



ERSKINE BRIDGE TOLLS DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of section 17(1) of the Erskine Bridge Tolls Act 1968, hereby give the following direction.

2. The statement of accounts which it is the duty of the Scottish Ministers to prepare in respect of the financial year ended 31 March 2004 and in respect of any subsequent financial year, shall comprise:

- 2.1 a foreword;
- 2.2 an operating account ;
- 2.3 a balance sheet;
- 2.4 a cash flow statement;
- 2.5 a statement of total recognised gains and losses;
- 2.6 a statement of accountable officer's responsibilities;

including such notes as may be necessary for the purposes referred to in the following paragraphs.

3. The statement of accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year. Subject to this requirement, the accounts shall be prepared in accordance with:

- 3.1 the accounting and disclosure requirements of the Companies Act for the time being in force; and
- 3.2 generally accepted accounting practice in the UK, including accounting standards issued or adopted by the Accounting Standards Board; and
- 3.3 guidance which Scottish Ministers may issue from time to time in respect of accounts which are required to give a true and fair view;
- 3.4 the accounting and disclosure requirements given in the Scottish Public Finance Manual and in "Executive NDPBs: Annual Reports and Accounts Guidance", as amended or augmented from time to time;

insofar as these are appropriate to the Erskine Bridge Tolls and are in force for the financial year for which the statement of accounts is to be prepared.

4. Clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards is given in Schedule 1 attached. Additional disclosure requirements are set out in Schedule 2 attached.

5. The income and expenditure account and balance sheet shall be prepared under the historical cost convention modified by the inclusion of:

5.1 The Erskine Bridge at a value based on its depreciated replacement cost. For the purposes of the Accounts, the Bridge shall have a deemed life of 120 years from the date of its coming into operation (taken for convenience to be 1 April 1971) ; and

5.2 stocks valued at the lower of net current replacement cost (or historical cost if this is not materially different) and net realisable value.

6. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 23 November 2001 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated

SCHEDULE 1

APPLICATION OF THE ACCOUNTING AND DISCLOSURE REQUIREMENTS OF THE COMPANIES ACT AND ACCOUNTING STANDARDS

Companies Act

1. The disclosure exemptions permitted by the Companies Act shall not apply.
2. The Companies Act requires certain information to be disclosed in the Director's Report. To the extent that it is appropriate, the equivalent information relating shall be contained in the foreword.
3. The formats prescribed in the Companies Act in respect of the profit and loss account shall not apply to the operating account of the Erskine Bridge which shall be in the form outlined in the annex, although minor variations are permitted.
4. The balance sheet shall be prepared in accordance with format 1 prescribed in Schedule 4 to the Companies Act to the extent that such requirements are appropriate to the accounts of the Erskine Bridge.
5. The additional information required by paragraph 33(3) of Schedule 4 to the Companies Act is not required to be provided in the accounts of the Erskine Bridge.
6. The foreword and balance sheet shall be signed and dated by the Accountable Officer for the Erskine Bridge.

Accounting Standards

7. A note showing historical cost profits and losses as described in FRS3 is not required to be included in the accounts of the Erskine Bridge.
8. The Financial Reporting Standard for Smaller Entities shall not be adopted for the accounts of the Erskine Bridge.

SCHEDULE 2

ADDITIONAL DISCLOSURE REQUIREMENTS

1. The foreword shall, *inter alia*:
 - 1.1 state that the statement of accounts have been prepared in a form directed by the Scottish Ministers in accordance with section 17(1) of the Erskine Bridge Tolls Act 1968
 - 1.2 include a brief history of the Erskine Bridge and the statutory background to the levying of tolls.
2. The notes to the accounts shall include:
 - 2.1 details of any key corporate financial targets set by the Scottish Ministers together with an indication of the performance achieved, and
 - 2.2 details of the pension arrangements operated for the staff of the Erskine Bridge and confirmation that the scheme accords with the guidance contained in “Non-Departmental Public Bodies: A guide for Departments”.
 - 2.3 details of the basis on which the Bridge has been valued.
 - 2.4 a statement demonstrating that the requirements of Section 4 (2) of the Erskine Bridge Tolls Act 1968 have been met.