



TAY ROAD BRIDGE JOINT BOARD

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010

AUDITED

SEPTEMBER 2010

TAY ROAD BRIDGE JOINT BOARD
STATEMENT OF ACCOUNTS 2009/2010




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TAY ROAD BRIDGE JOINT BOARD

MEMBERS AND OFFICIALS

The Board comprises 12 elected members who are appointed by the three constituent local authorities to serve on the Board. Dundee City Council nominates 6 members, Angus Council have 1 member and Fife Council nominate the remaining 5 members. Following the previous Scottish Local Government Elections that were held in May 2007 it was agreed by the Board that Dundee City Council would continue to act as lead authority to the Board, and consequently, the Council are required to appoint officers to serve as officials of the Board. At the end of financial year 2009/2010, the Members and Officials of the Board were:

Representing Dundee City Council	
Councillor David Bowes Councillor Will Dawson Councillor Ken Lynn Councillor Mohammed Asif Councillor Tom Ferguson (Vice Chair) Baillie Rod Wallace	
Representing Angus Council	
Councillor John R Whyte	
Representing Fife Council	
Councillor Andrew Arbuckle (Chair) Councillor Jim Young Councillor David MacDairmid Councillor Margaret Taylor Councillor Ross Vettrano	
Bridge Manager	
Mr Iain MacKinnon BSc, C Eng, MICE	
Engineer	
Mr Fergus Wilson BSc, MBA, C Eng, MICE, MIHT, Dundee City Council	
Clerk	
Ms Patricia McIlquham LLB, Dundee City Council	
Treasurer	
Mrs Marjory M Stewart FCCA, CPFA, Dundee City Council	

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TAY ROAD BRIDGE JOINT BOARD

Bridge Manager's Report

Organisational Changes

The 2009/2010 financial year was one of further consolidation for the Tay Road Bridge Joint Board, following on from the abolition of the tolls in February 2008. The new staff structure proposed by the Bridge Manager was accepted by the Board in June 2009 and subsequently implemented by December 2009.

Management Arrangement with the Scottish Government

During this period, the main point of contact with the Scottish Government changed from the Scottish Government Transport Directorate to the Strategy & Policy Integration Team of Transport Scotland. Meetings have been held on a quarterly basis between Board Officers and officers from the Strategy & Policy Integration Team to discuss financial matters etc.

Contracts

Variable Message Signs (VMS)

As a result of problems, primarily relating to the provision of power supplies to the new signs, the contract to install 4 additional VMS signs was delayed with completion now anticipated in June 2010. The signs are being procured via a Transport Scotland Contract and similar delays have been experienced nationally throughout the contract.

Digital CCTV Recording System

The contract to install the BT i-Witness digital recording system was completed in March 2010. This new system allows a simpler reviewing process and allows Tayside Police to have direct access to digital images for use in investigations. This has reduced the amount of time spent by Bridge staff in reviewing and retrieving images for Tayside Police.

Scissor Lifts

The contract to fabricate and install new scissor lifts to the bridge gantries was delayed due to fabrication problems. The anticipated completion date for the works is June 2010.

Fife Abutment Bearing Replacement

The contract to replace the bearings at the Fife Abutment was awarded to Raynesway Construction in October 2009. The works were completed on time and on budget by April 2010. This work completes the replacement of all of the original bridge bearings.

Dundee Central Waterfront Project

Contract 1 for the Dundee Central Waterfront Development was awarded during the financial year. This work involves construction of a drainage attenuation tank. The works have had little or no effect on the day to day operation of the bridge. The Bridge Manager has been involved in discussions with Dundee City Council regarding Contract 2, which will involve the demolition, and reconstruction on a new alignment, of the northbound Perth off-ramp. It is possible that this contract will impact on the operation of the bridge, particularly in the early stages when both lanes of north bound traffic will be re-routed down modified ramps at Tayside House. However the effects of the works should be mitigated by the fact that ramp closures will only be permitted outwith peak traffic times e.g 9.30am and 3.30pm. These works commenced in May 2010 and are expected to be completed by the autumn of 2011.

Traffic

In the past twelve months the volume of traffic crossing the bridge has remained static with a total of 9.2 million vehicles crossing the bridge for the second year running. This is the first instance of no overall increase in traffic since 2004-05 to 2006-07 when the traffic figures were 8.9 million per annum over the three year period.

There has been a slight decline in northbound traffic, compensated by a corresponding increase in southbound traffic over the past twelve months.

One or both lanes on the bridge were closed on a number of occasions over the past twelve months. The table below summarises the reasons and number of occurrences:-

	<u>No of Incidents</u>
Wind speed > 80mph Closed to all Vehicles	-
Wind speed > 60mph Cars Only	9
Wind speed > 45mph No Double Deck buses	34
Minor accidents	5
Breakdowns	54
Works related closures	25
Debris collection etc	<u>153</u>
	<u>280</u>

The number of wind speed restrictions was lower than previous years, in particular with there having been no total bridge closures to all vehicles during the year.

Staffing Issues

Staff Establishment

There has been no change to the number of permanent posts within the staff establishment which stands as follows:-

<u>Staffing</u>	<u>31 March 2009</u>	<u>31 March 2010</u>
Administration	5	5
Operational	15	15
Maintenance	14	14
Cleaners (part-time)	<u>1</u>	<u>1</u>
	<u>35</u>	<u>35</u>



Iain MacKinnon BSc C.Eng. MICE
Bridge Manager
7 June 2010

TAY ROAD BRIDGE JOINT BOARD
ANALYSIS OF TRAFFIC VOLUME FIGURES

Month	<u>NORTHBOUND</u>			<u>SOUTHBOUND</u>		
	<u>2008/2009</u>	<u>2009/2010</u>	<u>% Change</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>% Change</u>
April	378,406	397,710	5.1	381,225	403,950	6.0
May	407,879	415,803	1.9	412,230	423,088	2.6
June	388,048	402,540	3.7	392,512	433,140	10.4
July	399,407	411,866	3.1	402,462	428,606	6.5
August	407,371	412,114	1.2	391,127	421,755	7.8
September	408,146	400,140	(2.0)	415,865	376,830	(9.4)
October	407,371	362,638	(11.0)	389,980	399,218	2.4
November	379,401	356,082	(6.1)	387,150	351,292	(9.3)
December	364,188	356,208	(2.2)	367,567	351,037	(4.5)
January	342,271	306,701	(10.4)	352,315	322,437	(8.5)
February	326,824	346,164	5.9	332,164	339,808	2.3
March	394,196	395,405	0.3	398,691	391,103	(1.9)
	<u>4,603,508</u>	<u>4,563,371</u>	<u>(0.9)</u>	<u>4,623,288</u>	<u>4,642,264</u>	<u>0.4</u>

TAY ROAD BRIDGE JOINT BOARD

TREASURER'S REPORT

Introduction

This report is intended as a commentary on the Tay Road Bridge Joint Board's financial position, as presented within the Statement of Accounts for the financial year 2009/2010.

Accounting Policies (see pages 10 and 11)

The Statement of Accounting Policies sets out the basis upon which the Financial Statements have been prepared and explains the accounting treatment of both general and specific items.

