

**TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP****23 JUNE 2009****2008/09 UNAUDITED ANNUAL ACCOUNTS****JOINT REPORT BY TREASURER AND DIRECTOR**

This report advises the Partnership on progress with the completion of the Annual Accounts for 2008/2009.

**1 RECOMMENDATIONS**

1.1 That the Partnership :-

- (i) notes the Unaudited 2008/09 Annual Accounts for submission to the Controller of Audit as detailed in the Appendix ;
- (ii) agrees to utilise balances of £49,199 from 2008/09 to support the 2009/10 RTS Revenue Programme; and
- (iii) receives a report on the Audited 2008/09 Accounts at its meeting on 22 September 2009.

**2 DISCUSSION**

- 2.1 Regional Transport Partnerships are required to submit their Unaudited Accounts for 2008/09 to the Controller of Audit by 30 June 2009, with Audited Accounts to be submitted by 30 August. A copy of the Unaudited Accounts, as approved for submission by the Treasurer and Director, is attached as the Appendix.
- 2.2 At the time of writing, the audit of the Accounts by the Partnership's External Auditors, Henderson Loggie, in accordance with the Audit Plan approved by the Partnership at its meeting on 10 March 2009 (Report RTP/09/14 refers) is ongoing. The approved Audit Plan provided for the voluntary inclusion of a new Annual Governance Statement. The Annual Governance Statement is intended to provide a comprehensive report on public sector bodies' governance arrangements. As discussed in the separate report on Single Outcome Agreements, there is a need to review and update the Partnership's Governance processes and procedures to reflect the changed public sector environment. A review of Governance policies and procedures is to be undertaken by the Director and Proper Officers during 2009, with a view to enabling inclusion of an Annual Governance Statement within the 2009/10 Annual Accounts. A Statement on the System of Internal Financial Control is included in the 2008/09 Accounts.
- 2.3 At its meeting on 10 March 2009 the Partnership noted a potential underspend of up to £144,000 in the 2008/09 RTS Implementation Budget, which is funded from award of Scottish Government Grant in Aid (Report RTP/09/15 refers). At that time officials were seeking Scottish Government agreement to this funding being carried forward into 2009/10, in line with previously advised Grant in Aid flexibility. Subsequently officers were advised that no provision for carry forward of Revenue Grant in Aid would be

permitted. In finalising the Annual Accounts the level of projected underspend was reduced to £87,019 with an equivalent reduction being made to the Partnership's Grant in Aid award for 2008/09. This position is reflected in the Unaudited Accounts.

- 2.4 In addition there was an overall underspend on Core expenditure of £67,552 plus a further accrual of Interest on Revenue Balances (IORB) of £29,647. At its meeting on 10 March 2009 the Partnership previously agreed that a projected underspend of £48,000 in the 2008/09 Core Budget should be utilised to offset partner Councils' Core Budget contributions in 2009/10. It is proposed that the remaining balance of £49,199 is used to supplement the 2009/10 Revenue Programme, in part off-setting the loss of 2008/09 Grant in Aid.
- 2.5 Copies of the Audited Accounts must be issued to all members of the Partnership within two months of the completion of the Audit. A further report on the Audited position will be submitted to the Partnership meeting on 22 September 2009.

### **3 CONSULTATIONS**

- 3.1 The 2008/09 Accounts have been compiled by the Treasurer in consultation with TACTRAN officials and with input from Finance Officers of the constituent Councils as appropriate.

### **4 RESOURCE IMPLICATIONS**

- 4.1 Costs amounting to £10,300, associated with the Audit Fee, are provided for within the Partnership's Core Revenue budget.

