



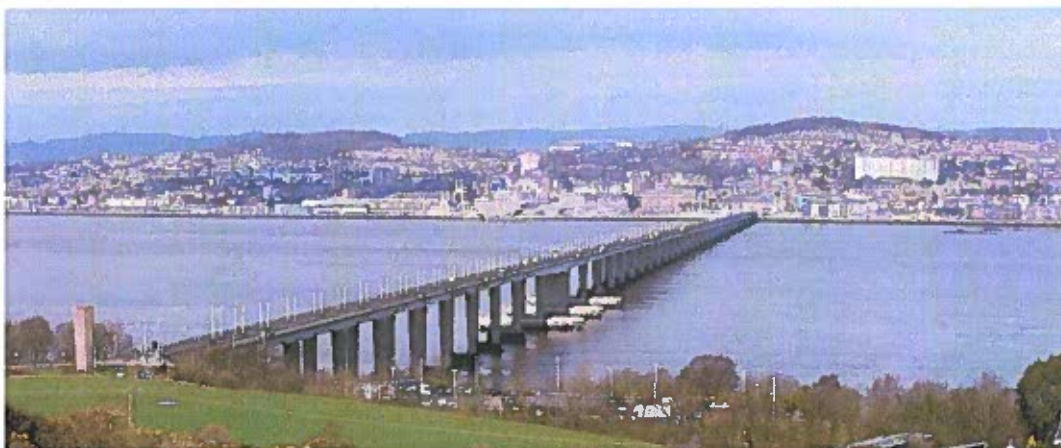
Tay Road Bridge



TAY ROAD BRIDGE JOINT BOARD

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

AUDITED



SEPTEMBER 2019

**TAY ROAD BRIDGE JOINT BOARD
ANNUAL ACCOUNTS 2018/2019
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TAY ROAD BRIDGE JOINT BOARD MEMBERS AND OFFICIALS

Tay Road Bridge Joint Board ("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 has 1 member and Fife Council nominates the remaining 5 members. Following the Scottish Local Government Elections that were held in May 2017 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 2018/2019, the Members and Officials of the Board were:

Representing Dundee City Council

Councillor Stewart Hunter (Chair until 17 June 2019)
Councillor Bill Campbell
Councillor Fraser Macpherson
Councillor Lynne Short (Chair from 17 June 2019)
Councillor Margaret Richardson
Councillor George McIrvine



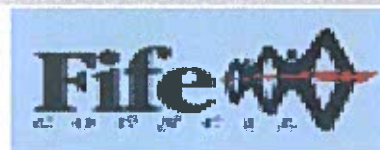
Representing Angus Council

Councillor Craig Fotheringham



Representing Fife Council

Councillor Jonny Tepp (Vice Chair)
Councillor Brian Thomson
Councillor Bill Connor
Councillor Andy Heer
Councillor John Docherty



Bridge Manager

Mr Alan Hutchison BEng (Hons), MSc, CEng, FICE, MCIHT.

Engineer

Mr Fergus Wilson BSc, MBA, CEng, MICE, MCIHT, MAPS, Dundee City Council. Retired 31st March 2019.

Mr Gary Brady, BEng (Hons), PGDip, CEng, FICE, MCIHT, Dundee City Council.

Clerk

Mr Roger Mennie LLB (Hons), DipLP, Dundee City Council.

Treasurer

Mr Gregory Colgan, BAcc (Hons), ACMA, CGMA, Dundee City Council.

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TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

INTRODUCTION

We are pleased to present the Annual Accounts for Tay Road Bridge Joint Board ("the Board") for the year ended 31st March 2019. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/2019 ("the Code"). This Management Commentary provides a context for the annual accounts and an analysis of the financial performance during the year. The principal risks and uncertainties facing the Board are identified, together with the potential impact and actions being taken.

The Board was established by the Tay Road Bridge Order Confirmation Act 1962 to construct and maintain the Tay Road Bridge. This Order was superseded by the Tay Road Bridge Order Confirmation Act 1991 ("the 1991 Act"). The Board's Business Model has been set up to meet the requirements of the 1991 Act.

ORGANISATIONAL CHANGES

This year has been one of consolidation for staff at the bridge. The staffing levels have remained static since the retirement of the Operations Manager at the end of March 2017, with an organisational make-up of twenty-two staff members, comprising eleven shift workers (Operations staff), eight Maintenance members of staff and three members of staff dealing with all administrative duties. We welcomed a new Control Room Supervisor in May 2018 following the retirement of a member of staff.

The team have continued to undertake training to make sure that they have confidence and competence in their individual roles, with the following examples of some of the training delivered:

- IOSH Working Safely;
- IOSH Managing Safely;
- Confined Space Awareness;
- Equality and Human Rights;
- GDPR Awareness;
- ASIST (Suicide Intervention Skills);
- Coaching and Courageous Conversations; and
- Emergency First Aid at Work and St. Andrews First Aid.

We have also delivered a wellbeing course for staff, which covered recognising the symptoms of stress and stress management techniques. This was well attended and well received by staff. We will be delivering another wellbeing course in 2019, and this will cover techniques to build resilience.

Some members of staff are also working towards gaining the recently developed and UK wide recognised LANTRA certification for Bridge Inspectors. The Bridge Inspector Certification Scheme (BICS) has the full support of the Scottish Government. This certification will assist the Board in demonstrating its competence in this area.

MANAGEMENT ARRANGEMENTS WITH SCOTTISH GOVERNMENT

During this period, the main point of contact with the Scottish Government continued to be the Trunk Road and Bus Operations Team of Transport Scotland. Meetings have been held on a regular basis between Board Officers and officers from the Trunk Road and Bus Operations Team to discuss operational matters, financial matters and future projects.

CONTRACTS

The management of traffic and pedestrian users of the Tay Road Bridge has benefitted from a number of successful projects delivered in 2018/2019, with more projects due for delivery in 2019/2020 that will add resilience to the bridge's infrastructure.

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

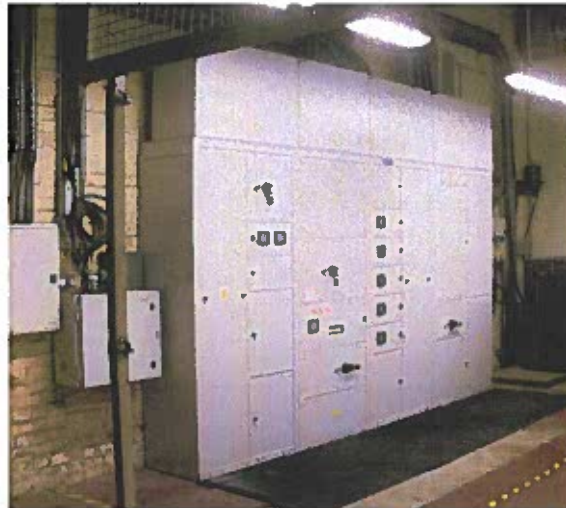
New Passenger Lift

The Board approved the manufacture and installation of a new passenger lift to serve the bridge walkway at the Dundee landfall in March 2018, with the aim of improving reliability of access to the walkway for our users. The new lift was installed by Caltech of Dundee and opened in December 2018. The new lift has received positive feedback from members of the public.



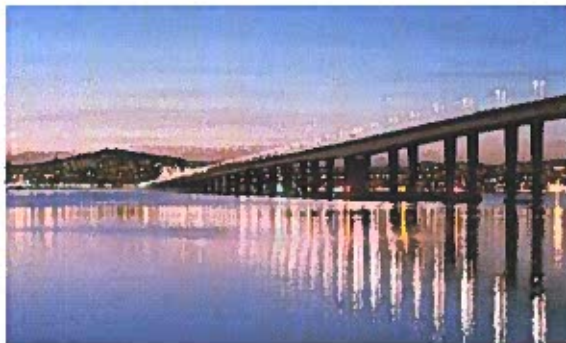
New Switchgear at Dundee and Fife

This project was approved at the June 2018 Board meeting for approval and will be complete by the end of October 2019, with works progressing well on site. This project renews and upgrades the main electrical switchgear that serves the Dundee and Fife sides of the bridge. The switchgear that has been replaced was over 30 years old and has been replaced to minimise the risk of future failure, and thus help ensure business continuity, along with an upgrade of capacity to accept future electric vehicle charge points.



LED Lighting

Installation of new LED lighting to the bridge carriageway and Fife car park was approved in December 2018. The Street Lighting Partnership have procured all materials and are due to carry out installation during 2019/2020. LED lighting is considered to be a better quality of light than the existing metal halide lighting, and will improve visibility for all users, whilst also leading to energy savings.



TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

Cathode Protection (CP) Monitoring Equipment

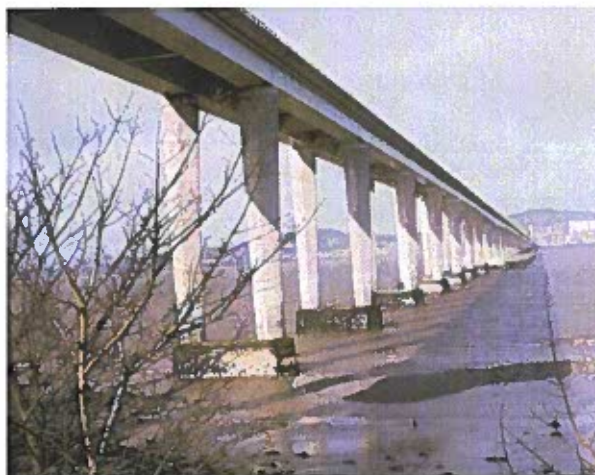
This project was approved at the December 2018 Board meeting, and Cathode Protection Company Limited are currently fabricating the specialist equipment to be used. CP is a method used to halt the corrosion of steel reinforcement by applying a small DC current through a surface mounted anode. This effectively forces the reinforcement to act as a cathode thus repressing the rusting action. Cathode Protection Company Limited are currently on site and the works are due to be completed in 2019/2020.

Administration Office Building

The Board gave approval at the March 2019 Board meeting to move to tender on necessary repairs to the Administration Office building's roof, along with a refurbishment of the control room. The building is showing signs of deterioration and must be repaired to maintain a fit for purpose operational centre. A full tender return report will be brought to the Board for approval in due course.

Principal Inspection of Columns and Piers

The Board gave approval at the March 2019 Board meeting to appoint Geckotech Solutions limited to carry out a Principal Inspection of the upper 2.4 metres of the concrete river piers and the entire surface area of the columns of the bridge, clean and inspect all surfaces, identify and mark out defective areas of concrete and report on faults. This work was due to be completed in 2019/2020, however the appointed contractor was placed into administration in July 2019. The project will require to be re-tendered therefore the project will be delayed until summer 2020.



SESTRAN Park & Ride Proposal

This proposal is currently on hold subject to funding availability to SESTRAN.

