

**ERSKINE BRIDGE TOLLS ACT 1968**  
**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND**  
**LIFELONG LEARNING DEPARTMENT**

**ERSKINE BRIDGE**

**ACCOUNTS 2004-05**

**Accounts prepared pursuant to section 22 (5) of the Public Finance  
and Accountability (Scotland) Act 2000 showing the Operating Account  
for the year ended 31 March 2005**

**Laid before the Scottish Parliament**  
**By the Scottish Ministers**  
**December 2005**

**SE/2005/215**

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE ACCOUNTS 2004-05**

**FOREWORD**

1. The Erskine Bridge, which opened on 2 July 1971, crosses the River Clyde some 9 miles west of the centre of Glasgow. As a trunk road, it is the responsibility of the Scottish Executive.

**Tolls**

2. The Scottish Executive is empowered by the Erskine Bridge Tolls Act 1968 to levy tolls on vehicles using the bridge during a period of 20 years from its opening or as subsequently extended by order. These may be sufficient, but not more than sufficient, to defray the costs of the construction, improvement, maintenance and repair of the bridge, and to make provision for the cost of its administration and for its continued operation after the end of the toll period. All of these are purposes to which the revenue from tolls may be applied in accordance with Section 4(2) and Schedule 2 of the 1968 Act.

3. The toll period was extended by 5 years from 2 July 1991 and by 5 years from 2 July 1996 under the terms of Erskine Bridge Tolls Extension Orders; and by a further 5 years from 2 July 2001 by the Erskine Bridge Tolls Act 2001.

4. Exemptions from payment of tolls extend to fire and police authority vehicles, ambulances, vehicles used for the maintenance or operation of the Erskine Bridge, vehicles displaying badges issued under section 21 of the Chronically Sick and Disabled Persons Act 1970 and vehicles specially adapted for disabled drivers. The Scottish Executive may also authorise exemption for up to 5 vehicles at any one time belonging to the Princess Louise Scottish Hospital for Limbless Sailors and Soldiers, Erskine.

5. From the beginning of the 1992-93 accounting period tolls have been levied at a flat rate of 60p on all vehicles, as provided for by the Erskine Bridge Tolls Order 1992 (SI 1992 No. 433), excepting motorcycles and exempt categories. A discount of 10% is available to those purchasing 50 pre-paid crossing vouchers (or multiples thereof).

**Accounts**

6. These Accounts are prepared by The Scottish Executive Enterprise Transport and Lifelong Learning Department (SEETLLD) under Section 17(1) of the Erskine Bridge Tolls Act 1968 in accordance with the Accounts Direction issued by Scottish Ministers. Before May of 2003 responsibility for these accounts rested with the Scottish Executive Development Department.

7. Notional costs i.e. repayment of capital and interest, and the sinking fund provision for maintenance, replacements and operating costs over the life of the Bridge are shown in Note 6 to the Accounts which gives detailed information in relation to Section 4(2) of the 1968 Act. The value included as fixed assets for the Bridge is derived from a 'depreciated replacement cost' described in Note 7.

### **Toll Collection**

8. Following full and open competition, the contract for the toll collection operation was re-awarded to APCOA Parking (UK) Ltd with effect from 1 April 2002. The contractor collects tolls and carries out ancillary duties on behalf of the Scottish Executive. Toll pricing and charging policy remain the responsibility of the Scottish Executive.

### **Results for the Year 2004-05**

9. During the year there were 9,965,186 vehicle crossings of the Erskine Bridge reported, (a rise of 2.9% on 2003-2004) of which 442,708 were exempt from toll charges, including 54,877 motorcycles.

10. The value of tolls collected including concession vouchers totalled £5,717,891

11. Operating costs increased from £4,501,396 to £5,811,660 in 2004-05. The incidence of maintenance varies each year and of particular significance for 2004-05 is the substantial progress made on Phase 4 of the Bridge Refurbishment Programme (£3.4m in 2004-05).

12. The operating deficit for 2004-05 amounted to £93,769 compared to a surplus of £986,887 in 2003-2004. The deficit has arisen as a result of the refurbishment programme identified above.

### **Fixed Assets**

13. Expenditure of a capital nature to the sum of £3,825 was incurred in 2004-05. Valuation of the Bridge resulted in an increase in gross value of approximately £11.7m at 31 March 2005 (ref. Note 7.1). The other significant assets are access roads. The gross value of access roads has increased by £1.11m during 2004-05.

### **Collision Incident occurring in 1996-97**

14. Reference Note 12 to the Accounts.

### **Payment of Suppliers**

15. The Scottish Executive policy requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. The Scottish Executive aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time in these terms. During the year ended 31 March 2005 the SEETLLD paid 89.2% of all invoices within the terms of its payment policy. This compares with the Scottish Executive corporate performance of 89.3%.