**John Symon**  
Treasurer

**Eric Guthrie**  
Director

Report prepared by Jim Cockburn. For further information contact email [jcockburn@pkc.gov.uk](mailto:jcockburn@pkc.gov.uk) or telephone 01738 476362

### **NOTE**

Background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) relied on to a material extent in preparing this Report :-

Tayside and Central Scotland Transport Partnership: Statement of Accounts for Year Ended 31 March 2009 - Unaudited



**TAYSIDE AND CENTRAL SCOTLAND  
TRANSPORT PARTNERSHIP**

**STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2009**

**UNAUDITED**

# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## STATEMENT OF ACCOUNTS 2008/2009

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# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## MEMBERS AND OFFICIALS 2008/2009

### ABOUT THE PARTNERSHIP

The Tayside and Central Scotland Regional Transport Partnership (*tactran*) is a statutory body established under the Transport (Scotland) Act 2005. *tactran* works with its partner authorities, Angus Council, Dundee City Council, Perth & Kinross Council and Stirling Council, and with Scottish Government, Transport Scotland, transport providers and other key stakeholders, to improve and develop Scotland's transport infrastructure and services, in support of promoting sustainable economic growth, social inclusion and environmental sustainability.

### MEMBERSHIP

The membership of *tactran* is prescribed by legislation in the Regional Transport Partnerships (Establishment, Membership and Constitution) (Scotland) Order 2005. As set out in the Order, the *tactran* Board consists of 10 Councillor Members and 4 or 5 non-Councillor Members. Councillor membership comprises 3 Councillors from Dundee City; 3 Councillors from Perth & Kinross; 2 Councillors from Angus and 2 Councillors from Stirling. Non-Councillor appointments are subject to the consent of Scottish Ministers. The Partnership may also appoint any such number of Observers or Advisors as they consider appropriate.

#### Councillor Members

During the year from 1 April 2008 to 31 March 2009 the membership of the Partnership was:

#### **Angus Council**

Councillor Iain Gaul

Councillor John Whyte

#### **Dundee City Council**

Councillor Brian Gordon

Councillor Fraser Macpherson (Chair)

Bailie Rod Wallace

#### **Perth and Kinross Council**

Councillor Ann Gaunt

Councillor Alan Jack (Deputy Chair)

Councillor John Kellas

#### **Stirling Council**

Councillor Andrew Simpson

Councillor Jim Thomson

#### Non-Councillor Members

Legislation provides for the appointment of 4 or 5 non-Councillor Members. The Partnership has opted to appoint the maximum 5 non-Councillor members. Initial appointments to these positions were made by the Transport Minister. The following non-Councillor members served during 2008/2009:

#### **Robert Andrew**

#### **Until 1 November 2008**

Robert has significant experience of passenger transport, much of this in senior executive positions in the Scottish and UK bus industry, including as Regional Director, Stagecoach Scotland. He resigned from the Partnership in November 2008, following his appointment to another senior role within the Stagecoach Group in north west England.

**Doug Fleming****From 3 February 2009**

Following a public appointments process and endorsement of his appointment by the Transport Minister, Doug Fleming was appointed to the vacancy arising from Robert Andrew's resignation, in February 2009. Doug has over 45 years experience in the transport industry including Managing Director experience with Travel Dundee and the Stagecoach Group. He retired from the industry in October 2008.

**Professor Malcolm Horner**

Malcolm is Emeritus Professor of Engineering Management at the University of Dundee and is a past Chair of Scottish Enterprise Tayside. He has wide experience of working at Board level in both private and public sector organisations and has a deep interest in and understanding of strategic transport and sustainability issues.

**Gavin Roser**

Gavin has 40 years experience in transport and is well known for his lateral vision in all modes of freight transport, including extensive knowledge of national and international freight and logistics. He has held a number of senior appointments with road, rail and shipping companies and is Director of Pantrak Transportation Limited.

**Professor Tony Wells****From 24 June 2008**

Tony is Chief Executive of NHS Tayside and brings a wealth of knowledge and understanding of health sector policy and strategy to the Partnership. The relationships between transport and health are key aspects of the Regional Transport Strategy (RTS) and Tony's strategic knowledge and experience will inform development of effective policy and delivery linkages across these areas.