TRAFFIC

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:-

Wind speed > 80mph	Wind speed > 60mph	Wind speed > 45mph	Works Full Closures	Breakdowns and Minor Accidents	Operational, Miscellaneous and Police Closures
Closed to all Vehicles	Cars Only	No Double Deck			
2	15	64	2	25	639
Comparator figures for 2017/2018:					
1	8	39	0	37	537

Over the past twelve months there was two full closure due to winds exceeding 80mph and the number of wind related restrictions has increased by approximately 100% when compared with those recorded in 2017/2018. This is mainly due to winds exceeding 45mph, when only double-decker buses are restricted from crossing.

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The number of short term single carriageway closures to clear breakdowns and minor accidents from the bridge is 32% lower over this period when compared to 2017/2018 with 25 breakdowns compared to 37, but Operational, Miscellaneous and Police closures have increased by 19% when compared to 2017/2018.

There were two full closures for works associated with white lining during 2018/2019 (2017/2018 = nil).

STRATEGIC PLAN AND PERFORMANCE SUMMARY

The Board's mission is to provide the travelling public with safe, reliable and efficient crossing of the River Tay through the operation, maintenance and improvement of the Tay Road Bridge. In order to support these aims a Strategic Plan was introduced in December 2018, which details five strategic goals to guide the Board.

- 1. Meeting User Expectations:** Ensuring continued reliability of journeys and providing modern interfaces with our users;
- 2. Fiscally Sustainable:** Maintaining financial responsibility through effective and appropriate deployment of capital and revenue resources;
- 3. Transparent Governance and Clear Decision Making Processes:** Fit for purpose governance arrangements with clear lines of responsibility and accountability that are transparent and clear to users and the general public;
- 4. A Modern, Diverse and Well Trained Workforce:** Providing roles that are fit for purpose whilst offering a range of opportunities for as wide a cross-section of the potential workforce as the service provided allows; and
- 5. Quality and Standards:** Improve safety, maintenance and processes to deliver continuous improvement.

Key Performance Indicators (KPIs) are used to measure general performance and success in achieving some of these key priorities, and these will be reported annually to the Board as part of the management commentary contained within the Annual Accounts. KPIs to be measured annually include:

- Quality and Standards: Accidents and incidents (Employees and members of the public);
- Quality and Standards: Lost Time due to accidents and incidents (Employees);
- Fiscally Sustainable: Expenditure (reported in the Annual Accounts);
- Meeting User Expectations: Complaints and questions;
- A Modern, Diverse and Well Trained Workforce: Staff Absences; and
- Fiscally Sustainable: Payment of Invoices.

The remaining KPI is reported quarterly to the Board:

- Meeting User Expectations: Bridge traffic lane availability (reported quarterly as part of a separate report).

KPIs for the calendar years 2015 to 2019 (to 30 April 2019) are as follows:

Safe Services

Years	Accidents Involving Members of the Public
	(Target = Reduction Year on Year)
2015	6
2016	2
2017	9
2018	9
2019 (to 30 April 2019)	2

Years	Reportable Incidents Involving Employees	Minor Accidents Involving Employees	Time Lost – Employees (Hrs)
	(Target = 0)	(Target = 0)	(Target = 0)
2015	0	2	0
2016	0	2	24
2017	0	2	0
2018	0	2	16
2019 (to 30 April 2019)	0	0	0

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The statistics for all accidents, either involving staff, or members of the public, are low. It is noted in the Strategic Plan that many Road Traffic Collisions (RTCs) on the bridge are due to driver error and outwith the control of the TRBJB. Police Scotland are called to all RTC's on the bridge.

Effective and Efficient Services: Complaints and Enquiries

Years	Complaints Received & Responses			Enquiries Received & Responses		
	Complaints Received	Complaints Responded To	Complaints Responded to within 10 Working Days	Enquiries Received	Enquiries Responded To	Enquiries Responded to within 10 Working Days
	Target = 10% Reduction Year on Year	Target = 100% of Complaints Responded to	Target = 100% of Complaints Responded to	Target = 10% Reduction Year on Year	Target = 100% of Complaints Responded to	Target = 100% of Complaints Responded to
2015	7	7	7	36	36	36
2016	10	10	10	77	77	77
2017	4	4	4	28	28	28
2018	6	6	6	50	50	50
2019 (to 30 April 2019)	1	1	1	11	11	11

Since 2015 we have received on average seven complaints per year from the public regarding our services. These generally relate to concerns regarding bridge availability during closures, or concerns related to our sharing of information during such closures. All complaints are responded to in a timely manner and within ten working days.

Since 2015 there has been on average 48 queries per year from members of the public, either received by the Bridge Manager directly or through Councillor enquires, and all these are responded to within 10 working days.

A public questionnaire asking for comments and suggestions to help us improve the Board's website was issued via social media on 1 May 2019. The results of these, and a reflection on the queries already received, will help us redesign a new website which will help us improve the sharing of information that is relevant to all our user groups. It is anticipated that the new website will help reduce subsequent enquiries after its planned launch later in 2019.

Effective and Efficient Services: Staff Absence

Years	Staff Sickness (Average Days per Annum)
	Target = <5
2015	17.45
2016	5.76
2017	6.98
2018	7.55
2019 (to 30 April 2019)	3

The Board lost 7.55 average days per employee per year in 2018. This is above the national average of 4.1 days published by the Office for National Statistics (ONS) in 2017.

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

Effective and Efficient Services: Payment of Invoices

Years	Payment of Invoices within 30 days of Invoice Date
	Target = 100%
2015/16	98.06%
2016/17	98.81%
2017/18	98.86%
2018/19	98.85%

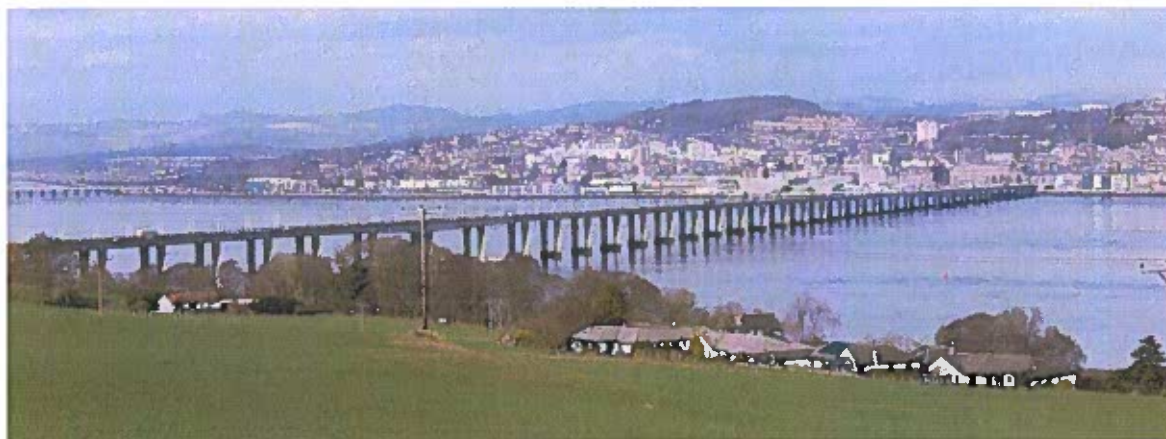
The Board continue to pay invoices timeously and within 30 days, with an average of 98.85% of payments made within 30 days of invoice date in 2018/19.

STAFFING ISSUES

Staff Establishment

Staffing levels and the existing establishment stands as follows:-

	2018/2019	2017/2018
Administration	3	3
Operational	11	11
Maintenance	8	8
Total	22	22



TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

FINANCIAL PERFORMANCE REVIEW

CIPFA's Telling the Story Review of the Presentation of Local Authority Financial Statements:

Following publication in 2015 of CIPFA's Telling the Story Review of the Presentation of Local Authority Financial Statements, the 2016/2017 Code changed the segmental reporting arrangements for the Comprehensive Income and Expenditure Statement and introduced the Expenditure and Funding Analysis. The Expenditure and Funding Analysis brings together Local Authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the General Reserve. Both the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis include a segmental analysis which requires local authorities to report performance on the basis of how they are structured and how they operate, monitor and manage financial performance.

Revenue Expenditure

The Tay Road Bridge Joint Board, at its meeting on 4 December 2017, approved the 2018/2019 Revenue Budget. The final budget showed a projected net deficit of £30,000. This would be funded from previous years' unspent revenue grants carried forward. The projected General Reserve balance as at 31 March 2019 would be £1,160,591.

The Board received quarterly Revenue Monitoring reports during 2018/2019 in order to keep the members fully apprised as to the projected revenue outturn position.

The following table reconciles the Revenue Budget approved by the Board on 4 December 2017 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 26. The actual outturn for 2018/2019 was a net overspend against budget of £1,377,000. This resulted from an adjusting event to the accounts that occurred between 1 April 2019 and 16 September 2019 that required adjustment to the 2018/2019 financial statements. The latter date is the date on which the audited accounts were authorised for issue by the Treasurer. The event that took place before this date provided information about conditions that existed at 31 March 2019 and the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. The Joint Board's Unaudited Accounts included an amount of £2.011m for the Capital Grants Unapplied Reserve within its Usable Reserves balance of £3.172m. The Capital Grants Unapplied Reserve represents capital funding from Transport Scotland that is carried forward for use in future years. Transport Scotland advised the Joint Board in August 2019 that the full amount of the balance is not available for carry forward and agreement has been reached to retain the proportion of the carry forward balance that will be required to fund the 2019/2020 capital programme and repay the balance of £1.366m to Transport Scotland.

Before this adjustment was made there was a net overspend against budget of £11,000 before the application of accounting adjustments. The detailed variance analysis is set out on page 12. After the required accounting adjustments this gives a total General Reserve balance of £1,160,591 as at 31 March 2019 which is unchanged from the corresponding figure at 31 March 2018.