Statement of Responsibilities for the Statement of Accounts (see page 12)

This statement sets out the main financial responsibilities of the Board and the Treasurer.

The Accounting Statements (see pages 13 to 28)

Income & Expenditure Account:

Sets out the budgeted and actual income receivable and expenditure incurred in operating the Board for the year. Both income and expenditure are measured using essentially the same accounting conventions (i.e. UK Generally Accepted Accounting Practice (UKGAAP)) that a large (but unlisted) company would use in preparing its financial statements.

Statement of Movement on the General Reserve Balance:

Reconciles the surplus or deficit for the year in the Income & Expenditure Account to the amount required by statute and non-statutory practice to be charged or credited to the General Reserve Balance.

Statement of Total Recognised Gains and Losses:

Brings together all the recognised gains and losses of the Board during the period including those not reflected in the Income and Expenditure Account.

Balance Sheet:

Shows the overall financial position of the Board as at 31 March 2010.

Cash Flow Statement:

Details the inflows and outflows of cash arising from revenue and capital transactions.

Notes to the Core Financial Statements:

These are intended to give the reader further information which is not separately detailed in the core financial statements.

Statement on the System of Internal Financial Control (see page 29)

This statement sets out the framework within which financial control is managed and reviewed. The main components of the system are listed, together with any significant weaknesses that have been identified and the remedial action taken.

Revenue Expenditure

The Tay Road Bridge Joint Board, at its meeting on 15 December 2008, approved the 2009/2010 Revenue Budget. The final budget showed an operating deficit of £340,000 which would then increase to £400,000 after funding capital works (CFCR) to the value of £60,000. The projected General Reserve Balance as at 31 March 2010 after funding the above would be £1,237,000.

The Board received quarterly Revenue Monitoring reports during 2009/2010 in order to keep the members fully appraised as to the projected revenue outturn position.

The following table reconciles the Revenue Budget approved by the Board on 15 December 2008 to the revised budget figures that are included in the aforementioned accounting statements shown on pages 13 and 14. Actual outturn figures and under/overspends are also shown and the net underspend against budget of £217,000 is explained in the detailed variance analysis thereafter.

	Approved Budget £000	CFCR Re-allocation £000	Corp & Democratic Core Re-allocation £000	Net Depreciation & Impairment Allocation £000	FRS 17 Adjs £000	Revised Budget £000	Actual Expend/(Income) £000	Variance £000
Staff Costs	1,105				(60)	1,045	970	(75)
Property Costs	73					73	71	(2)
Supplies and Services	326		(17)			309	238	(71)
Transport Costs	34					34	26	(8)
Third Party Payments	105		(9)			96	76	(20)
CFCR	60	(60)				-	-	-
Depreciation & Impairment	-			856		856	856	-
Corp & Democratic Core	-		26			26	22	(4)
Gross Expenditure	1,703	(60)	-	856	(60)	2,439	2,259	(180)
Scottish Government Grant	(1,226)					(1,226)	(1,226)	-
Other Income	(20)					(20)	(64)	(44)
Net (Surplus)/Deficit from Service	457	(60)	-	856	(60)	1,193	969	(224)
Interest and Investment Income	(57)					(57)	(12)	45
Pensions Interest Cost & Expenditure Return etc.					88	88	88	-
Net Operating Expenditure/(Surplus)/Deficit	400	(60)	-	856	28	1,224	1,045	(179)
FRS 17 Adjustments	-				(28)	(28)	(42)	(14)
Other SORP Adjustments	-	60		(856)		(796)	(820)	(24)
Total (Surplus)/Deficit	400	-	-	-	-	400	183	(217)
General Reserve Balance b/ fwd	(1,637)					(1,637)	(1,637)	-
General Reserve Balance c/ fwd	(1,237)	-	-	-	-	(1,237)	(1,454)	(217)

Staff Costs (Underspend £75,000)

Mainly reflects posts that have been held vacant during the year. In addition, expenditure on overtime has been lower than budgeted following a reduction in the level of overtime worked due to the bridge gantries being unavailable during the year. These variances have been partly offset by an overspend in other staff costs following the implementation of staff training and development programme.

Property Costs (Underspend £2,000)

Reflects lower expenditure for ground maintenance at the Fife landfall due a reduction in the level of work being required during the year.

Supplies & Services (Underspend £71,000)

Due to ongoing capital contracts there was a reduction in the amount of bridge maintenance work carried out during the year which has resulted in lower than anticipated expenditure on the purchase of equipment and materials, plant hire, equipment maintenance, and other miscellaneous supplies and services. These variances were partly offset by additional costs incurred on road maintenance during the extreme weather conditions that were experienced last winter.

Transport Costs (Underspend £8,000)

Reflects minor underspends in a number of budget headings including repairs & maintenance, travel & subsistence, insurance premiums and other transport costs.

Third Party Payments (Underspend £20,000)

Due to lower than anticipated expenditure on a number of budget headings including professional fees and internal audit charges.

Corporate and Democratic Core Costs (Underspend £4,000)

Mainly due to lower than budgeted expenditure for external audit services following the renegotiation of this fee.

Other Income (Additional Income £44,000)

Reflects income received from Dundee City Council for the grant of servitude rights over areas of Board land that the Council will require permanent access to during construction of new roads as part of the Waterfront Development project. This has been partly offset by a minor shortfall in the amount of miscellaneous income received.

Interest and Investment Income (Income Shortfall £45,000)

Reflects reduction in interest received on bank balances due to lower than anticipated interest rates.

FRS 17 Adjustments (Underspend £14,000)

Due to an underspend in employers superannuation contributions caused by staff posts being held vacant during the year.

Other SORP Adjustments (Underspend £24,000)

Reflects slippage in the planned programme of capital works funded by revenue (CFCR).

General Reserve

The net deficit for the financial year 2009/2010 was £183,000. When deducted from the opening General Reserve balance of £1,637,000, this gives a total reserve balance of £1,454,000 at 31 March 2010.

Capital Expenditure and Financing

During 2009/2010, the Board incurred capital expenditure of £1,921,000 on the following projects:-

	<u>£000</u>
Fife Abutment Bearing Replacement	624
Scour Protection	26
Lighting Columns	23
Bearing Replacement	317
North Approach Viaduct Works	43
Pier Collision Protection	241
Gantry	27
Runway Beam Brackets	105
Replacement of Expansion Joints	167
Advance Warning Signs	225
Other Projects	<u>123</u>
	<u>1,921</u>

Capital expenditure was funded as follows:

	<u>£000</u>
Capital Grant from the Scottish Government	1,885
Revenue (CFCR)	<u>36</u>
	<u>1,921</u>

Control of Revenue and Capital Expenditure

The control of both the revenue and capital expenditure of the Board is an ongoing and substantial exercise which requires a positive contribution from staff and elected members to ensure that the Board's financial objectives are achieved and that financial resources are fully utilised.

Pension Liability (FRS 17)

Under FRS 17 (Retirement Benefits) the Board is required to include figures in its Statement of Accounts relating to the assets, liabilities, income and expenditure of the pension schemes for its employees. It has been estimated that the Board had a net pension liability of £2,793,000 as at 31 March 2010. The estimated net pension liability at 31 March 2009 was £1,441,000. A decrease in the real interest rate used to calculate scheme liabilities has caused an increase in liabilities that was greater than the increase in the value of assets, therefore the net liability increased.