**Bill Wright**

Bill has over 20 years experience at senior management level in business consultancy and has a long interest and involvement in all aspects of sustainable transport, with particular knowledge and expertise in the fields of walking and cycling. He is a Director of Cycling Scotland and was previously a Director of Sustrans.

**Advisers**

Regional Transport Partnerships are able to appoint Advisors/Observers, to assist them in their work. *tactran* has agreed to identify appropriate Adviser support through the various Regional Stakeholder Fora it has established to assist in informing the development of the Regional Transport Strategy and associated RTS Delivery Plan.

**PARTNERSHIP STAFF****Partnership Director**

Eric Guthrie has been employed as Partnership Director since 17 July 2006. He has over 30 years experience in transport, most of this in the fields of public transport co-ordination and transportation policy and planning within Local Government. As the Partnership's Chief Officer, Eric is responsible for ensuring that the Partnership meets all of its statutory duties and for managing the Partnership and its resources.

**Projects Manager**

Niall Gardiner took up post as Projects Manager on 29 October 2007. He has over 20 years experience working in transportation and engineering with Tayside Regional Council and then Dundee City Council. Niall is responsible for managing the development and implementation of the Partnership's Revenue and Capital delivery programmes, in liaison with partner Councils and other stakeholders.

**Strategy Manager**

Michael Cairns took up post as Strategy Manager on 19 November 2007. He has 30 years experience working in public transport coordination, transport planning, traffic engineering and parking management, with local authorities in Scotland, England and Wales. Michael is responsible for managing development and implementation of the Regional Transport Strategy and related sub-Strategies, in liaison with partner Councils and other stakeholders.

**Travel Plan Officer**

Merry Scott took up post as Travel Plan Officer on 1 January 2007. She joined *tactran* from Dundee City Council and has 7 years experience of developing and delivering Travel Plans and associated sustainable travel measures. Merry is responsible for developing and implementing the Partnership's Travel Plan Strategy and Action plan, working with partner Councils, Health Boards, Scottish Government and other public and private sector agencies.

**Office Manager / Personal Assistant to Director**

Ashley Roger took up post as Office Manager / Personal Assistant to the Director on 29 January 2007. She has 12 years office management / PA experience in the private and public sectors. Ashley is responsible for overseeing all aspects of office management and related administrative, clerical, personnel and financial support to the Partnership's staff and members, and providing PA support to the Partnership Director.

**Trainee Administration Assistant**

Hayley Thomson was employed as Trainee Administration Assistant through the Skillseekers scheme until June 2008. She was responsible for supporting the Officer Manager in providing all aspects of clerical and administrative support to the Partnership's staff and members.

**Clerical Assistant**

Muriel Muirhead took up post as Clerical Assistant on 1 September 2008. She has administrative and clerical experience in both the private and public sectors. Muriel is responsible for providing all aspects of clerical and administrative support to the Partnership's staff and members, working under the general direction of the Office Manager/PA to Director.

**Further information on *tactran* can be found on the Partnership's website – [www.tactran.gov.uk](http://www.tactran.gov.uk)**

# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## REPORT BY PARTNERSHIP DIRECTOR

### INTRODUCTION

*tactran* is one of seven Regional Transport Partnerships (RTP's) created under the Transport (Scotland) Act 2005 to oversee the strategic planning and delivery of transport at a regional level. The Partnership covers the Angus, Dundee City, Perth & Kinross and Stirling Council areas, which together represent roughly 12% of mainland Scotland and nearly 10% of the nation's population. As a "Model 1" RTP, the Partnership's main statutory duties are to prepare and coordinate the delivery of a Regional Transport Strategy (RTS) for the region and to engage in Community Planning.

### DEVELOPMENTS AND ACHIEVEMENTS

This report outlines the main areas of development and progress the Partnership has made in its third full year of operation, during 2008/2009.