TAY ROAD BRIDGE JOINT BOARD **MANAGEMENT COMMENTARY**

	Approved Budget	Reallocate CFCR	Depreciation & Impairment Allocation	Net	Reallocate Investment Property Inc & Exp	Employee Benefits Adjustment	Insurance Receipt	Recognised Capital Grant	IAS 19 Adjs	Revised Budget	Actual Expend/ (Income)	Over / (Under) Spend
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Administration	460	-	-	-	-	1	-	-	5	466	434	(32)
Operations	498	-	-	-	-	-	-	-	67	565	552	(13)
Plant & Equipment	261	-	-	-	-	-	-	-	-	261	193	(68)
Bridge Maintenance	411	-	-	-	(3)	(3)	-	-	39	444	385	(59)
CFCR	125	(125)	-	-	-	-	-	-	-	-	-	-
Corporate Costs	-	-	1,948	-	-	-	-	-	-	1,948	1,948	-
Net Cost of Services	1,755	(125)	1,948	(3)	(3)	(2)	-	-	111	3,684	3,512	(172)
Other Operating Income & Expenditure	(11)	-	-	-	10	-	(12)	-	-	(13)	(26)	(13)
Financing & Investment Income & Expenditure	(14)	-	-	-	(7)	-	-	-	23	2	(14)	(16)
Non-Specific Grant Income	(1,700)	-	-	-	-	-	-	(750)	-	(2,450)	(872)	1,578
(Surplus) / Deficit on Provision of Service	30	(125)	1,948	-	-	(2)	(12)	(750)	134	1,223	2,600	1,377
(Surplus) / Deficit on Revaluation of PPE	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains) / Losses on Pension Assets / Liabilities	-	-	-	-	-	-	-	-	(172)	(172)	(172)	-
Total Comprehensive Income & Expenditure	30	(125)	1,948	-	-	(2)	(12)	(750)	(38)	1,051	2,428	1,377
IAS 19 Adjustments	-	-	-	-	-	-	-	-	38	38	32	(6)
Other IFRS Code Accounting Adjustments	-	125	(1,948)	-	-	2	12	750	-	(1,059)	(2,460)	(1,401)
Total (Surplus)/ Deficit	-	-	-	-	-	-	-	-	-	30	-	(30)
General Reserve Balance b/fwd	(1,161)	-	-	-	-	-	-	-	-	(1,161)	(1,161)	-
General Reserve Balance c/fwd	(1,131)	-	-	-	-	-	-	-	-	(1,131)	(1,161)	(30)

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The following two charts show how the total 2018/2019 expenditure of the Board is apportioned. Figure 1 shows the split by the nature of expenditure, for example, staff cost, property costs, etc. and Figure 2 shows the proportion of expenditure by operational segment.

Figure 1: 2018/2019 Net Cost of Services by Nature:

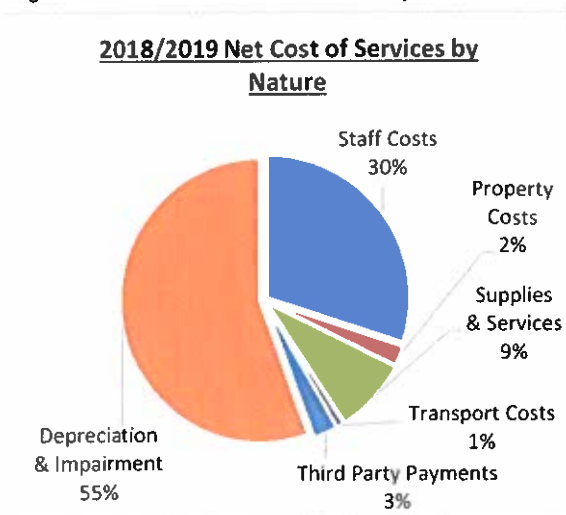
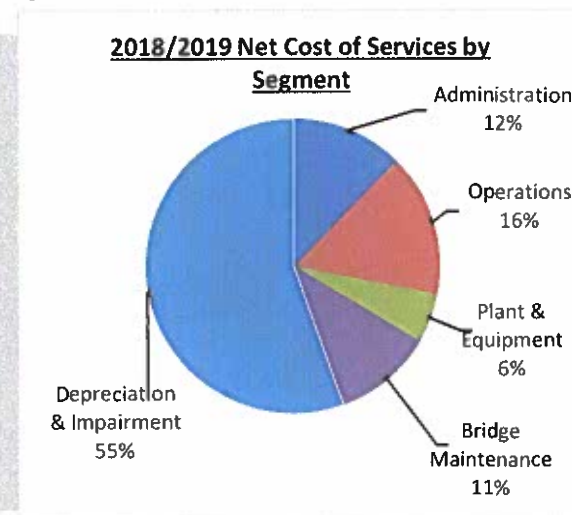


Figure 2: 2018/2019 Net Cost of Services by Segment:



Administration (Underspend £32,000)

This reflects lower than anticipated expenditure in relation to training and medical expenses. Additionally, expenditure on alterations and improvements were lower as major improvements are now planned during the next financial year, and insurance premiums were lower than anticipated due to the re-negotiation process.

Operations (Underspend £13,000)

This reflects lower than anticipated expenditure in relation to training, as well as there being no requirement to purchase office furniture and the volume of vehicle recoveries were less than anticipated.

Plant & Equipment (Underspend £68,000)

This reflects savings resulting from reduced expenditure on Cathodic Protection equipment maintenance and professional fees as there will be a major replacement programme in the next few years and any work required during the year was carried out in-house. Additionally, there were savings in relation to gantry equipment purchases and minor contractor works as there was major works carried out on the gantries during the year under the Capital Programme. There were further underspends in relation to the hire of a safety boat as there was no requirement for this outside the normal six month contract period. Also, there was reduced expenditure in relation to maintenance of the traffic signs as the majority of these were installed recently and maintenance was covered by a new contract supplied with the installation. These were partly offset by increased expenditure on the weather monitoring IT software licence.

Bridge Maintenance (Underspend £59,000)

Reflects lower than anticipated expenditure in relation to ground maintenance work at the Fife Landfall area, de-icing materials due to the mild winter, weather forecasts due to a re-negotiation of the contract, and external consultant structural inspections and miscellaneous inspections and reports as a result of more inspections being undertaken in-house. In addition, expenditure on plant hire and materials was lower than anticipated. These were partly offset by increased expenditure on overtime due to cabling work for the Cathodic Protection monitoring system being undertaken in-house.

Other Operating Income and Expenditure (Underspend £13,000)

Reflects higher than anticipated income due to income for the supply of electricity to a site office for the contractors on the Flood Protection Works on the north side of the river.

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

Financing and Investment Income and Expenditure (Underspend £16,000)

Reflects higher than anticipated Interest on Revenue Balances as a result of increased average cash balances and interest rates offset by higher than anticipated expenditure on investment property due to replacement of kitchen canopies.

Non-Specific Grant Income (Reduced Grant Income £1,578,000)

Reflects the net underspend on other budget heads, as detailed above. Any unused revenue grant (with conditions attached to its use) requires to be held in creditors so that it can be applied to match expenditure in future years. Additionally, Capital Grant Unapplied of £1.366m will require to be repaid to Transport Scotland.

Other Accounting Adjustments (Underspend £1,407,000)

Mainly reflects the repayment of £1.366m of Capital Grant Unapplied to Transport Scotland and net underspends on Capital Funded from Current Revenue (CFCR) projects.

Capital Expenditure and Financing

The Board, at its meeting on 4 December 2017, approved the 2018/2019 Capital Plan of £1,080,000. This would be funded from Capital Grants, Capital Grants Unapplied and CFCR.

The Board received quarterly Capital Monitoring reports during 2018/2019 in order to keep the members fully appraised as to the projected capital outturn position.

During 2018/2019, the Board incurred capital expenditure of £389,000 on the following projects:-

	£000
Capital Expenditure:	
Lift Replacement	90
New Switch Gear	163
Gantry works	76
Other Projects	60
	389

Capital expenditure was funded as follows:

	£000
Capital Grant from the Scottish Government	287
CFCR	90
Insurance Receipts	12
	389

Control of Revenue and Capital Expenditure

The control of both the revenue and capital expenditure of the Board is an on-going 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 the financial resources are fully utilised.

Pension Liability (IAS 19)

Under IAS 19 (Employee 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 £809,000 as at 31 March 2019. The estimated net pension liability at 31 March 2018 was £841,000. The small reduction was due to an increase in the value of assets arising from returns on assets and interest, partly offset by an increase in the value of liabilities arising from changes in financial and demographic assumptions.

PRINCIPAL RISKS AND UNCERTAINTIES

As part of the ongoing management of risk, senior officers conduct an annual review of strategic risk management issues which are reported to the Board. The updated Strategic Risk Register details the key risks faced by the Board and the existing controls in place. These are summarised as follows:

TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

- Legislative changes e.g. Health and Safety, environmental, procurement. The Board maintains awareness of changes to legislation and amends policies and procedures timeously.
- Effects of changes to the economy impacting grant funding. The Board maintains financial planning, monitoring and control systems.
- Loss of structure / operational capacity through ship impact, etc. The Board has Insurance cover, has provided a pier protection system at navigation spans and maintains security through CCTV and 24 hour site attendance. In addition, Dundee Port Authority has controls and procedures governing navigation of vessels on the river.
- Loss of operational capacity through loss of bridge / buildings. The Board maintains a regular inspection programme and maintenance of assets.
- Losses through poor governance. The Board continues to review and apply recognised good governance policies.
- Failure to deliver projects to time and / or cost. The Board adopts robust project management procedures.
- Lack of financial resources. The Board's submission of applications for grant income includes robust estimates as back up. There is regular monitoring and control of expenditure against agreed budgets. Reserves are reviewed and maintained at prudent levels.
- Lack of staff resources, e.g. from pandemic, industrial action, recruitment issues. The Board maintains and reviews its Business Continuity Plans, consults with staff and trade unions on employment matters, manages staff absences, plans recruitment requirements in advance, and maintains a programme of staff training.

FUTURE DEVELOPMENTS

The Board recognises the impact of continuing financial pressures created by the current economic climate and as a consequence it continues to seek to generate efficiencies and utilise limited resources in an effective manner.

CONCLUSIONS

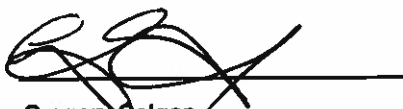
Sound financial management and effective risk management have enabled the Board to successfully manage its financial and operational performance during 2018/2019. However, significant risks surrounding future uncertainties continue to affect plans for the Board to effectively manage budgetary pressures.

Acknowledgements

During the 2018/2019 financial year the Board's financial position has required continuous scrutiny and strict budgetary control. We would like to thank the Bridge Engineer and the Bridge staff for their assistance in controlling the Board's expenditure and income. In addition, we wish to mention our appreciation of the help and co-operation provided during the financial year by the elected members and by Roger Mennie, Clerk to the Board.

We would also like to mention our appreciation for the help and co-operation received over the years from the Bridge Engineer, Fergus Wilson, who retired in March 2019.

Finally, we would conclude our report by thanking all staff who contributed to the preparation of the Board's 2018/2019 Annual Accounts.