Acknowledgements

During the 2009/2010 financial year the Board's financial position has required continuous scrutiny and strict budgetary control. I would like to thank the Bridge Manager, Bridge Engineer and their staff in controlling the Board's expenditure and income. In addition, I wish to mention my appreciation of the help and co-operation provided during the financial year by the elected members and by Patricia McIlquham, Clerk to the Board. Finally, I would conclude my report by thanking all staff who contributed to the preparation of the Board's 2009/2010 Statement of Accounts.



Marjory M Stewart, FCCA, CPFA
Treasurer
Tay Road Bridge Joint Board
7 June 2010

TAY ROAD BRIDGE JOINT BOARD

STATEMENT OF ACCOUNTING POLICIES

General

The Financial Statements are intended to present a true and fair view of the financial position and transactions of the Tay Road Bridge Joint Board. They have thus been prepared in accordance with:-

- the "Code of Practice on Local Authority Accounting in the United Kingdom 2009 - A Statement of Recommended Practice" (the SORP), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LA(S)AAC).
- the Best Value Accounting Code of Practice 2008

The Financial Statements have also been prepared in accordance with the fundamental accounting principles and pervasive concepts identified in FRS 18 (Accounting Policies), i.e. relevance, reliability, comparability, understandability, materiality, accruals, going concern and primacy of legislative requirements. The historical cost accounting convention has been adopted in the preparation of the Financial Statements, modified for the revaluation (to a "current value" basis) of certain tangible fixed assets.

Reserves

The Board maintains a number of reserve funds for purposes outwith those classified as provisions. Full details are given in the Movements on Reserves Note on pages 23 and 24.

Tangible Fixed Assets - Basis of Valuation

The Board's tangible fixed assets are included in the Balance Sheet using the following valuation bases:-

Operational Land and Buildings - net realisable value in existing use.

Non-Operational Land and Buildings - open market value.

Infrastructure Assets - depreciated historical cost.

Vehicles, Plant and Equipment - lower of net current replacement cost (using historical cost as a proxy for replacement cost) or net realisable value in existing use.

Where tangible fixed assets have been fully depreciated but are still held for operational use, then these assets have been included in the Balance Sheet at their estimated net current replacement cost and are then depreciated accordingly over their assessed remaining useful life.

Tangible Fixed Assets - Charge to Income and Expenditure Account

The charge made to the Income and Expenditure Account equates to the sum of depreciation and impairment less capital contributions deferred written down in the year. The straight-line method of depreciation is used. Assets have been assigned various useful economic lives, with no residual value assumed. No depreciation is charged in the year of acquisition, but a full year's charge is made in the year of disposal.

Leases

Leases are categorised as either "finance" or "operating", in accordance with Statement of Standard Accounting Practice 21 (Accounting for Leases and Hire Purchase Contracts). Reference is also made to Financial Reporting Standard 5 (Reporting the Substance of Transactions) in determining the appropriate categorisation. Hire purchase contracts that bear the characteristics of a finance, or operating lease are accounted for accordingly.

Finance Leases:

Where the Board is the lessee in a finance lease, the asset acquired is capitalised and included in the Balance Sheet together with an equivalent deferred liability. Measurement is initially on the basis of the outstanding obligation to make future principal repayments. Thereafter, the asset is subject to depreciation, revaluation and impairment review, in accordance with the relevant accounting policies. Leasing payments are apportioned between the finance charge and the reduction of the outstanding obligation (deferred liability). The finance charge element is charged to revenue over the period of the lease. Where the Board is the lessor in a finance lease, the amounts due are recorded in the Balance Sheet as a debtor at the amount of the net investment. The total gross earnings are allocated to accounting periods to give a constant periodic rate of return on the net cash investment in the lease in each period.

Operating Leases:

Where the Board is the lessee in an operating lease, the rentals payable (net of benefits received or receivable) are charged to revenue on a straight line basis over the term of the lease. Where the Board is the lessor in an operating lease, the asset is recorded in the Balance Sheet as a fixed asset and, where appropriate, is subject to depreciation, revaluation and impairment review, in accordance with the relevant accounting policies. Rental income is recognised on a straight line basis over the term of the lease.

Government Grants/Capital Contributions

Government grants and capital contributions are accounted for on an accruals basis and are credited to either the Income and Expenditure Account or to the Government Grants/Capital Contributions Deferred Account. Capital grants and contributions are amortised to the Income and Expenditure Account over the useful life of the related asset to match the depreciation of the asset.

Capital Receipts

Income from the sale of assets and insurance receipts are accounted for on an accruals basis and is credited initially to the Capital Receipts Reserve. Thereafter, the proportion applied to fund new capital expenditure, and thus reduce borrowing, is transferred to the Capital Adjustment Account.

Basis of Funding and Charging for Capital

Following the introduction of government legislation to abolish the bridge tolls in February 2008 the Scottish Government agreed to provide a grant to repay the Board's outstanding loan debt. Whilst the Board has retained the powers to borrow to fund capital expenditure, it was also agreed that the Board's future capital expenditure would be met by an annual grant from the Scottish Government. In terms of any future borrowing the Board's debt will be managed through the Consolidated Loans Funds of Angus, Dundee City and Fife Councils.

Revenue and Capital Transactions

Revenue and Capital transactions are recorded in the accounts on an income and expenditure basis, i.e. recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the Board as at 31 March 2010 have been brought into account. The recognition and measurement of income is in accordance with the Application Note to Financial Reporting Standard 5 concerning "Revenue Recognition".

Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value.

Pension Costs

The Board participates in the Local Government Pension Scheme, which is a defined benefits scheme related to pay and service. The pension costs included in the accounts have been determined in accordance with Financial Reporting Standard 17 (Retirement Benefits).

Prior Period Adjustments

Prior period adjustments are material adjustments applicable to prior years, arising from changes in accounting policies or the correction of fundamental errors. In accordance with Financial Reporting Standard 3 (Reporting Financial Performance) prior period adjustments are accounted for by restating the comparative figures for the preceding period in the Statement of Accounts and Notes, and adjusting the opening balance of reserves for the cumulative effect.

Insurance

Expenditure included in the Statement of Accounts relates to premiums paid, policy excesses and settlement of claims where the Board has self-insured its liability.

Exceptional Items

Exceptional items are ones that are material in terms of the Board's overall expenditure and are not expected to occur frequently or regularly. Exceptional items are shown separately in the Income and Expenditure Account if that degree of prominence is necessary in order to give a fair presentation of the accounts. Further details are provided in the Notes to the Core Financial Statements.

TAY ROAD BRIDGE JOINT BOARD

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Joint Board's responsibilities

The Joint Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Joint Board, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Joint Board's statement of accounts in accordance with proper practices set out in the CIPFA/LA(S)AAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts presents a true and fair view of the financial position of the Joint Board at the accounting date and its income and expenditure for the year ended 31 March 2010.