## **Auditors**

16. The Accounts are audited by Auditors appointed by the Auditor General for Scotland.

## **Statement on Internal Control**

17. A separate statement is not given for the Erskine Bridge Account as it is not the account of a separate entity, but an extract account of the Scottish Executive Consolidated Account. The Statement on Internal Control given by the Accountable Officer for the Scottish Executive Consolidated Account covers all of the income and expenditure relating to the Erskine Bridge Account. I have provided assurances to the Accountable Officer of the Scottish Executive Consolidated Account on the systems of control within the Scottish Executive Enterprise Transport and Lifelong Learning Department, including those relating to the Erskine Bridge.

## **Statement of Accountable Officers' Responsibilities with respect to the Accounts**

18. The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding assets, are set out in the "Accountable Officers' Memorandum", issued by the Scottish Ministers.

Eddie Frizzell  
Accountable Officer  
October 2005

## **Auditor's report to the Scottish Parliament and the Auditor General for Scotland**

I have audited the financial statements on pages 7 to 18 under the Erskine Bridge Tolls Act 1968. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 11.

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice approved by the Auditor General for Scotland and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by Audit Scotland, dated July 2001.

### **Respective responsibilities of the Accountable Officer and Auditor**

As described on page 4 the Accountable Officer is responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Accountable Officer is also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice approved by the Auditor General for Scotland, and guided by the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Erskine Bridge Tolls Act 1968 and directions made thereunder and whether, in all material respects, the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Scottish Executive has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on page 4 complies with Scottish Executive guidance on statements on the system of internal control. I report if it does not comply with the guidance, or if the statement is misleading or inconsistent with other information I am aware of from my audit. I am not required to consider whether the statement covers all risks and controls, or form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

### **Basis of audit opinions**

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice, which requires compliance with relevant United Kingdom Auditing Standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts shown in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Erskine Bridge's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error, and that, in all material respects, the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinions**

### *Financial statements*

In my opinion the financial statements give a true and fair view of the state of affairs of the Erskine Bridge at 31 March 2005 and of the excess of expenditure over income, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Erskine Bridge Tolls Act 1968 and directions made thereunder.

### *Regularity*

In my opinion, in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Arwel Roberts  
Director, Central Government  
18 George Street  
Edinburgh EH2 2QU

October 2005

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968  
OPERATING ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2005**

	Note	£	Previous Year £
<b>INCOME</b>			
Tolls Levied	6	5,717,891	5,488,283
		<u>5,717,891</u>	<u>5,488,283</u>
<b>OPERATING COSTS</b>			
Collection		619,544	601,361
Maintenance	1.3	4,050,565	2,731,117
Depreciation	7	1,057,361	1,097,181
Administration Costs		84,190	71,737
Redundancy Costs		-	-
		<u>5,811,660</u>	<u>4,501,396</u>
<b>SURPLUS/(DEFICIENCY) FOR THE YEAR</b>	<b>3</b>	<b>(93,769)</b>	<b>986,887</b>
Accumulated surplus/(deficiency) Brought forward		19,741,862	18,754,975
<b>ACCUMULATED SURPLUS/ (DEFICIENCY) carried forward</b>		<u><b>19,648,093</b></u>	<u><b>19,741,862</b></u>

**All of the above amounts relate to continuing operations**

Surplus (Deficit) for Year per Operating Account		(93,769)	986,887
Unrealised Surplus on revaluation of Assets, less Backlog Depreciation on revaluation of Assets	9	10,075,646	6,358,884
<b>TOTAL Recognised Gains &amp; Losses for the year</b>		<u><b>9,981,877</b></u>	<u><b>7,345,771</b></u>

**The notes on pages 11 to 18 form part of these accounts**

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968  
BALANCE SHEET AS AT 31 MARCH 2005**

	Note	£	Previous Year £
<b>FIXED ASSETS</b>			
Tangible Assets	7	128,955,039	119,932,929
<b>CURRENT ASSETS</b>			
Debtors		191	1,114
Cash at bank and in hand		93,595	105,880
		93,786	106,994
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade Creditors		667,246	615,599
Other Creditors		31,260	27,900
Deferred Income		87,381	92,635
		785,887	736,134
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		(692,101)	(629,140)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		128,262,938	119,303,789
<b>CAPITAL AND RESERVES</b>			
Revaluation Reserve		132,670,258	122,594,613
Accumulated Surplus/(Deficiency)		19,648,093	19,741,862
Capital Account		(24,055,413)	(23,032,686)
		128,262,938	119,303,789

**The notes on pages 11 to 18 form part of these accounts.**

Eddie Frizzell  
Accountable Officer  
October 2005

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968  
CASH FLOW STATEMENT FOR YEAR ENDING 31 MARCH 2005**