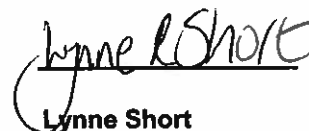
Gregory Colgan,
BAcc (Hons), ACMA, CGMA

Treasurer
Tay Road Bridge
Joint Board
16 September 2019



Alan Hutchison,
BEng (Hons), MSc,
CEng, FICE, MCIHT

Bridge Manager
Tay Road Bridge
Joint Board
16 September 2019



Chair
Tay Road Bridge
Joint Board
16 September 2019

TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

Tay Road Bridge Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently, effectively, and ethically. The Joint Board also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

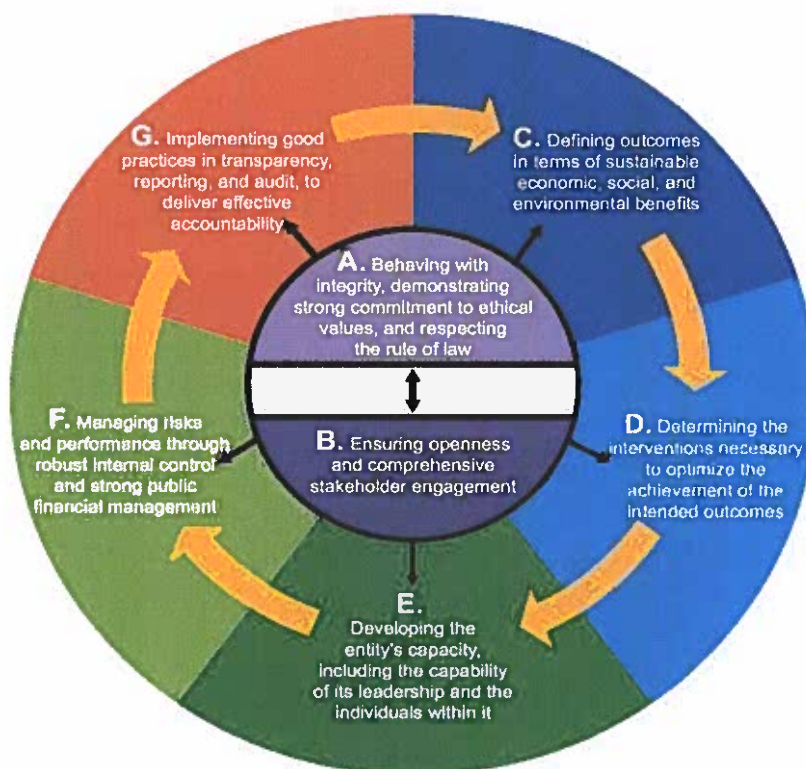
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

At the June 2019 Board meeting the Joint Board approved and adopted an updated Local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives) framework *Delivering Good Governance in Local Government (2016)*. This statement explains how Tay Road Bridge Joint Board delivers good governance and reviews the effectiveness of these arrangements.

The Joint Board's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Joint Board is directed and controlled. It also describes the way it engages with and accounts to stakeholders. It enables the Joint Board to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The framework reflects the arrangements in place to meet the seven supporting principles of effective corporate governance. These are as follows:



Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

The overall control arrangements include:

- reporting financial and operational information regularly to Joint Board meetings;
- clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers;
- approved Fraud Guidelines which include anti-fraud and corruption strategies, and "whistle-blowing" arrangements under the Public Interest Disclosure Act 1998;
- formal revenue and capital budgetary control systems and procedures; and
- the assurances provided by Internal Audit through their independent review work of the Joint Board's internal control systems.

Additionally, in order to support Chief Financial Officers in the fulfilment of their duties and to ensure that local authority organisations have access to effective financial advice of the highest level, CIPFA's *Role of the Chief Financial Officer (2016)* has introduced a "comply or explain" requirement in the Annual Accounts. The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer (2016)*.

Review of Effectiveness

Members and officers of the Joint Board are committed to the concept of sound governance and the effective delivery of Joint Board services and take into account comments made by internal and external auditors and prepare action plans as appropriate. The effectiveness of the governance framework is reviewed annually by senior officers. Their review of the Local Code of Corporate Governance, includes the completion of a self-assessment of their own arrangements. This involved the completion of a 94-point checklist covering the seven supporting principles defined in CIPFA/SOLACE's *Delivering Good Governance in Local Government (2016)*. This indicated a high level of compliance.

In addition, as part of the Annual Governance Statement process the Bridge Manager completes a self-assessment checklist of the Board's own governance, risk management and internal control arrangements. This involved the completion of a 55-point checklist covering seven key governance areas of Service Planning and Performance Management; Internal Control Environment; Fraud Prevention and Detection; Budgeting, Accounting and Financial Control; Risk Management and Business Continuity; Asset Management; and Partnerships. This again indicated a high level of compliance.

The Joint Board's Internal Audit provider conforms with Public Sector Internal Audit Standards and reports to the Joint Board. Internal Audit undertakes an annual programme of work, which is reported to the Joint Board. The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control. In the opinion of the Joint Board's Internal Auditor, Tay Road Bridge Joint Board operates adequate and effective internal control systems and proper arrangements are in place to promote and secure Value for Money.

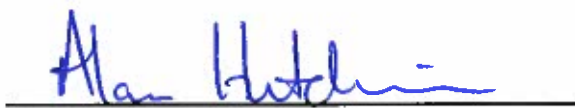
Continuous Improvement Agenda

The Joint Board's progress against the Continuous Improvement Agenda items for 2018/2019 is detailed in Table 1. Several items are still in progress and have been carried forward to be actioned in 2019/2020. Additional areas for improvement have also been identified by Joint Board officers and these are included in Table 2 and form the Continuous Improvement Action Plan for 2019/2020. These were identified in the self-assessment checklists that were completed as part of the Joint Board's assurance gathering process and also from Internal Audit reviews.

During 2019/2020 steps will be taken to address the outstanding items identified in the Continuous Improvement Agenda to further enhance the Joint Board's governance arrangements.

The annual review demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the Joint Board complies with the Local Code of Corporate Governance in all significant respects.


Lynne Short
Chair
Tay Road Bridge Joint Board
16 September 2019


Alan Hutchison, BEng (Hons), MSc, CEng,
FICE, MCIHT. Bridge Manager
Tay Road Bridge Joint Board
16 September 2019

ANNUAL GOVERNANCE STATEMENT

TABLE 1 - IMPROVEMENT AGENDA FOR 2018/2019

Original Improvement Agenda					Progress Update	
Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
1 Equalities and Human Rights training for all employees.	A E	2.2 2.4	Bridge Manager	31/03/2018		In progress. 19 out of 22 staff now completed Equality and Human Rights Course through Dundee City Council (DCC). Awaiting new training dates for staff who haven't yet attended course. Carried forward to 2019/2020.*
2 Training for Bridge Management to avoid unconscious bias recruitment.	A	2.1	Bridge Manager	31/12/2018		In progress. Bridge Manager completed training through Institution of Civil Engineers. Suitable course for Operations and Maintenance Manager being sought. Looking at Equate Scotland as possible training provider. Estimated completion March 2020. Carried forward to 2019/2020.*
3 Introduce Personal Harassment Policy.	A	2.3	Bridge Manager	31/03/2019	12/12/2018	Completed.
4 Update Data Protection procedures to ensure compliance with GDPR.	A F	3.4 4.1 & 4.2	Bridge Manager	31/12/2018		In progress. New Data Protection Procedures, Employee Privacy Notice, Data Breach Procedures, & training for CCTV operators have been completed & issued to staff. Still outstanding is the development of a Records Management Plan. Carried forward to 2019/2020.*
5 Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.	B E	3.3 2.5	Bridge Manager	31/03/2019		In progress. Completed review with DCC IT. Public Questionnaire issued on social media on 1 May 2019 to help improve website. Carried forward to 2019/2020.*
6 Introduce Mental Health awareness initiatives for the workforce.	E	2	Bridge Manager	31/03/2019		In progress. Staff attended a Mindfulness and Stress Management course. This will form part of regular training for staff in the future. Further courses are planned & will cover Recognising Stress & Staff Resilience. Carried forward to 2019/2020.*

* Carried forward items have been included in Table 2 with new target completion dates.

ANNUAL GOVERNANCE STATEMENT

TABLE 2 - IMPROVEMENT AGENDA FOR 2019/2020

	Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Details
1	Equalities and Human Rights training for all employees.	A E	2.2 2.4	Bridge Manager	31/12/2019	Carried forward from 2018/2019. In progress.
2	Training for Bridge Management to avoid unconscious bias recruitment.	A	2.1	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.
3	Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan.	A F	3.4 4.1 & 4.2	Bridge Manager	31/12/2019	Carried forward from 2018/2019. In progress.
4	Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.	B E	3.3 2.5	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.
5	Introduce Mental Health awareness initiatives for the workforce.	E	2	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.
6	Update Bridge Byelaws.	A	1.4	Clerk / Bridge Manager	31/12/2019	Source: Local Code of Corporate Governance checklist & Internal Audit Report (2019/2): Compliance with Legislation.
7	Revise Whistle-Blowing Policy.			Bridge Manager	31/03/2020	Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).
8	Develop Anti-Bribery Policy.			Treasurer	31/03/2020	Source: Annual Governance Statement Self-Assessment Checklist.

TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

EXIT PACKAGES

There were no exit packages agreed during 2018/2019 (2017/2018: None).

ACCRUED PENSION BENEFITS

Pension benefits for Local Government Employees are provided through the Local Government Pension Scheme (LGPS). A new Local Government Pension Scheme (Scotland) came into effect on 1 April 2015 based on career average related earnings (CARE Scheme).

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contribution rates were set at 6% for all non-manual employees. The members' contribution rates for 2018/2019 remain at the 2009/2010 rates although the pay bandings have been adjusted. The tiers and contribution rates are as follows:

Whole Time Pay	Contribution Rate 2018/2019	Whole Time Pay	Contribution Rate 2017/2018
On earnings up to and including £21,300	5.50%	up to and including £20,700	5.50%
On earnings above £21,300 and up to £26,100	7.25%	above £20,700 and up to £25,300	7.25%
On earnings above £26,100 and up to £35,700	8.50%	above £25,300 and up to £34,700	8.50%
On earnings above £35,700 and up to £47,600	9.50%	above £34,700 and up to £46,300	9.50%
On earnings above £47,600	12%	above £46,300	12%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of average pensionable salary and years of pensionable service. Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

Senior Employees

The accrued pension benefits for Senior Employees are set out in Table 3, together with the pension contributions made by the Board.

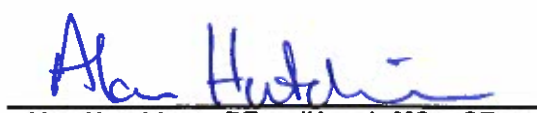
Assumptions and Contextual Information

The value of the accrued pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be taken into account:

- (i) the figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- (ii) the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time. In 2018/2019, the scheme member contribution rate for Senior Employees of the Board was 7.8% of pensionable pay (2017/2018: 7.9%). In 2018/2019, the employer contribution rate was 17% of pensionable pay for Senior Employees (2017/2018: 17%).


Lynne Short
 Chair
 Tay Road Bridge Joint Board
 16 September 2019


Alan Hutchison, BEng (Hons), MSc, CEng,
FICE, MCIHT. Bridge Manager
 Tay Road Bridge Joint Board
 16 September 2019

TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

INTRODUCTION

The Board is required to prepare and publish within its Annual Accounts an annual Remuneration Report under the Local Authority Accounts (Scotland) Amendment Regulations 2014. The report sets out the remuneration of the Chair and Vice-Chair and Senior Employees of the Board and accrued pension benefits of the Senior Employees of the Board. The report also provides information on the number of Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more, this information being disclosed in salary bandings of £5,000 above £50,000. The following report has been prepared in accordance with the aforementioned Regulations and also in accordance with other relevant guidance.