Marjory M Stewart, FCCA, CPFA
Treasurer
Tay Road Bridge Joint Board
7 June 2010

TAY ROAD BRIDGE JOINT BOARD
INCOME & EXPENDITURE ACCOUNT

2008/2009 Actual Net Expenditure/ (Income) £000		2009/2010 Budgeted Net Expenditure/ (Income) £000	2009/2010 Actual Net Expenditure/ (Income) £000
	Expenditure		
995	Staff Costs	1,045	970
96	Property Costs	73	71
214	Supplies & Services	309	238
31	Transport Costs	34	26
77	Third Party Payments	96	76
714	Depreciation & Impairment	856	856
21	Corporate & Democratic Core Costs	26	22
35	Non-Distributed Costs	-	-
2,183	Gross Expenditure	2,439	2,259
	Income		
(1,222)	Scottish Government Grant	(1,226)	(1,226)
(12)	Other Income	(20)	(64)
949	Net (Surplus)/Deficit from Service	1,193	969
(4)	Net (Gain)/Loss on Disposal of Fixed Assets	-	-
(116)	Interest and Investment Income	(57)	(12)
72	Pensions Interest Cost and Expected Returns on Pensions Assets	88	88
901	Net Operating Deficit for the Financial Year	1,224	1,045

TAY ROAD BRIDGE JOINT BOARD

STATEMENT OF MOVEMENT ON THE GENERAL RESERVE BALANCE

2008/2009 Actual Net Expenditure/ (Income) £000		Ref Note No	2009/2010 Budgeted Net Expenditure/ (Income) £000	2009/2010 Actual Net Expenditure/ (Income) £000
901	Deficit for the year on the Income & Expenditure Account		1,224	1,045
(739)	Net additional amount required by statute and non-statutory proper practices to be debited or (credited) to the General Reserve Balance for the Year	10	(824)	(862)
162	General Reserve Deficit for the Year		400	183
(1,799)	General Reserve Balance brought forward		(1,637)	(1,637)
(1,637)	General Reserve Balance carried forward		(1,237)	(1,454)

TAY ROAD BRIDGE JOINT BOARD

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

2008/2009		2009/2010
£000		£000
901	Deficit on the Income & Expenditure Account for the year	1,045
43	Opening entry adjustment to FRS 17 Liability	-
(5)	Gains arising on revaluation of fixed assets	(708)
50	Actuarial (gain)/loss on pension fund assets & liabilities	1,309
-	Difference between actual employers superannuation contributions and assumed FRS 17 figures	1
<hr/>		<hr/>
989	Total Recognised (Gains) & Losses for the Year	1,647
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TAY ROAD BRIDGE JOINT BOARD

BALANCE SHEET

As at 31 March 2009 £000		Ref Note No	As at 31 March 2010 £000	£000
	Tangible Fixed Assets			
	Operational Assets			
47,756	- Bridge (Infrastructure Asset)	11		48,324
747	- Other Land and Buildings	11		1,244
221	- Vehicles, Plant and Equipment	11		376
	Non-Operational Assets			
62	- Investment Properties	11		59
48,786				50,003
	Current Assets			
53	Stocks and Work-in-Progress		52	
128	Sundry Debtors		196	
2,778	Cash and Bank Balance		3,511	
2,959				3,759
	Less Current Liabilities			
(1,274)	Sundry Creditors		(2,257)	
(1,274)				(2,257)
50,471	Total Assets Less Current Liabilities			51,505
(17,420)	Government Grants/Capital Contributions Deferred			(18,749)
(1,441)	Net Pension Liabilities	21		(2,793)
31,610	Net Assets			29,963
31,610				29,963
	Financed By Fund Balances and Reserves:			
33	Revaluation Reserve	18		741
31,381	Capital Adjustment Account	18		30,561
1,637	General Reserve	18		1,454
(1,441)	Pensions Reserve	18,21		(2,793)
31,610				29,963
31,610				29,963

M M Stewart

**Marjory M Stewart, FCCA, CPFA
Treasurer
Tay Road Bridge Joint Board**

The unaudited accounts were issued on 7 June 2010 and the audited accounts were authorised for issue on 30 September 2010.

TAY ROAD BRIDGE JOINT BOARD

CASH FLOW STATEMENT

2008/2009 £000		2009/2010 £000	£000
	Revenue Activities		
258	Net Cash (Inflow)/Outflow from Revenue Activities		228
	Returns on Investments and Servicing of Finance		
-	<i>Cash Outflows</i>	-	
	<i>Cash Inflows</i>		
(110)	Interest Received	(116)	
(110)			(116)
	Capital Activities		
	<i>Cash Outflows</i>		
3,299	Purchase of Tangible Fixed Assets (Non-Revenue)	1,731	
41	Purchase of Tangible Fixed Assets (From Revenue)	36	
<u>3,340</u>		<u>1,767</u>	
	<i>Cash Inflows</i>		
(3,880)	Capital Grant Received from Scottish Government	(2,611)	
(6)	Sale of Tangible Fixed Assets	(1)	
<u>(3,886)</u>		<u>(2,612)</u>	
<u>(546)</u>			<u>(845)</u>
(398)	NET CASH (INFLOW)/OUTFLOW BEFORE FINANCING		(733)
-	Management of Liquid Resources		-
-	Financing		-
<u>(398)</u>	NET DECREASE/ (INCREASE) IN CASH		<u>(733)</u>

Further details relating to the Cash Flow Statement are provided in notes 24 and 25 on page 28.

TAY ROAD BRIDGE JOINT BOARD
NOTES TO THE CORE FINANCIAL STATEMENTS

1 ACQUIRED AND DISCONTINUED OPERATIONS

In 2009/2010 there were no acquired or discontinued operations (2008/2009 None).

2 EXCEPTIONAL ITEMS

In 2009/2010 there were no exceptional items (2008/2009 None).

3 EXTRAORDINARY ITEMS

In 2009/2010 there were no extraordinary items (2008/2009 None).

4 PRIOR PERIOD ADJUSTMENTS

In 2009/2010 there were no prior period adjustments (2008/2009 None).

5 PENSION COSTS

Dundee City Council administers the Tayside Superannuation Fund on behalf of various scheduled and admitted bodies. The Joint Board is recognised as a scheduled body within the Superannuation Regulations and therefore its employees can be admitted to the Fund. In 2009/2010 the Tay Road Bridge Joint Board paid an employer's contribution of £134,000 (2008/2009 £138,000) into the Tayside Superannuation Fund, representing 18.5% of pensionable pay (2008/2009 17.6%). The employer's contribution rate was determined by the Fund's Actuary based on the triennial actuarial valuation at 31 March 2008 with the resultant revised contribution rates effective from 1 April 2009. The actuarially determined employer's contribution rate is now fixed for a three year period and is based on 18.5% of pensionable payroll costs. Under Superannuation Regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The key assumptions underpinning the actuary's FRS 17 calculations have been reviewed and accepted by Dundee City Council as administering authority.

In addition, the Board is responsible for all pension payments relating to added years' benefits it has awarded, together with the related increases. In 2009/2010 these amounted to £8,000 representing 1.03% of pensionable pay (2008/2009 £10,000, 1.29%).

