Harbour Commission is a member of the Association of Participating Bodies (APB) of the Pilots National Pension Fund. The actuary calculated that the Commission's share of the assets, liabilities and funding deficit of the PNPF was 0.4175%. The Commission's share of the funding deficit was previously recognised as a contingent liability.

The Trustee of the PNPF sought the guidance of the court on a number of issues relating to the Trustee's powers under the Rules of the PNPF including who is liable to contribute to the deficit. Until the legal status of the PNPF was clarified, the Commission was unable to determine its share of the liabilities of the PNPF.

As explained in Note 2(g) the Commission has not obtained an updated valuation for accounting purposes on cost/benefit grounds and, therefore, is unable to give the analysis of scheme assets and liabilities required by FRS 102.

Following the court's determination in 2012 and further information being made available on the extent of the PNPF's liabilities, the Commission is now able to determine its share of the liabilities in respect of the PNPF. The recovery plan was finalised based on the 31 December 2013 actuarial valuation by the Trustees and the recovery period to eliminate the deficit for the Commission was set at 16 years. To eliminate the deficit allocated to the Commission a total amount of £1,135,356 will be paid over this period, as set out in the recovery plan agreed with the Trustee. The deficit brought forward as at 1 April 2018 was £892,794 and contributions of £57,996 were made in the year to March 2019. A net deficit of £834,798 has been recognised in the balance sheet at 31 March 2019.

The triennial actuarial valuation has been finalised as at 31 December 2016. This indicated that the Commission's share of liabilities stayed the same as the 2013 valuation and that the previous recovery plan remained valid. Consequently recovery plan contributions of a minimum £40,000 per annum are payable up to 2021, with a further review at that date to take account of the results of the next actuarial valuation at 31 December 2019.