**Reconciliation of operating surplus to net cash inflow from operating activities**

	£	£	Previous year £
Operating Surplus/(Deficit)		(93,769)	986,887
Depreciation charges		1,057,361	1,097,181
(Increase)/Decrease in debtors		923	591
Increase/(Decrease) in creditors		49,752	281,227
		1,014,267	2,365,886
<b>Net Cash inflow from operating activities</b>		<b>1,014,267</b>	<b>2,365,886</b>

**CASH FLOW STATEMENT**

**Net Cash inflow from operating activities**

Toll Receipts: SEETLLD	5,718,128		5,486,553
Payment for salaries & wages, supplies and services, and other expenses	4,703,861		3,120,667
		1,014,267	2,365,886

**Capital Expenditure**

Payments to acquire tangible fixed assets: SEETLLD		3,825	0
		1,010,442	2,365,886

**Financing**

Net Cash surrendered to/(advanced from) departments		1,022,727	2,335,825
<b>Increase/(decrease) in cash in the period</b>		<b>(12,285)</b>	<b>30,061</b>

**The notes on pages 11 to 18 form part of these accounts.**

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968  
CASH FLOW STATEMENT FOR YEAR ENDING 31 MARCH 2005 (continued)**

**Reconciliation of net cash flow to movement in net funds**

	£	Previous Year £
<b>Increase (Decrease) in Cash in the period</b>	(12,285)	30,061
<b>Net funds at 1.4.04</b>		
Cash at Bank and in Hand	<u>105,880</u>	<u>75,819</u>
<b>Net funds at 31.3.05</b>		
Cash at Bank and in Hand	<u>93,595</u>	<u>105,880</u>

**The notes on pages 11 to 18 form part of these accounts.**



**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**2. FORMAT OF ACCOUNTS**

The format of the account was changed in 1991-92. Prior to 1991-92, the notional costs required for the purposes of S.4 (2) of the Act were incorporated in the Accounts (i.e. Amortisation; Interest; Sinking Fund). These notional costs have continued to be calculated for 1991-92 and the years following, but are included only at Note 6 to the Accounts, which shows that the requirements of S.4 (2) are being met.

**3. OPERATING SURPLUS**

This is stated after charging:

	£	Previous Year £
Auditor's remuneration	16,800	14,500
Depreciation	1,057,361	1,097,181

**4. STAFF COSTS**

There have been no direct employees at the Bridge since APCOA Parking Ltd took over collection etc duties in June 1992.

**5. INSURANCE**

Insurance is not effected against fire, explosion, third party, theft or similar risks as these risks are carried by the Scottish Consolidated Fund.

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**6. TOLL REVENUES**

The following statement is required in connection with Section 4 (2) of the 1968 Act, i.e. toll charges levied may not exceed the sum required to meet certain defined applications.

	£	£	Previous Year £
Tolls income per the Accounts		5,717,891	5,488,283
Applications permitted by the Act :			
Operating Costs – per the Accounts (excluding Depreciation £1,057,361 and £3,722,193 allocated to Sinking Fund)	(1,032,106)		(1,408,273)
Notional costs :			
Amortisation	(1,533,873)		(1,385,262)
Interest	(22,558,267)		(21,763,728)
Sinking Fund contribution	<u>(409,684)</u>		<u>-</u>
		(25,533,930)	(24,557,263)
		<u>(19,816,039)</u>	<u>(19,068,980)</u>
Balance brought forward		(279,992,228)	(260,923,248)
Balance carried forward at 31 March 2005		<u>(299,808,267)</u>	<u>(279,992,228)</u>

6.1 Amortisation is a notional charge sufficient to repay the capital costs of the bridge (at historic cost) over the toll period.

Interest represents the notional interest charge due to: amortisation of capital expenditure; interest on working capital; deficiency of income to meet applications.

A Sinking Fund is set up notionally to meet replacement of assets and major maintenance over the remaining life of the bridge, and to meet operating costs after the toll period. The fund is reassessed 5-yearly, and was reassessed in 2001-02.

Scheduled maintenance costs for Bridge refurbishment of £3,722,193 has been met from the sinking fund in 2004-05.

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**7. TANGIBLE FIXED ASSETS**

	Land and Buildings	Equipment and Furniture	Total
	£	£	£
Cost or valuation			
At 1 April 2004:	151,935,989	476,328	152,412,317
Additions		3,825	3,825
Surplus /(deficit) on revaluation	12,817,152		12,817,152
Disposals			
	164,753,141	480,153	165,233,294
Depreciation at 1 April 2004	32,035,828	443,560	32,479,388
Provided during the year	1,044,983	12,378	1,057,361
Surplus/(deficit) on revaluation	2,741,506		2,741,506
Disposals			
	35,822,317	455,938	36,278,255
Net book value:			
At 1 April 2004	119,900,161	32,768	119,932,929
At 31 March 2005	128,930,824	24,215	128,955,039

7.1 The gross valuation of the Bridge is derived from the Roads Assets Valuation System (RAVS) Database maintained for the Scottish Executive Consolidated Account. The basis for valuation is depreciated replacement cost by using appropriate indices. The gross valuation of the Bridge at 31 March 2005 is £144.2m (£132.5m at March 2004).