The capital cost of any discretionary increases in pension payments (e.g. discretionary added years) agreed by the Board, whether funded by the pension scheme or by the Board, is as follows:

- a awarded in 2009/2010 - £Nil (2008/2009 £35,000)
- b awarded prior to 2009/2010 for which payments are still being made - £85,000 (2008/2009 £85,000)

6 MEMBERS ALLOWANCES

Payment of salaries, allowances and expenses are made under the Local Government (Scotland) Act 2004 (Remuneration) Regulations 2007, the Local Government (Allowances and Expenses) (Scotland) Regulations 2007 and the Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007. In 2009/2010 there were no payments made to the members of the Board for any of these items (2008/2009 Nil).

7 OFFICERS REMUNERATION

The following table shows the number of employees whose total remuneration fell within the specified banding:

Number of Employees 2008/2009	Salary Banding (£)	Number of Employees 2009/2010
1	50,000 - 59,999	1

8 RELATED PARTIES - TRANSACTIONS

Angus, Dundee City and Fife Councils are considered to be related parties of the Tay Road Bridge Joint Board, in terms of the Accounting Code of Practice. During the 2009/2010 financial year, the Board entered into a number of transactions with these three Councils, as detailed below:

2008/2009			2009/2010	
Charges To £000	Charges From £000		Charges To £000	Charges From £000
		Dundee City Council		
(116)	-	Interest Receivable	(12)	-
-	70	Central Support Services	-	61
-	-	Other Income	(50)	-
-	7	Grounds Maintenance Charges	-	2
<u> </u>	<u> </u>		<u> </u>	<u> </u>
(116)	77		(62)	63
<u> </u>	<u> </u>		<u> </u>	<u> </u>
		Fife Council		
-	10	Grounds Maintenance Charges	-	6
<u> </u>	<u> </u>		<u> </u>	<u> </u>
-	10		-	6
<u> </u>	<u> </u>		<u> </u>	<u> </u>

9 EXTERNAL AUDIT FEES

The external auditors of the Tay Road Bridge Joint Board are appointed by the Accounts Commission for Scotland, for a period of five years. The total fee payable to Audit Scotland in respect of the 2009/2010 financial year, for external audit services undertaken in accordance with the Code of Audit Practice, is £13,200 (2008/2009 £13,000).

During 2009/2010, the external auditor did not provide any other services to the Board other than the duties undertaken in accordance with the Code of Audit Practice (2008/2009 None).

10 **RECONCILING ITEMS IN THE STATEMENT OF MOVEMENT ON THE GENERAL RESERVE BALANCE**

The following provides an analysis of the additional items required by statute and non-statutory proper practices to be charged or credited to the General Reserve in determining the movement on the General Reserve Balance for the year.

2008/2009 £000		2009/2010 £000	£000
	Amounts included in the Income & Expenditure Account but are required by statute to be excluded when determining the Movement on the General Reserve Balance for the year		
(1,254)	Depreciation and impairment of fixed assets	(1,412)	
540	Government Grants Deferred amortisation matching depreciation and impairments	556	
4	Net Gain/(Loss) on Sale of Fixed Assets	-	
<u>(70)</u>	Amount by which pension costs calculated in accordance with the SORP (i.e. in accordance with FRS17) are different from the contributions due under the pension scheme regulations	<u>(42)</u>	
(780)			(898)
	Amounts not included in the Income & Expenditure Account but are required to be included by statute when determining the Movement on the General Reserve Balance for the Year		
<u>41</u>	Capital Expenditure charged to the General Reserve	<u>36</u>	
<u>41</u>			<u>36</u>
<u>(739)</u>	Net additional amount required by statute and non-statutory proper practices to be debited or (credited) to the General Reserve Balance for the year		<u>(862)</u>

11 SUMMARY OF CAPITAL EXPENDITURE AND DISPOSALS

	Infrastructure Assets - Bridge £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Investment Properties £000	Total £000
Gross Book Value at 31 March 2009	53,058	896	432	62	54,448
<u>Add</u> Additions in year	1,844	-	77	-	1,921
<u>(Less)</u> Expenditure not adding to Asset Values	(53)	-	-	-	(53)
<u>Add/(Less)</u> Surplus/(Deficit) on Revaluations	-	348	-	(3)	345
<u>Add/(Less)</u> Other Adjustments	-	-	109	-	109
Gross Book Value at 31 March 2010	<u>54,849</u>	<u>1,244</u>	<u>618</u>	<u>59</u>	<u>56,770</u>
Accumulated Depreciation at 31 March 2009	(5,302)	(149)	(211)	-	(5,662)
<u>Less</u> Depreciation Charge in year	(1,223)	(17)	(31)	-	(1,271)
<u>Add</u> Depreciation Written back on Revaluations	-	166	-	-	166
Accumulated Depreciation at 31 March 2010	<u>(6,525)</u>	<u>-</u>	<u>(242)</u>	<u>-</u>	<u>(6,767)</u>
Net Book Value at 31 March 2009	<u>47,756</u>	<u>747</u>	<u>221</u>	<u>62</u>	<u>48,786</u>
Net Book Value at 31 March 2010	<u>48,324</u>	<u>1,244</u>	<u>376</u>	<u>59</u>	<u>50,003</u>

12 SOURCES OF FINANCE FOR CAPITAL EXPENDITURE

2008/2009 £000		2009/2010 £000	
3,151	Capital Expenditure on Tangible Fixed Assets		1,921
Financed by:			
6	Capital Receipts	-	
41	Revenue	36	
3,104	Capital Grant from the Scottish Government	1,885	
3,151	Total Capital Financing for the Year		1,921

13 COMMITMENTS UNDER CAPITAL CONTRACTS

The Tay Road Bridge Joint Board, at its meeting on 14 December 2009, approved a three-year Capital Programme (2010-2013) for various works on the bridge and other miscellaneous capital purchases. The programme totals £23,765,000 over the three year period, to be funded by capital grant from the Scottish Government. Of the proposed expenditure in the three year programme, the amount of £344,000 was legally committed as at 31 March 2010.

14 INFORMATION ON ASSETS HELD

The Tay Road Bridge Joint Board owns the following assets:

Number as at 31 March 2009		Number as at 31 March 2010
1	Infrastructure Assets - Bridge	1
7	Other Land & Buildings	7
21	Vehicles, Plant & Equipment	22
1	Non-Operational Assets	1
<hr/> 30		<hr/> 31
<hr/>		<hr/>

15 LEASES - DISCLOSURE BY LESSEES

The Tay Road Bridge Joint Board held no assets on finance or operating lease during 2009/2010 and, accordingly, there were no lease rentals paid to lessors during the year (2008/2009 None) or commitments due to lessors in 2010/2011.

16 LEASES - DISCLOSURE BY LESSORS

The Board has entered into an agreement for the lease of land and property to a third party. This agreement is accounted for as an operating lease. In 2009/2010 the Board received rent of £10,000 from this agreement (2008/2009 £10,000).

The gross value of assets leased to third parties on operating lease as at 31 March 2010 was £59,000 (31 March 2009 £62,000). These assets are classed as Investment Properties and in accordance with the relevant accounting policy, the accumulated depreciation as at 31 March 2010 relating to these assets was Nil (31 March 2009 Nil).

The Board had no assets leased to third parties on finance lease as at 31 March 2010 (31 March 2009 None).

