

MERSEY GATEWAY CROSSINGS BOARD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Company Registration No. 08751307 (England and Wales)

MERSEY GATEWAY CROSSINGS BOARD LIMITED

COMPANY INFORMATION

Directors Mr M A Bennett
Mr G R Brown
Mrs H C Dearden
Mr P Fenwick
Councillor R K Polhill
Councillor M C Wharton

Secretary Mr D T Lyon

Company number 08751307

Registered office First Floor
Block Two Forward Point
Tan House Lane
Cheshire
WA8 0SL

Auditor DSG
Castle Chambers
43 Castle Street
Liverpool
L2 9TL

MERSEY GATEWAY CROSSINGS BOARD LIMITED

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MERSEY GATEWAY CROSSINGS BOARD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company is to deliver the Mersey Gateway Bridge project, on behalf of Halton Borough Council, and to administer and oversee the operation and maintenance of the tolled crossing, including the tolling of the existing Silver Jubilee Bridge.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M A Bennett
Mr G R Brown
Mrs H C Dearden
Mr P Fenwick
Councillor R K Polhill
Councillor M C Wharton

Results and dividends

The loss for the year, after taxation, amounted to £66,019 (2019 - loss £41,836), and the total comprehensive income for the year amounted to £374,981 (2019 - loss £141,836).

The directors have not recommended the payment of a dividend (2019: £nil).

Future developments

The directors are still confident that the Mersey Gateway Crossings Board Limited can fulfil its obligations on the contract going forward.

Auditor

Mazars LLP resigned as auditor on 19th December 2019. DSG were appointed as auditor to the company on 19th December 2019 and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they will be re-appointed will be put at a general meeting.

MERSEY GATEWAY CROSSINGS BOARD LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mrs H C Dearden
Director

6 August 2020

MERSEY GATEWAY CROSSINGS BOARD LIMITED

INDEPENDENT AUDITOR'S REPORT TO MERSEY GATEWAY CROSSINGS BOARD LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Opinion

We have audited the financial statements of Mersey Gateway Crossings Board Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss 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 requirements of the Companies Act 2006.

Basis for opinion

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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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.

Other information

The directors 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

MERSEY GATEWAY CROSSINGS BOARD LIMITED

INDEPENDENT AUDITOR'S REPORT TO MERSEY GATEWAY CROSSINGS BOARD LIMITED (CONTINUED)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MERSEY GATEWAY CROSSINGS BOARD LIMITED

INDEPENDENT AUDITOR'S REPORT TO MERSEY GATEWAY CROSSINGS BOARD LIMITED (CONTINUED)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Use of our report

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

Iain White BSc FCA (Senior Statutory Auditor)
for and on behalf of DSG

7 August 2020

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

MERSEY GATEWAY CROSSINGS BOARD LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Turnover	2	1,889,342	2,239,772
Administrative expenses		(1,940,361)	(2,269,608)
Operating loss	3	(51,019)	(29,836)
Interest payable and similar expenses		(15,000)	(12,000)
Loss before taxation		(66,019)	(41,836)
Tax on loss		-	-
Loss for the financial year		(66,019)	(41,836)
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension schemes		441,000	(100,000)
Total comprehensive income/(loss) for the year		374,981	(141,836)

MERSEY GATEWAY CROSSINGS BOARD LIMITED**BALANCE SHEET****AS AT 31 MARCH 2020**

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		528		637
Investments	8		100		100
			<u>628</u>		<u>737</u>
Current assets					
Debtors	9	473,590		431,337	
Cash at bank and in hand		484,481		475,456	
		<u>958,071</u>		<u>906,793</u>	
Creditors: amounts falling due within one year	10	(969,396)		(917,208)	
Net current liabilities			<u>(11,325)</u>		<u>(10,415)</u>
Total assets less current liabilities			<u>(10,697)</u>		<u>(9,678)</u>
Provisions for liabilities					
Defined benefit pension liability	11	186,000		562,000	
		<u>(186,000)</u>		<u>(562,000)</u>	
Net liabilities			<u>(196,697)</u>		<u>(571,678)</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss reserves	13		(196,797)		(571,778)
Total equity			<u>(196,697)</u>		<u>(571,678)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 6 August 2020 and are signed on its behalf by:

Mrs H C Dearden
Director

Company Registration No. 08751307

MERSEY GATEWAY CROSSINGS BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Mersey Gateway Crossings Board Limited is a private company limited by shares incorporated in England and Wales. The registered office is First Floor, Block Two Forward Point, Tan House Lane, Cheshire, WA8 0SL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis notwithstanding net current liabilities of £11,325 (2019: £10,415) and a shareholders' deficit of £196,697 (2019: £571,678) as at 31 March 2020. The directors believe this basis of accounting to be appropriate as the company is ultimately financially supported by the Department of Transport under the auspices of a project funding arrangement detailed in a formal letter to which the company is party. In the instance that the company is not able to settle its liabilities on a standalone basis, and providing it has continued to operate within certain budgetary parameters, such funding will be made available to enable all third party liabilities to be settled as they fall due.

On this basis the directors believe that it remains appropriate to prepare the financial statements on a going concern basis, even in light of the recent Covid-19 pandemic.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax.

Revenue is accrued in respect of directly attributable costs incurred but not yet invoiced in accordance with the terms of the Governance Agreement.

MERSEY GATEWAY CROSSINGS BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies **(Continued)**

1.4 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives on the following bases:

Office equipment	10% per annum straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.5 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and other short-term liquid investments.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

MERSEY GATEWAY CROSSINGS BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation status

The company's trade is exempt for the purposes of corporation tax on the basis that there will ultimately be no profits arising in the company once the project is complete and all expenditure has been recharged to Halton Borough Council.

1.10 Employee benefits

The company provides a range of benefits to employees including paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the salary cost of the future holiday entitlement so accrued at the balance sheet date.

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

MERSEY GATEWAY CROSSINGS BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.12 Pension costs

Contributions to the company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

The company also operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 're-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss in 'Interest payable and similar charges'.

2 Turnover and other revenue

The company's turnover is all attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

3 Operating loss

	2020	2019
Operating loss for the period is stated after charging:	£	£
Depreciation of owned tangible fixed assets	109	108
	<u> </u>	<u> </u>

MERSEY GATEWAY CROSSINGS BOARD LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****4 Auditor's remuneration**

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	5,400	5,600
For other services		
Taxation compliance services	250	500
All other non-audit services	1,350	1,400
	<u>1,600</u>	<u>1,900</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Total	16	18

6 Directors' remuneration and dividends

	2020	2019
	£	£
Remuneration paid to directors	189,305	204,312
Company pension contributions to defined contribution schemes	13,264	15,016

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 3).

The highest paid director received £86,490 (2019: £84,000) in salaries and benefits in kind. Company pension contributions of £8,549 (2019: £8,300) were payable in respect of this director.

MERSEY GATEWAY CROSSINGS BOARD LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****7 Tangible fixed assets**

	Office equipment £
Cost	
At 1 April 2019 and 31 March 2020	1,089
Depreciation and impairment	
At 1 April 2019	452
Depreciation charged in the year	109
At 31 March 2020	561
Carrying amount	
At 31 March 2020	528
At 31 March 2019	637

8 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings	100	100

The company has a 100% dormant subsidiary called Merseyflow Limited which has not traded since incorporation, and has a net asset value of £100 which represents unpaid share capital.

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	-	142,114
Prepayments and accrued income	473,590	289,223
	473,590	431,337

MERSEY GATEWAY CROSSINGS BOARD LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****10 Creditors: amounts falling due within one year**

	2020	2019
	£	£
Other borrowings	500,000	500,000
Trade creditors	172,485	105,275
Taxation and social security	73,102	64,238
Other creditors	11,053	35,253
Accruals and deferred income	212,756	212,442
	<u>969,396</u>	<u>917,208</u>

Other borrowings comprise a short term loan from Halton Borough Council. Refer to note 15 for further details.

11 Retirement benefit schemes**Defined contribution schemes**

A defined contribution pension scheme is operated by the company on behalf of the employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount recognised in the Statement of Comprehensive Income as an expense in relation to the company's defined contribution scheme is £27,770 (2019: £30,802). Contributions of £3,539 (2019: £NIL) were outstanding at 31 March 2020 and have been included in other creditors.

Defined benefit schemes

The defined benefit pension arrangements are operated through Cheshire Pension Fund, The pension fund is closed to new members but on 1 June 2014 the company took on the obligation of the defined benefit pension scheme for employees previously employed by Halton Borough Council but now employed by the company. Contributions payable for the period to this defined benefit scheme amounted to £44,480 (2019: £56,164). Contributions of £4,589 (2019: £5,153) were outstanding at 31 March 2020 and have been included in other creditors.