In April 2008 the initial 2-year terms of appointment for non-Councillor Members Robert Andrew, Professor Malcolm Horner and Bill Wright expired. Following a review process, undertaken in accordance with statutory Guidance on the membership of RTP's, the Partnership agreed to re-appoint all three members for a further two years, until the end of April 2010. These re-appointments were duly endorsed by Ministers. In June 2008 Professor Tony Wells joined the Partnership Board representing the health sector and Doug Fleming was appointed in February 2009, following a vacancy arising from the resignation of Robert Andrew owing to a career move.

The Partnership submitted its Finalised Regional Transport Strategy to the Transport Minister on 30 March 2007, in compliance with the requirements of the Transport (Scotland) Act 2005. In early 2008 the Scottish Government requested that all RTP's review their Strategies and resubmit these in the form of "high level" documents, focussing on the strategies necessary to support Government's key strategic objectives. Interventions contained within previously developed Strategies were also to be removed and addressed through refined Delivery Plans, which prioritise delivery actions within the context of available finance and the Scottish Government/Local Government Concordat. The Partnership reviewed its RTS in line with Scottish Government's requirements and a revised RTS was approved for submission to Ministers on 28 April 2008. Scottish Ministers confirmed approval of the revised RTS on 24 June 2008. The finalised RTS for publication was approved by the Partnership at its subsequent meeting on 28 October 2008.

During 2008 work progressed on developing and consulting on sub-Strategies, which set out in more detail the Partnership's priorities and proposals in relation to four specific strands of the RTS, namely Walking & Cycling; Buses (including Demand Responsive and Community Transport); Travel Information; and Park & Ride. Following consultation with partner Councils and other key stakeholders, the Partnership approved publication of these four sub-Strategies on 28 October 2008.

The Partnership had submitted an Indicative RTS Delivery Plan to Scottish Government officials in April 2007. Work on refining the RTS Delivery Plan, in light of the Government/Local Government Concordat and emerging local authority Single Outcome Agreements, was a major focus of the Partnership's activity during 2008/09. A revised Delivery Plan, setting out a proposed 3 year Implementation Programme for the period 2009/10 – 2011/12, based on funding equivalent to former RTP Capital Grant totalling £10.2 million, which now forms part of the Local Government Block Capital Grant to Councils, plus an indicative Investment Plan totalling £211.2 million for the 15 year period of the RTS, was approved by the Partnership in October 2008. Following consultation with partner Councils, the Partnership agreed in March 2009 to review the Delivery Plan, in light of the outcome of Council Budget and funding decisions which have resulted in partial commitment of the funding necessary to deliver the proposed Delivery Plan Programme. Securing agreement on the implementation of the Delivery Plan will remain a key priority for the Partnership in 2009/10.

An RTS Implementation Revenue Programme totalling £405,000 was progressed during the year. In addition to completing work on defining sub-Strategies with associated Action Plans, other activity included work on developing a Monitoring Framework for the RTS; updating Accessibility Planning data; a major study into the potential for introducing additional passenger rail services and facilities on the route to/from Glasgow and comprehensive station car parking survey; feasibility studies into proposed Park & Ride options; a study into the potential for developing urban and rural Demand Responsive Transport initiatives; and establishment of a regional Freight Quality Partnership. The Partnership also contributed towards the ongoing development of options for upgrading Dundee Station; a jointly funded study with Highland Spring into the feasibility of a rail

freight facility in Blackford; and initial design work on completion of the Doune – Callander link in the National Cycle Network.

Work continued on implementing the Regional Travel Plan Strategy and Action Plan, with the Travel Plan Officer supporting development of Active Travel Plans and initiatives in the 4 partner Councils, NHS Tayside and NHS Forth Valley. The Partnership also funded specific Travel Plan supporting measures with the Councils and Health Boards, and continued to promote the benefits of Active Travel measures and campaigns with other major public and private sector employers and through public awareness campaigns generally. The Partnership saw continued growth in its [www.tactranliftshare.com](http://www.tactranliftshare.com) car sharing website and funded a number of sustainable travel initiatives through continuation of its Sustainable Travel Grant Scheme.