17 VALUATION OF THE BOARD'S FIXED ASSETS

All current value assets owned by the Tay Road Bridge Joint Board were revalued at 1 April 2009, thereby fulfilling the Accounting Code of Practice requirement to revalue assets at intervals of not more than five years. The revaluation exercise was carried out by Mr Douglas Davidson BSc MRICS, from Dundee City Council's City Development Department and conducted in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual (the "Red Book").

Operational land and buildings were valued on the basis of net realisable value in existing use. Non-operational land and buildings were valued by reference to their open market value.

The road bridge itself, and associated structures and equipment are classified as infrastructure assets and are included in the balance sheet at depreciated historical cost. Vehicles, plant and equipment have been included in the balance sheet at the lower of net current replacement cost (using historical cost as a proxy for replacement cost) or net realisable value in existing use.

Since 1 April 2000, the Board has been required to comply with the requirements of Financial Reporting Standard 15 (Tangible Fixed Assets). One of the main requirements of FRS15 is that depreciation should be provided for all assets, which are considered to have a finite useful life, where this can be estimated with reasonable certainty at the time of acquisition/revaluation. Depreciation does not have to be provided for land, non-operational investment properties and assets under construction. The only legitimate grounds for not charging depreciation is that the depreciation charge would be immaterial. Depreciation may be immaterial because of very long useful economic lives (more than 50 years) or high residual values.

The straight-line method of depreciation is used by the Board and the total depreciation charge for 2009/2010 is £1,271,000 (2008/2009 £1,126,000). No depreciation is charged in the year of acquisition but a full year's charge is made in the year of disposal.

17 VALUATION OF THE BOARD'S FIXED ASSETS (CONT'D)

The various assets owned by the Board have been assigned different useful economic lives, for the purpose of calculating depreciation. Operational buildings have useful lives of 20 years to 50 years. The road bridge has a useful economic life of 85 years and the associated structures and equipment (also classified as infrastructure assets) have useful lives ranging from 3 years to 40 years. Vehicles, plant and equipment have useful lives of 5 or 10 years with the exception of specialised equipment that have useful lives of 20-30 years. The Board's non-operational properties are deemed to be investment properties and are not subject to depreciation but are re-valued annually.

A review of the Board's fixed asset register was undertaken in 2009/2010 to ensure that the Balance Sheet included all tangible fixed assets currently owned by the Board. This review identified a number of vehicles, plant & equipment that had been already fully depreciated by the Board although are still in operational use. In accordance with the Board's stated accounting policies, these assets have been revalued to their estimated net current replacement cost and will now be depreciated over their assessed remaining useful economic life. This adjustment has resulted in an increase in value of the Board's tangible fixed assets of £109,000, this amount has been included on the Balance Sheet as tangible fixed assets, with the corresponding entry being made to the Board's Revaluation Reserve.

The Board is also required to comply with FRS11 (Impairment of Fixed Assets and Goodwill). One of the main requirements of FRS11 is that an impairment review of fixed assets should be carried out if events or changes in circumstances indicate that the carrying amount of the fixed assets may not be recoverable. In 2009/2010, impairment to the Board's tangible fixed assets totalling £141,000 was identified, this related to a reduction in the value of land and buildings as a result in the general fall in property market prices and capital expenditure incurred during the year that was not considered to add to asset values (In 2008/2009, impairment of the Board's tangible fixed assets totalling £128,000 was identified, this related to capital expenditure incurred during the year that was not considered to add to asset values).

18 MOVEMENT ON RESERVES

The Board's movement on Reserves for the year is analysed as follows:

	Balance B/F £000	Gains/ (Losses) for Year £000	Transfers Between Reserves £000	Balance C/F £000
Revaluation Reserve	33	708	-	741
Capital Adjustment Account	31,381	-	(820)	30,561
General Reserve	1,637	(1,061)	862	1,438
Pensions Reserve	<u>(1,441)</u>	<u>(1,310)</u>	<u>(42)</u>	<u>(2,793)</u>
Total Reserves	<u>31,610</u>	<u>(1,663)</u>	<u>-</u>	<u>29,947</u>

Explanation of Reserves

Revaluation Reserve

This reserve shows the amount of the balance sheet value of fixed assets that have arisen from the accounting policy of revaluing assets to current value, rather than continuing to hold them at historical costs. The balance on this account is not available to fund future expenditure.

Capital Adjustment Account

Appropriations between this account and the Statement of Movement on the General Reserve Balance are required for CFCR and for the difference between loan repayments and the amount of depreciation etc provided in the accounts. Capital receipts from asset sales that are applied to fund new capital expenditure are transferred to this account from the Capital Receipts Reserve. The net book value of assets that are disposed of are debited to the Capital Adjustment Account. The balance on this account is not available to fund future expenditure

General Reserve

This represents the balances available to the Board which are not earmarked for specific purposes.

18 **MOVEMENT ON RESERVES (CONT'D)**

Pensions Reserve

The pension costs included in the Income & Expenditure Account have been determined in accordance with Financial Reporting Standard 17 (Retirement Benefits). The cost of providing pensions for employees, however, continues to be funded in accordance with the statutory requirements governing the Local Government Pension Scheme. An appropriation between the Pensions Reserve and the Statement of Movement on the General Reserve Balance is required to offset the net change in the pension liability that has been recognised in the Income & Expenditure Account. This appropriation ensures that FRS17 has no net impact on the Board's General Reserve. The deficit balance shown on the Pensions Reserve does not require to be funded.

19 **CONTINGENT ASSETS AND LIABILITIES**

No contingent assets or liabilities existed at 31 March 2010 (31 March 2009 Nil).

20 **RELATED PARTIES - BALANCES**

Angus, Dundee City and Fife Councils are considered to be related parties of the Tay Road Bridge Joint Board, in terms of the Accounting Code of Practice. The undernoted balance existed between the Board and its related parties as at 31 March 2010.

31 March 2009			31 March 2010	
Amounts Due From £000	Amounts Due To £000		Amounts Due From £000	Amounts Due To £000
-	18	Dundee City Council		
(116)	-	Central Support Services	-	23
-	36	Interest Receivable	(12)	-
-	-	Professional Fees	-	-
		Miscellaneous	(16)	-
<u>(116)</u>	<u>54</u>		<u>(28)</u>	<u>23</u>
		Fife Council		
-	4	Grounds Maintenance Fees	-	4
<u>-</u>	<u>4</u>		<u>-</u>	<u>4</u>

21 **PENSION ASSETS AND LIABILITIES**

Participation in pension schemes

As part of the terms and conditions of employment of its officers, Tay Road Bridge Joint Board offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Board has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Board participates in the Local Government Superannuation Scheme (Tayside Superannuation Fund), which is administered by Dundee City Council and is a Defined Benefits Scheme. In addition the Board has liabilities for discretionary pension payments outside the main scheme. FRS 17 information is provided by Barnett Waddington LLP, the independent actuaries to the Fund.