The latest actuarial valuation of the scheme was carried out by a qualified actuary at 31 March 2019. A valuation has been obtained at 31 March 2020 to ascertain the proportion of the defined benefit scheme assets, liabilities, income and costs attributable to the company. The deficit is guaranteed by Halton Borough Council.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

<i>Key assumptions</i>	2020	2019
	%	%
Discount rate	2.3	2.5
Expected rate of increase of pensions in payment	1.8	2.4
Expected rate of salary increases	2.5	2.7
	<u> </u>	<u> </u>

MERSEY GATEWAY CROSSINGS BOARD LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****11 Retirement benefit schemes (Continued)**

<i>Mortality assumptions</i>	2020	2019
Aged 65 now		
- Males	21.2	22.3
- Females	23.6	24.5
	<u> </u>	<u> </u>
Aged 45 now		
- Males	21.9	23.9
- Females	25.0	26.5
	<u> </u>	<u> </u>

Post retirement assumption - CMI 2013 assumes the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a. for both prospective pensioners and pensioners. An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up front to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash post-April 2008 service.

	2020	2019
<i>Amounts recognised in the profit and loss account</i>	£	£
Current service cost	79,000	92,000
Past service cost	15,000	-
Net interest cost	15,000	12,000
	<u> </u>	<u> </u>
Total costs	109,000	104,000
	<u> </u>	<u> </u>

	2020	2019
<i>Amounts taken to other comprehensive income</i>	£	£
Return on assets excluding amounts included in net interest	112,000	(128,000)
Actuarial changes related to obligations	(553,000)	228,000
	<u> </u>	<u> </u>
Total costs/(income)	(441,000)	100,000
	<u> </u>	<u> </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £285,000 gain (2019: £156,000 loss).

The company expects to contribute £54,000 to its defined benefit pension scheme in 2021.

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2020	2019
	£	£
Present value of defined benefit obligations	2,837,000	3,220,000
Fair value of plan assets	(2,651,000)	(2,658,000)
	<u> </u>	<u> </u>
Deficit in scheme	186,000	562,000
	<u> </u>	<u> </u>

MERSEY GATEWAY CROSSINGS BOARD LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****11 Retirement benefit schemes (Continued)**

	2020
	£
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 April 2019	3,220,000
Current service cost	79,000
Past service cost	15,000
Benefits paid	(20,000)
Contributions from scheme members	14,000
Actuarial gains and losses	(553,000)
Interest cost	82,000
	<u>2,837,000</u>
At 31 March 2020	<u>2,837,000</u>

	2020
	£
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 April 2019	2,658,000
Return on assets excluding amounts included in net interest	(112,000)
Benefits paid	(20,000)
Contributions by scheme members	58,000
Interest income	67,000
	<u>2,651,000</u>
At 31 March 2020	<u>2,651,000</u>

The actual return on the scheme's assets net of expenses over the period to the review date was -0.5%. This is estimated based on actual fund returns as provided by the Administering Authority.

	2020	2019
	£	£
<i>Composition of plan assets:</i>		
Equities	1,007,000	1,196,000
Bonds	1,220,000	1,196,000
Property	212,000	213,000
Cash	212,000	53,000
	<u>2,651,000</u>	<u>2,658,000</u>
	<u>2,651,000</u>	<u>2,658,000</u>

12 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

MERSEY GATEWAY CROSSINGS BOARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Profit and loss reserves

The profit and loss reserve comprises accumulated profits and losses generated by the company at the balance sheet date.

14 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
Total operating lease commitments	70,750	20,000
	<u>70,750</u>	<u>20,000</u>

15 Related party transactions

Transactions with related parties

The company is a 100% subsidiary of Halton Borough Council and this entity is the ultimate controlling party.

Sales of £1,854,020 (2019: £2,153,226) were made during the period to Halton Borough Council and council service fees of £57,243 (2019: £57,843) were charged to the company by Halton Borough Council in the period. At 31 March 2020 £113,359 (2019: £57,770) was owed to the company by Halton Borough Council, and £11,842 (2019: £8,999) was owed to Halton Borough Council in respect of council service fees.

At the balance sheet date the company has a short term loan of £500,000 (2019: £500,000) from Halton Borough Council. No interest has been charged on this loan and there are no fixed repayment terms.

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Apache

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