A joint Capital Programme with Dundee City Council and Perth & Kinross Council, totalling £2.001 million was progressed during 2008/09. Projects completed included improvements to the Swallow Roundabout junction at A90/A85 to relieve congestion and reduce rat-running of strategic traffic through Invergowrie; development of the National Cycle Network, bus punctuality and public transport accessibility improvements in Dundee; provision of Real Time passenger information in Invergowrie, Kingoodie and bus passenger infrastructure enhancements in the Lower Carse of Gowrie/A90 corridor between Dundee and Perth. Work also commenced on provision of improved passenger waiting facilities at the Broxden Park & Ride site and design on the new Tay Crossing/road link from A94 to A9 and the Connect 2 pedestrian and cycle bridge in Perth. A number of RTS projects including Quality Bus Corridor improvements between Arbroath and Dundee, design work for improvements to Arbroath Bus Station, bus passenger infrastructure improvements and provision of walking and cycling facilities were progressed through Angus Council's Capital Programme, whilst measures in support of Park & Ride, route action on the A81, extension of the National Cycle Network and Dunblane commuter parking improvements were funded by Stirling Council.

In addition to core activities, the Partnership has continued to contribute towards development of national transport policy and delivery through engaging with other RTP's, Scottish Government, Transport Scotland and transport providers on development of the National Transport Strategy, Buses Action Plan, Strategic Transport Projects Review and rail timetable and station facilities enhancements.

Moving forward into 2009/10 the priorities for the Partnership will be the development of an agreed RTS Delivery Plan and securing the necessary funding to enable ongoing delivery of RTS priorities against a background of increasingly tight public and private sector finances. A key element of this will be the alignment of RTS objectives and priorities with emerging Community Planning Partnership Single Outcome Agreements, which the Partnership will play an active role in supporting, in line with its statutory duty to engage with Community Planning.

## **ACKNOWLEDGEMENTS**

On behalf of myself, and all of the Partnership's staff, I wish to record grateful thanks to the Chair, Deputy Chair and all other Members of the Partnership for their continued commitment, support, encouragement and co-operation during what has been another varied and at times challenging year.

I also wish to express our sincere thanks and appreciation to the Secretary to the Board, Gillian Taylor, the Treasury team of John Symon and Jim Cockburn, and Legal Officer, Ian Innes, and their respective staffs, for their continued advice, support and assistance to the Partnership Board and *tactran* staff throughout the year.

Finally, my own very sincere thanks to the Partnership's own staff and the numerous staff within our partner Councils and other stakeholder bodies and groupings, for their dedication and support throughout another busy year, in which the Partnership has made significant progress on the development and implementation of its Regional Transport Strategy against an evolving political and financial background.

**Eric Guthrie**  
**Partnership Director**  
*tactran*  
xx June 2009

# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## EXPLANATORY FOREWORD BY TREASURER

### 1 INTRODUCTION

This foreword is presented as a commentary on the overall financial position of *tactran* as shown within the Statement of Accounts for the year ended 31 March 2009 and contains explanations of the major influences on the Partnerships income, expenditure and cash flow.

### 2 ACCOUNTING POLICIES

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

### 3 THE FINANCIAL STATEMENTS

#### **Income and Expenditure Account**

This statement sets out the budgeted and actual expenditure and income for the Partnership.

#### **Statement of Movement on the General Fund Balance**

This statement compares the funding that the Partnership received for the year, taking into account the use of any reserves together with any contributions to funds and reserves.

#### **Statement of Total Recognised Gains and Losses**

This statement brings together all the recognised gains and losses of the Partnership during the period.