21 **PENSION ASSETS AND LIABILITIES (CONT'D)**

The movement in the Board's pension liability can be analysed as follows:

2008/2009			2009/2010	
£000	£000		£000	£000
	(1,278)	Deficit at 1 April		(1,441)
	<u>(43)</u>	Opening Adjustment		<u>-</u>
	(1,321)	Deficit at 1 April (restated)		(1,441)
(111)		Current Service Cost	(95)	
138		Employer Contributions	134	
10		Contributions in respect of Unfunded Benefits	7	
(35)		Past Service Costs	-	
<u>(72)</u>		Net Return on Assets	<u>(88)</u>	
	(70)			(42)
	(50)	Actuarial gains/(losses)		(1,309)
		Difference between actual employers superannuation contributions and assumed FRS 17 figures		
	-			(1)
	<u>(1,441)</u>	Deficit at 31 March		<u>(2,793)</u>

The cost of retirement benefits is recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions, however, the real cost of retirement benefits is reversed out in the Statement of Movement in the General Reserve Balance. The following transactions have been made in the Income and Expenditure Account and Statement of Movement in the General Reserve Balance during the year:

2008/2009			2009/2010	
£000	£000		£000	£000
		Net Cost of Services:		
111		Current Service Cost		95
<u>35</u>		Past Service Costs		<u>-</u>
<u>146</u>		Total Operating Charge (A)		<u>95</u>
		Net Operating Expenditure:		
295		Expected Return on Employer Assets		255
<u>(367)</u>		Interest on Pension Scheme Liabilities		<u>(343)</u>
<u>(72)</u>		Net Return (B)		<u>(88)</u>
<u>218</u>		Net Income and Expenditure Account Charge (A) - (B)		<u>183</u>

Statement of Movement on the General Reserve Balance:

2008/2009			2009/2010	
£000	£000		£000	£000
	<u>(218)</u>	Reversal of net charges made for retirement benefits in accordance with FRS 17		<u>(183)</u>

Actual amount charged against the General Reserve Balance for pensions in the year:

2008/2009			2009/2010	
£000	£000		£000	£000
	<u>149</u>	Total Employers' contributions payable to the scheme		<u>141</u>

In addition to the recognised gains and losses included in the Income and Expenditure Account, an actuarial loss of £1,309,000 (2008/2009 £93,000 gain) were included in the Statement of Total Recognised Gains and Losses. The cumulative amount of actuarial gains and losses in the Statement of Total Recognised Gains and Losses since financial year 2005/2006 is a net loss of £600,000.

21 **PENSION ASSETS AND LIABILITIES (CONT'D)**

Assets and liabilities in relation to retirement benefits

Reconciliation of fair value of scheme assets:

2008/2009		2009/2010
£000		£000
4,262	Fair value of scheme assets at 1 April	3,750
<u>(43)</u>	Opening adjustment	<u>-</u>
4,219	Fair value of scheme assets at 1 April (restated)	3,750
295	Expected rate of return	255
<u>(738)</u>	Actuarial gains/(losses)	1,051
148	Contributions by employer including unfunded pensions	141
44	Contributions by scheme participants	43
	Estimate benefits paid net of transfers in including unfunded pensions	<u>(287)</u>
<u>3,750</u>	Fair value of scheme assets at 31 March	<u>4,953</u>

Reconciliation of present value of scheme liabilities:

2008/2009		2009/2010
£000		£000
5,540	Defined Benefit Liability at 1 April	5,191
111	Current Service Cost	95
367	Interest Cost	343
<u>(688)</u>	Actuarial losses/(gains)	2,360
35	Past Service Costs	-
	Difference between actual employers superannuation contributions and assumed FRS 17 figures	1
-	Estimated benefits paid net of transfers in	<u>(280)</u>
44	Contributions by Scheme participants	43
<u>(8)</u>	Unfunded pension payments	<u>(7)</u>
<u>5,191</u>	Defined Benefit Liability at 31 March	<u>7,746</u>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in respective markets.

The actual return on scheme assets in the year was £1,306,000 (2008/2009 (£986,000)).

Scheme History

Amounts for the current and previous periods (for consistency, all assets have been shown at bid price, estimated where necessary):

	Year to	Year to	Year to	Year to	Year to
	31.3.06	31.3.07	31.3.08	31.3.09	31.3.10
	£000	£000	£000	£000	£000
Present Value of liabilities	(5,764)	(5,883)	(5,540)	(5,191)	(7,746)
Fair value of scheme assets	<u>3,879</u>	<u>4,337</u>	<u>4,219</u>	<u>3,750</u>	<u>4,953</u>
Surplus/(deficit) of the scheme	<u>(1,885)</u>	<u>(1,546)</u>	<u>(1,321)</u>	<u>(1,441)</u>	<u>(2,793)</u>

The liabilities show the underlying commitments that the Board has in the long run to pay retirement benefits. The total liability of £2.793m is reflected in the Board's Balance Sheet. This projected net liability on the Tayside Superannuation Fund will be recouped as necessary by increased employer's contributions, as assessed by the scheme actuary.

The total employer contributions expected to be made for the year to 31 March 2011 is £144,000.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The Tayside Superannuation Fund has been assessed by Barnett Waddingham, an independent firm of actuaries, based on the latest triennial actuarial valuation as at 31 March 2008.

21 **PENSION ASSETS AND LIABILITIES (CONT'D)**

The principal assumptions used by the actuary are:

2008/2009		2009/2010
	Long-term expected rate of return on assets in the scheme:	
7.8%	Equities	8.3%
4.0%	Gilts	4.5%
6.5%	Bonds	5.5%
7.3%	Property	5.5%
3.0%	Cash	3.0%
	Assumed Life Expectancy from age 65:	
	Retiring today:	
21.37	Men	21.37
24.44	Women	24.44
	Retiring in 20 years:	
22.30	Men	22.30
25.34	Women	25.34
3.0%	Rate of inflation	3.9%
4.5%	Rate of increase in salaries	5.4%
3.0%	Rate of increase in pensions	3.9%
6.7%	Rate for discounting scheme liabilities	5.5%

The Tayside Superannuation Fund's assets consist of the following categories, by proportion of the total assets held:

31 March 2009		31 March 2010
%		%
64.4	Equities	72.0
11.5	Gilts	7.0
8.5	Other Bonds	10.0
10.1	Property	8.0
5.5	Cash	3.0
<u>100.0</u>	Total	<u>100.0</u>

History of experience gains and losses:

The actuarial gains identified as movements on the Pensions Reserve in 2009/2010 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2010 (for consistency, assets have been shown at bid price, estimated where necessary):

	Year to 31.3.06	Year to 31.3.07	Year to 31.3.08	Year to 31.3.09	Year to 31.3.10
Differences between the expected and actual return on assets:	664	82	(513)	(738)	1,051
Value of assets	3,879	4,337	4,219	3,750	4,953
Percentage of assets	<u>17.1%</u>	<u>1.9%</u>	<u>(12.2%)</u>	<u>(19.7%)</u>	<u>21.2%</u>
Experience gains/(losses) on liabilities	117	-	-	(56)	15
Present value of liabilities	5,764	5,883	5,540	5,191	7,746
Percentage of present value of liabilities	<u>2.0%</u>	<u>-</u>	<u>-</u>	<u>(1.1%)</u>	<u>0.2%</u>

22 **EVENTS AFTER THE BALANCE SHEET DATE**

The Chancellor of the Exchequer announced in his Emergency Budget on 22 June 2010 that the consumer prices index rather than the retail prices index will be the basis for future public sector pension increases. In accordance with paragraph 21 of Financial Reporting Standard 21 (Events after the balance sheet date), this change is deemed to be a non-adjusting post balance sheet event. It is estimated that this change will reduce the value of an average employer's FRS 17 liabilities in the Fund by around 6-8%.