The Board's External Auditor is required to audit certain parts of the Remuneration Report and give a separate opinion in his report on the Annual Accounts as to whether the Remuneration Report has been properly prepared in accordance with the Regulations. All of the tables in this report are subject to audit, and the remainder of the report is subject to review.

REMUNERATION ARRANGEMENTS

Senior Board Members

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183). The Regulations set out the remuneration payable to Councillors with the responsibility of a Chair or Vice-Chair of a Joint Board. The Regulations require the remuneration to be paid by the Council of which the Chair or Vice-Chair is a member. The Board has an arrangement with each Council which remunerates the Chair and Vice-Chair, to reimburse the Council for the additional costs of that councillor arising from them being a Chair or Vice-Chair of the Board. The disclosures made in this report are limited to the amounts paid to the Council by the Board for remuneration and do not reflect the full value of the remuneration that may be paid to the councillor.

The remuneration details for the Chair and Vice-Chair of Tay Road Bridge Joint Board are set out in Table 1.

The remuneration of the Chair is lower in 2018/2019 than 2017/2018 due to the fact that the Chair became a Senior Councillor in Dundee City Council in August 2018 resulting in the Board no longer being liable for the additional remuneration of the Chair's position.

Senior Employees

The salary of Senior Employees is set by reference to national agreements. The salaries of senior employees of the Board take into account the duties and responsibilities of their posts. The Board is responsible for agreeing the salaries of senior employees. All Board employees are entitled to participate in Dundee City Council's Contract Car Hire Scheme, subject to meeting certain criteria. The Council's Policy & Resources Committee is responsible for agreeing the terms of the Contract Car Hire Scheme.

For the purposes of the Remuneration Report, the Regulations set out the following criteria for designation as a Senior Employee of the Board:

- (i) has responsibility for management of the Board to the extent that the person has power to direct or control the major activities of the Board (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
- (ii) holds a post that is politically restricted by reason of section 2(1)(a), (b) or (c) of the Local Government and Housing Act 1989; or
- (iii) annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The Board has determined that one employee met the criteria for designation as a Senior Employee in 2018/2019, with the employee falling into category (i) above. The remuneration details for the Senior Employees of the Board are set out in Table 2.

The Regulations also require information to be published on the total number of Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more. This information is to be disclosed in salary bandings of £5,000 above £50,000 and is shown in the following table.

Remuneration Bands	No of Employees	No of Employees
	2018/2019	2017/2018
£50,000 - £54,999	0	1
£55,000 - £59,999	1	0
Total	1	1

TABLE 1 – REMUNERATION OF COUNCILLORS WHO ARE CHAIR AND VICE-CHAIR OF TAY ROAD BRIDGE JOINT BOARD

Councillor Name	Responsibility	Salary, Fees & Allowances £	Taxable Expenses £	Total Remuneration 2018/2019 £	Total Remuneration 2017/2018 £
Stewart Hunter*	Chair, Tay Road Bridge Joint Board (from 18 June 2017)	1,646	-	1,646	3,316
Jonny Tepp	Vice-Chair, Tay Road Bridge Joint Board (from 18 June 2017)	3,180	31	3,211	3,000
Margaret Taylor	Chair, Tay Road Bridge Joint Board (to 4 May 2017)	-	-	-	630
Jimmy Black	Vice-Chair, Tay Road Bridge Joint Board (to 4 May 2017)	-	-	-	290
Total		4,826	31	4,857	7,236

* Councillor Stewart Hunter resigned as Chair on 17 June 2019.

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances £	Total Remuneration 2018/2019 £	Total Remuneration 2017/2018 £
Alan Hutchison	Bridge Manager	55,937	55,937	54,045
Total		55,937	55,937	54,045

TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2019 £000	Pension Difference from 31 March 2018 £000	Lump Sum as at 31 March 2019 £000	Lump Sum Difference from 31 March 2018 £000	Pension Contribution 2018/2019 £000	Pension Contribution 2017/2018 £000
Alan Hutchison	Bridge Manager	13	1	9	-	10	9
Total		13	1	9	-	10	9

TAY ROAD BRIDGE JOINT BOARD STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Board's responsibilities

The 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 (section 95 of the Local Government (Scotland) Act 1973). In this Board, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Audited Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the Joint Board at its meeting on 16 September 2019.

Signed on behalf of Tay Road Bridge Joint Board



Lynne Short
Chair
Tay Road Bridge Joint Board
16 September 2019

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Board's Annual Accounts in accordance with proper practices as required by legislation and set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Code of Practice (in so far as it is compatible with legislation).

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.

I certify that the Annual Accounts give a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2019.



Gregory Colgan, BAcc (Hons), ACMA, CGMA
Treasurer
Tay Road Bridge Joint Board
16 September 2019

TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Board (i.e. government grants) for the year has been used in providing services in comparison with those resources consumed or earned by the Board in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Board's operational divisions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2017/2018			2018/2019		
Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000	Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
652	8	660	428	6	434
488	70	558	483	69	552
224	-	224	193	-	193
360	48	408	343	42	385
-	1,977	1,977	-	1,948	1,948
1,724	2,103	3,827	1,447	2,065	3,512
(1,724)	(773)	(2,497)	(1,447)	535	(912)
-	1,330	1,330	-	2,600	2,600
1,161			1,161		
-			-		
1,161			1,161		

TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Reserve to arrive at the amounts in the Comprehensive Income and Expenditure Statement (CIES). The relevant transfers between reserves are explained in the Movement in Reserves Statement.

2018/2019

Adjustments from General Reserve to arrive at Comprehensive Income & Expenditure Statement Amounts	Adjustments between Funding & Accounting Basis			
	Adjustments for Capital Purposes	Net Change for the Pensions Adjustment		Total Adjustments
		Other Differences		
Explanatory Notes:	(1)	(2)	(3)	
	£000	£000	£000	£000
Administration	-	6	-	6
Operations	-	69	-	69
Plant & Equipment	-	-	-	-
Bridge Maintenance	-	42	-	42
Corporate Costs	1,948	-	-	1,948
Net Cost of Services	1,948	117	-	2,065
Other Operating Income & Expenditure from the Expenditure & Funding Analysis	514	23	(2)	535
Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	2,462	140	(2)	2,600

2017/2018

	Adjustments between Funding & Accounting Basis			
Adjustments from General Reserve to arrive at Comprehensive Income & Expenditure Statement Amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustment	Other Differences	Total Adjustments
<i>Explanatory Notes:</i>	(1)	(2)	(3)	
	£000	£000	£000	£000
Administration	-	8	-	8
Operations	-	70	-	70
Plant & Equipment	-	-	-	-
Bridge Maintenance	-	48	-	48
Corporate Costs	1,943	34	-	1,977
Net Cost of Services	1,943	160	-	2,103
Other Operating Income & Expenditure from the Expenditure & Funding Analysis	(844)	68	3	(773)
Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	1,099	228	3	1,330

TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

Explanatory Notes:

- 1) Adjustments for capital purposes - this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:
 - a) Other operating expenditure - adjustments for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
 - b) Financing and investment income and expenditure - the statutory charges for capital financing i.e. loan repayments and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
 - c) Taxation and non-specific grant income and expenditure - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.
- 2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
 - a) For services this represents the removal of the employer pension contributions made by the Board as allowed by statute and the replacement with current service costs and past service costs.
 - b) For Financing and investment income and expenditure - the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.
- 3) Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable / receivable to be recognised under statute:
 - a) For Financing and investment income and expenditure - the other differences column recognises adjustments to the General Reserve for the re-measurement of the revenue costs / income associated with financial instruments.
 - b) For Financing and investment income and expenditure - the other differences column recognises interest payable / receivable being reclassified as a corporate cost.

EXPENDITURE AND INCOME ANALYSED BY NATURE

The Board's expenditure and income is analysed as follows:

	2017/2018 Net Expenditure / (Income) £000	2018/2019 Net Expenditure / (Income) £000
Expenditure:		
Staff Costs	1,062	1,058
Property Costs	79	80
Supplies & Services	565	298
Transport Costs	25	30
Third Party Payments	119	98
Corporate Costs	1,977	1,948
Total Expenditure	3,827	3,512
Income:		
Fees, Charges & Other Service Income	(8)	(26)
Interest & Investment Income	43	(14)
Government Grants & Contributions	(2,532)	(872)
Total Income	(2,497)	(912)
(Surplus) or Deficit on Provision of Services	1,330	2,600

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

TAY ROAD BRIDGE JOINT BOARD MOVEMENT IN RESERVES STATEMENT

The Movement on Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Board, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves.' The Statement shows how the movements in year of the Board's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices. The Net Increase / (Decrease) line shows the statutory General Reserve Balance movements in the year following those adjustments.

	Revenue Reserves	Capital Reserves			
	General Fund Balance £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Board Reserves £000
Balance at 31 March 2017	(1,161)	(1,299)	(2,460)	(67,957)	(70,417)
<u>Movement in Reserves during 2017/2018 (Restated)</u>					
Total Comprehensive Expenditure and Income	1,330	-	1,330	(1,932)	(602)
Adjustments between accounting basis & funding basis under regulations (note 5)	(1,330)	(248)	(1,578)	1,578	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	-	(248)	(248)	(354)	(602)
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
(Increase) / Decrease in 2017/2018	-	(248)	(248)	(354)	(602)
Balance at 31 March 2018 carried forward	(1,161)	(1,547)	(2,708)	(68,312)	(71,020)
Total Comprehensive Expenditure and Income	2,600	-	2,600	(172)	2,428
Adjustments between accounting basis & funding basis under regulations (note 5)	(2,600)	902	(1,698)	1,698	-
Net (Increase) / Decrease before Transfers to Earmarked Reserves	-	902	902	1,526	2,428
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
(Increase) / Decrease in Year	-	902	902	1,526	2,428
Balance at 31 March 2019 carried forward	(1,161)	(645)	(1,806)	(66,786)	(68,592)

TAY ROAD BRIDGE JOINT BOARD BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net assets of the Board (assets less liabilities) are matched by the reserves held by the Board. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Board may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure). The second category of reserves is those that the Board is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Restated			
31 March 2018		Note	31 March 2019
£000			£000
69,156	Property, Plant & Equipment	20	67,597
71	Investment Property	19	71
69,227	Total Long Term Assets		67,668
55	Inventories	22	56
29	Short Term Debtors	23	38
3,882	Cash and Cash Equivalents	13	4,406
3,966	Total Current Assets		4,500
(1,333)	Short Term Creditors	24	(2,767)
(1,333)	Total Current Liabilities		(2,767)
(841)	Net Pension Liabilities	15	(809)
(841)	Total Long Term Liabilities		(809)
71,019	Net Assets		68,592
2,708	Usable reserves	9	1,806
68,311	Unusable Reserves	10	66,786
71,019	Total Reserves		68,592


 Gregory Colgan, BAcc (Hons), ACMA, CGMA
 Treasurer
 Tay Road Bridge Joint Board

The unaudited accounts were issued on 17 June 2019 and the audited accounts were authorised for issue on 16 September 2019.