#### **Balance Sheet**

This statement shows the overall financial position of the Partnership as at 31 March 2009.

#### **Cash Flow Statement**

This statement details the inflows and outflows of cash arising from revenue and capital transactions during the year.

#### **Notes to the Core Financial Statements**

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

### 4 STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

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

### 5 STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

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

### 6 REVENUE EXPENDITURE

At its meeting on 29 April 2008, the Tayside and Central Scotland Transport Partnership Board approved the 2008/2009 Core Revenue Budget of £450,000 of which £240,000 was met by funding from the Scottish Government. A further £210,000 was requisitioned from the four constituent Councils, in line with the following apportionment (based on the Scottish Government methodology of 95% population and 5% area):

		£
Angus Council	22.9%	48,090
Dundee City Council	28.4%	59,640
Perth and Kinross Council	30.3%	63,630
Stirling Council	18.4%	38,640
Total Council Requisitions	<u>100%</u>	<u>210,000</u>

The Scottish Government also provided additional revenue funding for financial year 2008/2009 for specific areas of expenditure and these are listed below:

	£
Regional Transport Strategy Grant	405,000
Travel Plan Grant	104,000
Total Specific Grants	<u>509,000</u>

Finally, there was £62,000 of income brought forward from 2007/2008.

This gave the Partnership a total 2008/2009 budget of £1,021,000.

The Partnership Board received revenue and capital monitoring reports during 2008/2009 in order to keep the members fully apprised as to the projected budget outturn position.

For 2008/2009, the following were the main variances:

*Roads and Transport (Underspend £111,000)*

This underspend arose as a result of reduced expenditure on the Regional Transport Strategy budget (£120,000) – primarily on the Development of Park and Ride Strategies Priorities (£54,000) and Development of the RTS Delivery Plan (£18,000) – together with a delay in filling vacant posts (£49,000).

This was offset by a net reduction in income of £73,000 from the Scottish Government, as a result of delays in the above projects.

Finally, Financial Reporting Standard (Retirement Benefits) (FRS 17) requires that the current service costs in respect of pensions less employer contributions is credited to the Income and Expenditure account – for 2008/2009 this is £15,000.

*Interest and Investment Income (Reduction in Income £29,000)*

Although the budgeted level of Income was received, as a result of slippage on various projects it was not required in 2008/2009, therefore £29,000 has been carried forward to be utilised in 2009/2010.

*Pensions Interest Costs and Expected Return on Pension Assets (Unbudgeted Cost £45,000)*

FRS 17 requires that the net figure of the interest on pension scheme liabilities and the expected return on employer assets is charged to the Income and Expenditure account – for 2008/2009 this charge is £45,000.

*Requisitions from Councils (Reduced Income £67,000)*

As a result of the reduced level of expenditure, the Partnership did not require the full amount of monies due from the four constituent Councils.

The overall deficit on the Income and Expenditure account is £30,000 which reflects, in accordance with FRS 17, the entries required in respect of pension costs.

## **7 GENERAL FUND**

The Partnership has, under the Transport Act 2005, no powers to hold a balance on the General Fund. Any underspends are, therefore, treated as creditors repayable to the funder or amounts received in advance from the funding source.

## **8 CAPITAL EXPENDITURE**

During 2008/2009, the Partnership did not incur any capital expenditure.

## **9 PENSION LIABILITY (FRS 17)**

Under FRS 17 the Partnership is required to include in the Statement of Accounts amounts relating to the assets, liabilities, income and expenditure related to the pension schemes for its employees. It has been estimated that the Partnership had a net pension liability of £290,000 as at 31 March 2009. The estimated net pension liability at 31 March 2008 was £242,000 (Restated). Further information on the Pension assets and liabilities is detailed within the Core Financial Statements and within Note 8 to the Core Financial Statements.