There were no other events that occurred between 1 April 2010 and 30 September 2010 that would have an impact on the 2009/2010 financial statements (2008/2009 None). The latter date is the date on which the audited accounts were authorised for issue by the Treasurer.

23 FINANCIAL INSTRUMENTS

The Board does not have any Financial Instruments that require to be re-measured and disclosed under Financial Reporting Standards 25, 26 and 29 (2008/2009 None).

24 RECONCILIATION OF INCOME & EXPENDITURE ACCOUNT SURPLUS TO NET CASH FLOW FROM REVENUE ACTIVITIES

	2008/2009	2009/2010	
	£000	£000	£000
(901) Deficit for year per Income & Expenditure Account			(1,045)
<u>Non Cash Transactions</u>			
1,126 Depreciation and impairment of fixed assets		1,271	
(540) Government Grants etc amortisation		(556)	
<u>70</u> FRS17 Adjustments		<u>42</u>	
656			757
<u>Items on an Accruals Basis</u>			
(35) (Increase)/Decrease in Stocks and Work-in-Progress		1	
154 (Increase)/Decrease in Debtors		(158)	
<u>(140)</u> Increase/(Decrease) in Creditors		<u>88</u>	
(21)			(69)
<u>Items Classified Elsewhere in the Cash Flow Statement</u>			
- Net Loss on Revaluation of Fixed Assets		88	
128 Non-enhancing Capital Expenditure		53	
(4) Net (Gain)/Loss on Sale of Fixed Assets		-	
<u>(116)</u> Less Interest and Investment Income		<u>(12)</u>	
<u>8</u>			129
<u>(258)</u> NET CASH INFLOW/(OUTFLOW) FROM REVENUE ACTIVITIES			<u>(228)</u>

25 RECONCILIATION OF THE MOVEMENT IN CASH TO THE MOVEMENT IN NET FUNDS

	2008/2009		2009/2010
	£000		£000
398 Increase/(Decrease) in Cash in the Period			733
- Movement in Liquid Resources			-
<u>-</u> (Increase)/Decrease in borrowing			<u>-</u>
398 Change in Net Debt			733
<u>2,380</u> Opening Net (Debt)/Funds at 1 April			<u>2,778</u>
<u>2,778</u> Closing Net Funds at 31 March			<u>3,511</u>

Analysis of Movement in Net Debt

	1 April 2009 £000	Cash Flows £000	Non Cash Changes £000	31 March 2010 £000
<i>Cash</i>				
Bank Balance	2,778	733	-	3,511
<i>Liquid Resources</i>	-	-	-	-
<i>Borrowing</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NET DEBT	<u>2,778</u>	<u>733</u>	<u>-</u>	<u>3,511</u>

TAY ROAD BRIDGE JOINT BOARD

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

This statement is given in respect of the 2009/2010 Statement of Accounts for the Tay Road Bridge Joint Board. We acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by senior officials and staff of the Board. In particular, the system includes:

- comprehensive revenue and capital budgeting systems;
- setting targets to measure financial and other performance;
- the preparation of regular financial monitoring reports which indicate actual and projected expenditure against budget;
- annual financial reports which indicate actual financial performance against budget;
- clearly-defined Financial Regulations, Tender Procedures and Standing Orders;
- an approved Anti-Fraud & Corruption Strategy, including "whistle blowing" arrangements under the Public Interest Disclosure Act 1998;
- an approved five year Internal Audit Risk Assessment and Strategic Plan;
- formal project appraisal techniques and project management disciplines;
- an approved Strategic Risk Management Plan and Strategic Risk Register

The Board operates the corporate financial systems of Dundee City Council under a Service Level Agreement. These systems are subject to review by both the Council's internal audit service and the Council's external auditor. Under this Service Level Agreement the Council's internal audit service are responsible for the provision of an internal audit function to the Board. In undertaking its duties internal audit has unrestricted access to all Board records and is responsible for providing an independent and objective opinion to the Board on the degree to which the internal control environment supports and promotes the achievement of the Board's objectives. The key thrust of internal audit's work therefore is to objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. During 2009/2010 the internal audit service carried out reviews of Budgetary Control, Capital Investment, and Corporate Governance together with a follow-up review of the Board's Asset Management arrangements. These reviews concluded that many of the expected controls are in place and operating satisfactorily and no significant weaknesses were identified. Where any areas for improvement were identified the Board's management have agreed action plans to address these issues. Reports for the above reviews have been issued recently and will be reported to the Board along with any agreed action plans in the near future.

The Chief Internal Auditor reports internal audit matters directly to the Treasurer and where necessary to the members and other officers of the Board. The existence of internal audit does not diminish the responsibility of management to establish the extent of internal control in the organisation's systems and dependence should not be placed on internal audit as a substitute for effective controls.

Our review of the effectiveness of the system of internal financial control is informed by:

- the work of senior officials and staff of the Board;
- the work done by Dundee City Council's internal audit service on their corporate financial systems, as described above;
- the work done by the Board's internal audit service provider;
- the Board's external auditor in her annual audit report and other interim reports.

In conclusion, we are not aware of any significant weaknesses or failures in the Board's system of internal financial control that could have a material effect on the operations of the Board.



Marjory M Stewart, FCCA, CPFA
Treasurer
Tay Road Bridge Joint Board
7 June 2010



Iain MacKinnon BSc, CEng, MICE
Bridge Manager
Tay Road Bridge Joint Board
7 June 2010

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Tay Road Bridge Joint Board and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Tay Road Bridge Joint Board for the year ended 31 March 2010 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Income and Expenditure Account, Statement of Movement on the General Reserve Balance, Statement of Total Recognised Gains and Losses, Balance Sheet and Cash-Flow Statement and the related notes and the Statement of Accounting Policies. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the parties to whom it is addressed in accordance with the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Treasurer and auditor

The Treasurer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009 - A Statement of Recommended Practice (the 2009 SORP) are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland.

I report my opinion as to whether the financial statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2009 SORP, and have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

I also report to you if, in my opinion, the local government body 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 the System of Internal Financial Control reflects compliance with the SORP, and I report if, in my opinion, it does not. I am not required to consider whether this statement covers all risk and controls, or form an opinion on the effectiveness of the local government body's corporate governance procedures or its risk and control procedures.

I read the other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises details of Members and Officials, the Bridge Manager's Report, Analysis of Traffic and the Treasurer's Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with Part VII of the Local Government (Scotland) Act 1973 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Treasurer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Joint Board'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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements

- give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2009 SORP, of the financial position of Tay Road Bridge Joint Board as at 31 March 2010 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

Alasdair Craik

Alasdair Craik
Senior Audit Manager
Audit Scotland
Osborne House
1/5 Osborne Terrace
Edinburgh
EH12 5HG

30 September 2010