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**7. TANGIBLE FIXED ASSETS (Continued)**

7.1 (continued) Depreciation is provided at rates calculated to write off the valuation (excluding non-renewable elements) by equal instalments over the useful economic life of the Bridge. The non-renewable elements of the Bridge (foundations, etc) excluded from the calculation of depreciation are considered to constitute 20% of the total value of the Bridge. The net book value of the Bridge at 31 March 2005 is £111.5m (2003-04 £103.3m).

7.2 Other assets:

Access Roads In line with RAVS database, as used for Scottish Executive Consolidated Account, the relevant roads are included at current replacement cost, adjusted to reflect the current condition of the road component, and the depreciation of structures and communication components. The net book value of access roads at 31 March 2005 is £17.1m (2003-04 £16.3m)

Administration Building (including associated land) is valued at open market value for existing use in line with Scottish Executive Consolidated Account. The net book value is £302,000 (2003-04 £299,000).

Equipment & Furniture, including Toll Booths and Equipment are accounted for on historic cost basis. The net book value at 31 March 2005 is £24,000 (2003-04 £33,000).

7.3 Minor additions to capital expenditure of £3,825 were made during the year.

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**8. CAPITAL ACCOUNT**

	£	Previous Year £
Balance at 1 April 2004	(23,032,686)	(20,696,861)
Net cash advanced from/(surrendered to) Scottish Executive Departments in year (see Cash Flow Statement)	(1,022,727)	(2,335,825)
	<hr/>	<hr/>
Balance at 31 March 2005	(24,055,413)	(23,032,686)
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**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**9. REVALUATION RESERVE**

	£	£	Previous year £
As at 1 April 2004		122,594,613	116,235,729
Surplus/(Deficit) on revaluation:			
Fixed Assets	12,817,152		7,997,442
Backlog Depreciation	(2,741,506)		(1,638,558)
		10,075,646	6,358,884
Balance at 31 March 2005		132,670,259	122,594,613

**10. COMMITMENTS**

**Capital**

There are no amounts contracted for but not provided for in the Accounts, and due within one year (none for the previous year). Amounts authorised but not contracted for total nil in 2005-06 (previous year NIL in 2004-05).

**11. CONTINGENT LIABILITIES**

None at 31 March 2005. There were no contingent liabilities as at the previous year end.

**SCOTTISH EXECUTIVE ENTERPRISE TRANSPORT AND LIFELONG  
LEARNING DEPARTMENT**

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**12. COLLISION INCIDENT OCCURRING IN 1996-97**

The bridge was closed to traffic as a result of a collision incident on 4 August 1996 when an oil rig which was being towed down the River Clyde collided with the deck of the bridge, causing structural damage. The bridge was closed to all traffic from 4 August, reopening to pedestrians and cyclists on 22 August and to cars and motor cyclists on 30 August 1996. On the completion of structural repairs the bridge was reopened to Heavy Goods Vehicles on 22 December 1996. The incident resulted in the loss of toll revenue in 1996-97.

The Scottish Executive commissioned consulting engineers to carry out an independent investigation into the circumstances leading up to the incident. The firm reported, and The Scottish Executive is now pursuing those considered to have been responsible for the incident, for the costs associated with the repair and the associated traffic management, and for all loss of toll revenue. An action has been raised for recovery of the cost of damage to the bridge. Estimates of the final overall amount involved are of the order of £4.3m - of which £3.6m has been incurred as expenditure in the Accounts to date. A further £0.7m approx. of the overall amount represents toll revenue lost due to the collision.



**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 2005 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.

**ANNEX**

SCOTTISH EXECUTIVE .....  
DEPARTMENT  
ERSKINE BRIDGE TOLLS ACT 1968

**OPERATING ACCOUNT FOR THE YEAR ENDED 31 MARCH 20..**

INCOME			
Tolls levied	x		
Other income	x		
		x	
OPERATING COSTS			
Collection	x		
Maintenance	x		
Depreciation	x		
Other operating costs	x	x	
SURPLUS (DEFICIENCY) FOR THE YEAR			x
Accumulated deficiency brought forward as			
previously reported		x	
Prior year's adjustments		x	
As restated			x
ACCUMULATED DEFICIENCY carried forward			x