TAY ROAD BRIDGE JOINT BOARD CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Board during the reporting period. The statement shows how the Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Board are funded by way of grant income or from the recipients of services provided by the Board. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Board.

2017/2018		2018/2019
£000		£000
1,330	Net deficit on the provision of services	1,234
(1,902)	Adjust net surplus or deficit on the provision of services for non cash movements	(2,040)
423	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	704
(149)	Net cash flows from Operating Activities	(102)
(207)	Investing Activities (note 11)	(405)
(14)	Financing Activities (note 12)	(17)
(370)	Net (Increase) in cash and cash equivalents	(524)
3,512	Cash and cash equivalents at the beginning of the reporting period	3,882
3,882	Cash and cash equivalents at the end of the reporting period (note 13)	4,406

**TAY ROAD BRIDGE JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS**

1 ACCOUNTING POLICIES

A General Principles

The Annual Accounts summarise the Board's transactions for the 2018/2019 financial year and its position at the year-end of 31 March 2019. The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/2019 and the Service Reporting Code of Practice 2018/2019, and International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

B Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including those rendered by the Board's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents comprise short term lending that is repayable on demand or within 3 months of the Balance Sheet date and that is readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Board's cash management.

D Changes in Accounting Policies and Estimates and Prior Period Errors

Changes in accounting policies are only made when required by proper accounting practices or when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Board's financial position or financial performance. Where a change is made and it is material to the financial statements, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

E Charges to Revenue for Non-Current Assets

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the Board; and
- revaluation and impairment losses on assets used by the Board where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

The Board is not required to apply revenue grant receipts to fund depreciation, revaluation and impairment losses. Depreciation, revaluation and impairment losses are therefore reversed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

F Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Board. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Board to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to the Corporate Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Board can no longer withdraw the offer of those benefits or when the Board recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Board are members of a separate pension scheme being the Local Government Pension Scheme (Tayside Pension Fund), a defined benefits scheme which is administered by Dundee City Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Board.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Tayside Pension Fund attributable to the Board are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond, iBoxx AA rated over 15 year corporate bond index.
- The assets of the Tayside Pension Fund attributable to the Board are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to relevant operating areas;

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

- past service cost – the increase in liabilities arising as a result of a scheme amendment or curtailment the effect of which relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate Costs; and
- net interest on the defined benefit liability / (asset), i.e. net interest expense for the Board – the change during the period in the net defined benefit liability / (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability / (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
 - the return on plan assets – excluding amounts included in the net interest on the net defined benefit liability / (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure; and
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not co-incided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the Tayside Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Board also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

G Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

H Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Board when there is reasonable assurance that:

- the Board will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Board are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant line (Non-Specific Grant Income) in the Comprehensive Income and Expenditure Statement. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Reserve Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

I Heritage Assets

The Board's Heritage Assets are held in support of the primary objective of increasing knowledge, understanding and appreciation of the history of the Tay Road Bridge and the surrounding area. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Board's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets are also presented below.

The Board's heritage assets are accounted for as follows:

Heritage Assets Not Recognised in the Balance Sheet

The Board holds heritage assets which, in light of the relaxation of measurement rules, are not recognised in the balance sheet. The Board considers that, due to the unique nature of the assets held and the lack of comparable values, the cost of obtaining valuations would be disproportionate in relation to the benefits to the users of the Board's financial statements. As a result, fair value information is unavailable and cost information is also unknown. These assets are therefore not recognised in the balance sheet, however, detailed information regarding them is held on relevant databases.

J Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First-in-First-out (FIFO) costing formula. Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

K Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are re-valued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Reserve Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Balance. The gains and losses are therefore reversed out of the General Reserve Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

L Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Board currently has no assets acquired under finance leases or leased to third parties on finance lease. The Board currently has no assets acquired under operating leases. Accounting policies for operating leases where the Board is a lessor are set out below.

The Board as Lessor

Where the Board grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet as a non-current asset and continues to be subject to depreciation, revaluation and impairment review, in accordance with the relevant accounting policies. Rental income is credited to the appropriate service line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Any initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

M Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price; and

**TAY ROAD BRIDGE JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS**

- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Board does not capitalise borrowing costs incurred whilst assets are under construction.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure and vehicles, plant & equipment – depreciated historical cost;
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value. Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains would be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment loss previously charged to a service. Where decreases in value are identified, the revaluation loss is accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Assets Held for Sale / Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Amounts received for disposals are categorised as capital receipts. Receipts are required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Board's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Reserve in the Movement in Reserves Statement. Amounts are appropriated to the Capital Adjustment Account from the General Reserve in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant and equipment – straight line allocation over between 3 and 30 years.
- infrastructure – straight-line allocation up to 120 years.

Depreciable assets are not depreciated in the year of purchase, but are depreciated in the year of disposal.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

N Reserves

Reserves are created by transferring amounts out of the General Reserve in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate expenditure line in that year to count against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Reserve Balance in the Movement in Reserves Statement so that there is no net charge against grant receipts for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and these reserves do not represent usable resources for the Board. Further information on the Board's reserves is contained in notes 9 and 10.

O VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

P FAIR VALUE MEASUREMENT

The Board measures some of its non-financial assets as investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability; or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

The Board measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the Board takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling to another market participant that would use the asset in its highest and best use.

The Board uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Board's financial statements are categorised within the fair value hierarchy as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Board can access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3 - unobservable inputs for the asset or liability.

The Board's investment properties are measured using the income approach, by means of a discounted cash flow method, where the expected cash flows from the properties are discounted (using a market derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Board's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

The Board's investment properties are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

There were no relevant accounting standards that have been issued but are not yet adopted in the 2018/2019 Code of Practice on Local Authority Accounting in the United Kingdom.

3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Board has had to make certain judgements about future events. The key judgement made in the Annual Accounts relates to the high degree of uncertainty about future levels of funding for public bodies. The Board has determined that this uncertainty is not sufficient to provide an indication that the assets of the Board might be impaired as a result of a need to reduce levels of service provision or affect the underlying assumption of the Board's Going Concern basis.

**TAY ROAD BRIDGE JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS**

4 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION

The Statement of Accounts contains estimated figures that are based on assumptions made by the Board about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Board's Balance Sheet at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Board will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for property, plant and equipment would increase by £92,000 for every year that useful lives had to be reduced.
Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £166,000. However, the assumptions interact in complex ways. During 2018/2019, the Board's actuaries advised that the net pensions assets had increased by £193,000 as a result of estimates being corrected as a result of experience and net pension liabilities had reduced by £21,000 attributable to updating of the assumptions.

This list does not include any assets and liabilities that are carried at fair value based on a recently observed market price.

**TAY ROAD BRIDGE JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS**

5 MOVEMENT IN RESERVES STATEMENT - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Board in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Board to meet future capital and revenue expenditure.

	<u>Revenue</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u> <u>Capital</u> <u>Grants</u>	<u>Movement</u> <u>in</u> <u>Unusable</u> <u>Reserves</u>	<u>Total</u> <u>2018/2019</u>
	<u>General</u> <u>Fund</u> <u>Balance</u> <u>£000</u>	<u>Capital</u> <u>Receipts</u> <u>Reserve</u> <u>£000</u>	<u>Unapplied</u> <u>Account</u> <u>£000</u>	<u>£000</u>	<u>£000</u>
2018/2019					
Adjustments involving the Capital Adjustment Account:					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(1,948)	-	-	1,948	-
Movements in the fair value of Investment Properties	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	(616)	-	-	616	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Capital expenditure charged against the General Reserve	90	-	-	(90)	-
Adjustments involving the Capital Receipts Reserve:					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12	(12)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	12	-	(12)	-
Adjustments involving the Capital Grants Unapplied Account:					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	902	(902)	-
Adjustments involving the Pensions Reserve:					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(270)	-	-	270	-
Employer's pensions contributions and direct payments to pensioners payable in the year	130	-	-	(130)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	-	-	(2)	-
Total Adjustments	(2,600)	-	902	1,698	-

**TAY ROAD BRIDGE JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS**

	<u>Revenue Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>		
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Movement in Unusable Reserves £000	Total 2017/2018 £000
2017/2018					
Adjustments involving the Capital Adjustment Account:					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(1,943)	-	-	1,943	-
Movements in the fair value of Investment Properties	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	750	-	-	(750)	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure</u>					
Capital expenditure charged against the General Reserve	87	-	-	(87)	-
Adjustments involving the Capital Receipts Reserve:					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	7	(7)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	7	-	(7)	-
Adjustments involving the Capital Grants Unapplied Account:					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	(248)	248	-
Adjustments involving the Pensions Reserve:					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(355)	-	-	355	-
Employer's pensions contributions and direct payments to pensioners payable in the year	127	-	-	(127)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(3)	-	-	3	-
Total Adjustments	(1,330)	-	(248)	1,578	-

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

6 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - OTHER OPERATING INCOME AND EXPENDITURE

2017/2018		2018/2019
£000		£000
(1)	Miscellaneous Income	(14)
(7)	(Gains) / Losses on the disposal of non current assets	(12)
(8)	Total	(26)

7 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2017/2018		2018/2019
£000		£000
68	Net interest on the defined benefit liability (asset)	23
(16)	Interest receivable and similar income	(32)
(9)	Net Income & Expenditure on investment properties	(5)
43	Total	(14)

8 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - NON SPECIFIC GRANT INCOME

2017/2018		2018/2019
£000		£000
(1,782)	Non-ring fenced government grants	(1,488)
(750)	Capital grants and contributions	(750)
-	Repayment of Capital grants and contributions	1,366
(2,532)	Total	(872)

9 BALANCE SHEET - USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement and note 5.

10 BALANCE SHEET - UNUSABLE RESERVES

31 March 2018		31 March 2019
£000		£000
762	Revaluation Reserve	762
68,392	Capital Adjustment Account	66,833
(841)	Pensions Reserve	(809)
(2)	Accumulating Compensated Absences Adjustment Account	-
68,311	Total Unusable Reserves	66,786

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Board arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

TAY ROAD BRIDGE JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

2017/2018		2018/2019
£000		£000
<u>762</u>	Balance at 1 April	<u>762</u>
-	Upward Revaluation of assets	-
-	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-
-	Accumulated gains on assets sold or scrapped	-
-	Amount written off to the Capital Adjustment Account	-
<u>762</u>	Balance at 31 March	<u>762</u>

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation and impairment losses are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Board as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Board. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 5 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2017/2018		2018/2019
£000		£000
<u>69,739</u>	Balance at 1 April	<u>68,392</u>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(1,943)	• Charges for depreciation and impairment of non current assets	(1,948)
-	• Revaluation losses on Property, Plant & Equipment	-
<u>(1,943)</u>	Net written out amount of the cost of non current assets consumed in the year	<u>(1,948)</u>
	Capital financing applied in the year:	
7	• Use of the Capital Receipts Reserve to finance new capital expenditure	12
502	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	287
87	• Capital expenditure charged against the General Reserve	90
<u>596</u>	Total Capital Financing Applied during the year	<u>389</u>
<u>68,392</u>	Balance at 31 March	<u>66,833</u>

TAY ROAD BRIDGE JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Board accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Board makes employer's contributions to pensions funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2017/2018		2018/2019
£000		£000
<u>(2,545)</u>	Balance at 1 April	<u>(841)</u>
1,932	Re-measurements of the net defined benefit liability / (asset)	172
(355)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(270)
127	Employer's pensions contributions and direct payments to pensioners payable in the year	130
<u>(841)</u>	Balance at 31 March	<u>(809)</u>

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Reserve Balance is neutralised by transfers to or from the Account.

2017/2018		2018/2019
£000		£000
<u>1</u>	Balance at 1 April	<u>(2)</u>
(1)	Settlement or cancellation of accrual made at the end of the preceding year	2
<u>(2)</u>	Amounts accrued at the end of the current year	<u>-</u>
(3)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2
<u>(2)</u>	Balance at 31 March	<u>-</u>

11 CASH FLOW STATEMENT - INVESTING ACTIVITIES

2017/2018		2018/2019
£000		£000
550	Purchase of property, plant and equipment, investment property and intangible assets	357
(7)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(12)
<u>(750)</u>	Other receipts from investing activities	<u>(750)</u>
<u>(207)</u>	Net cash flows from investing activities	<u>(405)</u>

**TAY ROAD BRIDGE JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS**

12 CASH FLOW STATEMENT - FINANCING ACTIVITIES

2017/2018		2018/2019
£000		£000
<u>(14)</u>	Other receipts from financing activities	<u>(17)</u>
<u>(14)</u>	Net cash flows from financing activities	<u>(17)</u>

13 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2018		31 March 2019
£000		£000
<u>3,882</u>	Bank current account	<u>4,406</u>
<u>3,882</u>	Total cash and cash equivalents	<u>4,406</u>

14 EXTERNAL AUDIT COSTS

The Board has incurred the following costs in relation to the audit of the Annual Accounts provided by the Board's external auditors:

	2017/2018	2018/2019
	£000	£000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	<u>12</u>	<u>12</u>
Total	<u>12</u>	<u>12</u>

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

15 DEFINED BENEFIT PENSION SCHEMES

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Board makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Board has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Board participates in two post employment schemes:

- The Local Government Pension Scheme (Tayside Pension Fund), which is administered locally by Dundee City Council and is a funded defined benefit final salary scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The Scheme currently provides benefits based on career average revalued salary and length of service on retirement.
- The Board also has liabilities for any discretionary pension payments outside the main scheme. These benefits are an unfunded defined benefit final arrangement, under which liabilities are recognised when awards are made. There are no investment assets built up to meet the pension liabilities for discretionary awards, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Tayside Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme (Scotland) regulations 2008 and the governance of the scheme is the responsibility of the Pensions Investment Sub-Committee of the Policy and Resources Committee of Dundee City Council. Policy is determined in accordance with the Pension Fund Regulations. The investment managers of the fund are appointed by the Sub-Committee.

The principal risks to the Board of the scheme are the life expectancy assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals of members from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the Cost of Services the amounts required by statute as described in the accounting policies note (please refer to Note 1 item F for further details).

TAY ROAD BRIDGE JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

Transactions relating to post employment benefits

The Board recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Board is required to make against reserves is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Reserve via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Reserve Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme	
	Restated	
	2017/2018	2018/2019
	£000	£000
Comprehensive Income and Expenditure Statement:		
<i>Cost of Services:</i>		
• current service cost	253	247
• past service cost	-	-
• curtailment	34	-
<i>Financing and Investment Income and Expenditure</i>		
• net interest on the defined liability (asset)	65	19
• administration expenses	3	4
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	355	270
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
Re-measurement of the net defined benefit liability comprising:		
• Return on plan assets (excluding amount included in the net interest expense)	(261)	(193)
• Other actuarial gains / (losses) on assets	46	-
• Actuarial gains and losses arising on changes in demographic assumptions	(680)	(362)
• Actuarial gains and losses arising on changes in financial assumptions	(315)	383
• Other (if applicable)	(722)	-
Total Re-measurements	(1,932)	(172)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(1,577)	98
Movement in Reserves Statement:		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(355)	(270)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	127	130

TAY ROAD BRIDGE JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

Pension assets and liabilities recognised in the Balance Sheet

	Local Government Pension Scheme		
	2016/2017	Restated 2017/2018	2018/2019
	£000	£000	£000
Net pension liabilities as at March:			
Present value of funded obligation	11,354	9,688	9,836
Fair value of scheme assets	(9,177)	(9,208)	(9,381)
Net liability	2,177	480	455
Present value of unfunded obligation	368	361	354
Net liability arising from defined benefit obligation	2,545	841	809

Assets and liabilities in relation to post employment benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded liabilities: Local Government Pension Scheme	
	2017/2018	2018/2019
	£000	£000
Opening balance at 1 April	11,722	10,049
Current service cost	253	247
Interest cost	298	251
Contributions by scheme participants	40	42
<i>Re-measurement (gains) and losses:</i>		
o change in financial assumptions	(315)	383
o change in demographic assumptions	(680)	(362)
Experience gain on defined benefit obligation	(722)	-
Benefits paid	(581)	(420)
Past service costs, including curtailments	34	-
Closing balance at 31 March	10,049	10,190

Reconciliation of fair value of the scheme assets:

	Local Government Pension Scheme	
	Restated 2017/2018	2018/2019
	£000	£000
Opening balance at 1 April	9,177	9,208
Interest income on assets	233	232
Re-measurement gain: return on assets less interest	261	193
Other re-measurement gain	(46)	-
Administration expenses	(3)	(4)
Employer contributions	127	130
Contributions by scheme participants	40	42
Benefits paid	(581)	(420)
Closing balance at 31 March	9,208	9,381

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 the respective markets.

The actual return on scheme assets in the year was £425,000 (2017/2018 (restated): £494,000).

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

The liabilities show the underlying commitments that the Board has in the long run to pay post employment (retirement) benefits. The total liability of £0.809m is reflected in the Board's Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Board remains healthy. The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e., before payments fall due), as assessed by the scheme actuary.

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 Pension Fund has been assessed by Barnett Waddingham, an independent firm of actuaries, being based on the latest full valuation of the scheme as at 31 March 2017.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2017/2018	2018/2019
Long-term expected rate of return on assets in the scheme:		
Mortality assumptions:		
Longevity at 65 for current pensioners (years):		
Men	20.3	19.6
Women	22.2	21.6
Longevity at 65 for future pensioners (years):		
Men	22.1	21.3
Women	24.1	23.4
Rate of inflation (RPI)	3.35%	3.45%
Rate of inflation (CPI)	2.35%	2.45%
Rate of increase in salaries	3.35%	3.45%
Rate of increase in pensions	2.35%	2.45%
Rate of discounting scheme liabilities	2.55%	2.40%

The estimate of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that the life expectancy increase or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the defined benefit obligation in the Scheme:

	Local Government Pension Scheme		
	£000	£000	£000
	+0.1%	0%	-0.1%
Adjustment to discount rate:			
o Present value of total obligation	10,024	10,190	10,359
o Projected service cost	248	254	260
Adjustment to long term salary increase:			
o Present value of total obligation	10,202	10,190	10,178
o Projected service cost	254	254	254
Adjustment to pension increases and deferred re-valuation:			
o Present value of total obligation	10,347	10,190	10,036
o Projected service cost	260	254	248
Adjustment to mortality age rating assumption:	+ 1 year	None	- 1 year
o Present value of total obligation	10,566	10,190	9,828
o Projected service cost	263	254	246

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

The Board's share of Tayside Pension Fund's assets consist of the following categories, by amount and proportion of the total assets held:

	Restated 31 March 2018 £000	Restated 31 March 2018 %	31 March 2019 £000	31 March 2019 %
Equity investments	6,365	69	6,480	70
Gilts	488	5	134	1
Other Bonds	1,066	12	1,408	15
Property	1,085	12	1,171	12
Cash	204	2	188	2
Total	9,208	100	9,381	100

Impact on the Board's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Tayside Pension Fund has agreed a strategy with the scheme's actuary to achieve a funding level of 100%. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2020.

The Board anticipated to pay £115,000 expected contributions to the scheme in 2019/2020. The weighted average duration of the defined benefit obligation for scheme members is 17 years (2017/2018: 17 years).

16 EVENTS AFTER THE BALANCE SHEET DATE

There was an event that occurred between 1 April 2019 and 16 September 2019 that required adjustment to the 2018/2019 financial statements. The latter date is the date on which the audited accounts were authorised for issue by the Treasurer. The event that took place before this date provided information about conditions that existed at 31 March 2019 and the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. The Board's Unaudited Accounts included an amount of £2.011m for the Capital Grants Unapplied Reserve within its Usable Reserves balance of £3.172m. The Capital Grants Unapplied Reserve represents capital funding from Transport Scotland that is carried forward for use in future years. Transport Scotland advised the Board in August 2019 that the full amount of the balance is not available for carry forward and agreement has been reached to retain the proportion of the carry forward balance that will be required to fund the 2019/2020 capital programme and repay the balance of £1.366m to Transport Scotland.

17 RELATED PARTIES

The Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board.

Central Government

Central government has effective control over the general operations of the Board. It is responsible for providing the statutory framework within which the Board operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Board has with other parties. There are no grant receipts outstanding at 31 March 2019 (see note 25).

Other Local Authorities

Angus, Dundee City and Fife Councils are considered to be related parties of the Board. During 2018/2019, the Board entered into a number of transactions with Dundee City Council and Fife Council, as detailed below:

TAY ROAD BRIDGE JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

2017/2018			2018/2019	
Income £000	Expenditure £000		Income £000	Expenditure £000
(17)	-	Dundee City Council:	(32)	-
-	77	Interest Receivable	-	79
-	12	Central Support Services	-	10
-	31	Grounds Maintenance	-	64
-	91	Professional Fees	-	58
(17)	211	Miscellaneous	(32)	211
		Total Dundee City Council		
-	-	Fife Council:	-	-
-	4	Grounds Maintenance	-	4
-	4	Miscellaneous	-	4
		Total Fife Council	-	4

The following balances existed between the Board and Dundee City Council and Fife Council as at 31 March 2019:

2017/2018			2018/2019	
Asset £000	Liability £000		Asset £000	Liability £000
-	3	Dundee City Council:	-	23
(17)	-	Central Support Services	(32)	-
-	-	Interest Receivable	-	51
-	48	Professional Fees	-	9
(17)	51	Miscellaneous	(32)	83
		Total Dundee City Council		
-	5	Fife Council:	-	4
-	5	Miscellaneous	-	4
		Total Fife Council	-	4

18 LEASES

The Board as Lessee

The Board held no assets on finance or operating lease during 2018/2019 and, accordingly, there were no lease rentals paid to lessors during the year (2017/2018: None) or commitments due to lessors in 2018/2019 (2017/2018: None).

The Board as Lessor

The Board had entered a three year agreement for the lease of land and property to a third party which ended in 2011. This arrangement has continued on a monthly basis as permitted in the lease agreement. This agreement is accounted for as an operating lease. In 2018/2019 the Board received rent of £10,213 from this agreement (2017/2018: £10,213). Assuming that the lease continues for one year, the present value of minimum lease payments receivable as at the Balance Sheet date are as follows:

- a) Not later than 1 year = £10,213
- b) later than 1 year and not later than 5 years = £Nil
- c) later than 5 years = £Nil.

19 INVESTMENT PROPERTY

The following items of income and expense have been accounted for in the Comprehensive Income and Expenditure Statement:

	2017/2018 £000	2018/2019 £000
Rental income from investment property	10	10
Direct operating expenses arising from investment property	(1)	(5)
Net gain/(loss)	9	5

TAY ROAD BRIDGE JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

There are no restrictions on the Board's ability to realise the value inherent in its investment property or on the Board's right to the remittance of income and the proceeds of disposal.

There has been no movement in the fair value of investment properties over the year. The balance at 31 March 2019 remains £71,000.

The Board's Investment Properties are valued using the Level 3 (unobservable inputs for the asset) valuation technique / fair value hierarchy. There has been no change in the valuation technique used during the year.

20 PROPERTY, PLANT AND EQUIPMENT

Movements on Balances

Movements in 2018/2019:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
Cost or Valuation				
At 1 April 2018	1,398	1,275	85,913	88,586
Additions	-	340	49	389
Derecognition – Disposals	-	-	-	-
Expenditure Not Adding Value	-	(11)	-	(11)
At 31 March 2019	1,398	1,604	85,962	88,964
Accumulated Depreciation and Impairment				
At 1 April 2018	58	461	18,911	19,430
Depreciation charge	19	108	1,810	1,937
Derecognition – Disposals	-	-	-	-
At 31 March 2019	77	569	20,721	21,367
Net Book Value:				
At 31 March 2019	1,321	1,035	65,241	67,597
At 31 March 2018	1,340	814	67,002	69,156

Comparative Movements in 2017/2018:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
Cost or Valuation				
At 1 April 2017	1,398	826	85,853	88,077
Additions	-	536	60	596
Derecognition – Disposals	-	(59)	-	(59)
Expenditure Not Adding Value	-	(28)	-	(28)
At 31 March 2018	1,398	1,275	85,913	88,586
Accumulated Depreciation				
At 1 April 2017	39	456	17,079	17,574
Depreciation charge	19	64	1,832	1,915
Derecognition – Disposals	-	(59)	-	(59)
At 31 March 2018	58	461	18,911	19,430
Net Book Value:				
At 31 March 2018	1,340	814	67,002	69,156
At 31 March 2017	1,359	370	68,774	70,503

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

Capital Commitments

At 31 March 2019, the Board has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2019/2020 and future years, budgeted to cost £519,000 (Similar commitments at 31 March 2018 were £101,000).

The major commitments are for:

- Cathodic Protection Monitoring Equipment = £150,000;
- Inspection of Columns and Piers = £204,000;
- Bridge Office Refurbishment = £39,000;
- LED Lighting to Bridge and Fife Car Park = £86,000; and
- New Vehicles = £36,000.

Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is re-valued at least every five years. All valuations were carried out by Mr Alastair Kay BSc MRICS, Registered Valuer for Dundee City Council's City Development service. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

21 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	2017/2018 £000	2018/2019 £000
<i>Capital investment:</i>		
Property, Plant and Equipment	596	389
Total Capital Investment	596	389
<i>Sources of finance:</i>		
Capital receipts	7	12
Government grants and other contributions	502	287
Capital Funded from Current Revenue	87	90
Total Sources of Finance	596	389

22 INVENTORIES

	Maintenance Materials		Total	
	2017/2018 £000	2018/2019 £000	2017/2018 £000	2018/2019 £000
Balance outstanding at start of year	57	55	57	55
Recognised as an expense in the year	(2)	1	(2)	1
Balance outstanding at year-end	55	56	55	56

23 SHORT-TERM DEBTORS

	31 March 2018 £000	31 March 2019 £000
Local authorities	17	32
Other entities and individuals	12	6
Total	29	38

24 SHORT-TERM CREDITORS

	31 March 2018 £000	31 March 2019 £000
Central government bodies	1,043	2,625
Local authorities	26	99
Other entities and individuals	264	43
Total	1,333	2,767

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

25 GRANT INCOME

The Board credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Account in 2018/2019:

	2017/2018 £000	2018/2019 £000
Credited to Taxation and Non Specific Grant Income		
Scottish Government Revenue Grant	1,782	1,488
Scottish Government Capital Grant	750	750
Repayment of Scottish Government Capital Grant	-	(1,366)
Total	2,532	872

The Board has £1,235,000 of revenue grants, contributions and donations that have yet to be recognised as income due to them having conditions attached to them that requires the monies or property to be returned to the grant provider (2017/2018: £1,023,000). This is included in Note 24, Short-Term Creditors under central government bodies.

26 CONTINGENT LIABILITIES

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is the understanding of Tayside Pension Fund's actuaries that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes.

On 22 January 2018, the Government published the outcome to its Indexation and Equalisation of GMP in Public Service Pension Schemes Consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Tayside Pension Fund's actuaries valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the actuaries have assumed that the Fund will be required to pay the entire inflationary increase. The Board will have a liability that will crystallise in the future but this cannot be quantified at this stage.

There were no Contingent liabilities in the year to 31 March 2018.

TAY ROAD BRIDGE JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

27 PRIOR PERIOD ADJUSTMENT (IAS 19)

There was a misstatement in the 2017/2018 Actuaries' estimate of asset returns compared to the actual returns. The timing of actuarial reports means that actuaries produce their IAS 19 reports using estimated data for the final part of the year. Actual experience resulted in the asset returns for the Tay Road Bridge being significantly greater than actual returns. The actuarial estimates were not updated which resulted in an overstatement of asset values and consequently an understatement in pension liabilities. The misstatement in the pension liability amounts to £0.103 million. Management chose not to adjust the 2017/2018 accounts for this item based on materiality. The Board's auditor agreed that the amount involved was not material.

Effect on line items in the Comprehensive Income & Expenditure Statement 2017/2018:

In order to correct this error, the Board has restated the prior year information for 2017/2018 for the £0.103m in each of the following lines in the Comprehensive Income and Expenditure Statement. The following are the relevant extracted lines from the Comprehensive Income and Expenditure Statement. The Comprehensive Income and Expenditure Statement, with appropriate restatement for 2017/2018, can be found on page 26 of these financial statements.

	As Originally Stated 2017/2018 Gross Expenditure £000	As Restated 2017/2018 Gross Expenditure £000	Amount of Restatement 2017/2018 Gross Expenditure £000
Actuarial (Gains) / Losses on Pension Assets / Liabilities	242	46	(196)
Other Comprehensive Income & Expenditure	242	46	(196)
Total Comprehensive Income & Expenditure	4,137	3,941	(196)

	As Originally Stated 2017/2018 Gross Income £000	As Restated 2017/2018 Gross Income £000	Amount of Restatement 2017/2018 Gross Income £000
Actuarial (Gains) / Losses on Pension Assets / Liabilities	(2,277)	(1,978)	299
Other Comprehensive Income & Expenditure	(2,277)	(1,978)	299
Total Comprehensive Income & Expenditure	(4,842)	(4,543)	299

	As Originally Stated 2017/2018 Net Expenditure / (Income) £000	As Restated 2017/2018 Net Expenditure / (Income) £000	Amount of Restatement 2017/2018 Net Expenditure / (Income) £000
Actuarial (Gains) / Losses on Pension Assets / Liabilities	(2,035)	(1,932)	103
Other Comprehensive Income & Expenditure	(2,035)	(1,932)	103
Total Comprehensive Income & Expenditure	(705)	(602)	103

TAY ROAD BRIDGE JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

Effect on line items in the Balance Sheet at 31 March 2018:

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires that an authority present a Balance Sheet at the beginning of the preceding period when an authority makes a retrospective restatement. However, in this case the prior period error did not impact on the opening Balance Sheet for 2017/2018. The error took place at year-end (2017/2018) and therefore impacted on the reported Pensions Liability, which has increased by £0.103m. The Pensions Reserve balance was also understated by the same amount. The following table demonstrates the effects on the relevant line items in the Balance Sheet for the financial year 2017/2018. The restated (for the relevant line items) prior period Balance Sheet is provided with the current year information on page 28 of the financial statements.

	2017/2018 As Originally Stated £000	2017/2018 As Restated £000	2017/2018 Amount of Restatement £000
Net Pension Liabilities	(738)	(841)	(103)
Total Long-Term Liabilities	(738)	(841)	(103)
Net Assets	71,122	71,019	(103)
Unusable Reserves	68,414	68,311	(103)
Total Reserves	71,122	71,019	(103)

Effect on line items in the Movement in Reserves Statement at 31 March 2018:

The following restatement was also required for the Movement in Reserves Statement for Unusable Reserves. The restated (for the relevant line items) prior period Movement in Reserves Statement is provided with the current year information on page 27 of the financial statements.

	2017/2018 As Originally Stated £000	2017/2018 As Restated £000	2017/2018 Amount of Restatement £000
Unusable Reserves:			
Other Comprehensive Income & Expenditure	(2,035)	(1,932)	103
Total Comprehensive Income & Expenditure	(2,035)	(1,932)	103
Net (Increase) / Decrease before Transfers to Other Statutory Reserves	(457)	(354)	103
(Increase) / Decrease in 2017/2018	(457)	(354)	103
Balance at 31 March 2018	(68,414)	(68,311)	103

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAY ROAD BRIDGE JOINT BOARD AND THE ACCOUNTS COMMISSION FOR SCOTLAND

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Tay Road Bridge Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view, in accordance with applicable law and the 2018/19 Code, of the state of affairs of Tay Road Bridge Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is three years. I am independent of the Tay Road Bridge Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Tay Road Bridge Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

Risks of material misstatement

I have reported in a separate Annual; Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAY ROAD BRIDGE JOINT BOARD AND THE ACCOUNTS COMMISSION FOR SCOTLAND

Responsibilities of the Treasurer and Tay Road Bridge Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities for the Annual Accounts, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the Tay Road Bridge Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Tay Road Bridge Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements.

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skillfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's <https://www.frc.org.uk/auditors/audit-assurance/auditors-responsibilities>. This description forms part of my auditor's report.

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAY ROAD BRIDGE JOINT BOARD AND THE ACCOUNTS COMMISSION FOR SCOTLAND

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Bruce Crosbie FCCA

**Senior Audit Manager
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16 September 2019