## **10 ACKNOWLEDGEMENTS**

During the 2008/2009 financial year the Partnership's financial position has required continuous scrutiny and strict budgetary control. I would wish to place on record my appreciation of the excellent work carried out by the Partnership's officers, supported by the officers of Perth and Kinross Council, in controlling the Partnership's expenditure and income.

The control of expenditure and income is an ongoing and substantial exercise which requires a positive contribution from staff and elected members to ensure that the Partnerships financial objectives are achieved and that financial resources are fully utilised.

Finally, I would conclude the report by thanking all staff who have contributed to the preparation of the Partnership's 2008/2009 Statement of Accounts.

**John Symon ACA**  
**Treasurer**  
*tactran*  
**xx June 2009**

# **TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**

## **STATEMENT OF ACCOUNTING POLICIES**

### **GENERAL**

This Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom - A Statement of Recommended Practice 2008 (SORP) and the Best Value Accounting Code of Practice (BVACOP), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

The Statement of Accounts is intended to present fairly the financial position and transactions of the Partnership and has been prepared in accordance with the fundamental accounting principles of relevance, reliability, comparability, understandability and materiality.

### **REVENUE TRANSACTIONS**

Revenue transactions are included in the accounts on an accruals basis, they are recognised as they are earned or incurred, not as money is received or paid.

### **REVENUE DEBTORS AND CREDITORS**

All specific and material sums payable to and due by the Partnership as at 31 March 2009 have been brought into account. All salaries and wages payable up to 31 March 2009 are included in the Statement of Accounts for that year, irrespective of when actual payments were made. Sundry creditors and debtors include all specific accruals in respect of further material items.

### **LEASES**

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

Where the Partnership is the lessee in an operating lease, the rentals payable (net of benefits received or receivable) are charged to revenue on a straight line basis over the term of the lease.

### **GOVERNMENT GRANTS**

The Partnership received substantial grant funding from the Scottish Government in 2008/2009. This was used to finance the Partnership's expenditure programme. Government grants are accounted for on an accruals basis and are credited to the Income and Expenditure account.

### **INSURANCE**

Expenditure included in the Statement of Accounts relates to premiums paid.

### **VALUE ADDED TAX**

Value Added Tax is included in the Statement of Accounts only to the extent that it is irrecoverable.

## **PENSIONS**

In accordance with the SORP, Financial Reporting Standard 17 (Retirement Benefits) (FRS 17) has been implemented in full in preparing the accounts for 2008/2009.

FRS 17 requires that the financial statements reflect at fair value the assets and liabilities underlying the employer's obligations relating to retirement benefits, and that the true cost of these obligations is recognised.

A change for 2008/2009 is that FRS 17 now requires the fair value of scheme assets to be valued on a "bid value" basis rather than the previous "mid market" value. This revised valuation method has been used for the 2008/2009 figures, however, as there are no comparable figures for the 2007/2008 values, these have not been restated and remain at the previous valuation method.

The Actuary to the Tayside Superannuation Fund was commissioned by the Partnership to undertake an assessment of the cost, income, assets and liabilities of the Fund attributable to the Partnership at 31 March 2009. The Actuary's assessment of the true cost of retirement benefits earned by employees during the year has been charged against Services in the Income and Expenditure Account whilst the pension's assets and liabilities attributable to the Partnership are reflected within the Balance Sheet. Under the Local Government Pension Reserve Fund (Scotland) Regulations 2003, the Partnership has established a Pensions Reserve to account for its long term net pension's liability.

## **FINANCIAL INSTRUMENTS**

In the disclosure note, financial instruments are also required to be shown at fair value. Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2009

2007/08 £000	Notes	Gross Expenditure £000	Gross Income £000	Net (Income)/ Expenditure £000	Budgeted Net (Income)/ Expenditure £000
<b>SERVICES</b>					
(1)	Roads and Transport	803	708	95	206
264	Grants for Capital Expenditure	0	0	0	0
35	Corporate & Democratic Core	34	0	34	34
0	Non-Distributed Costs	0	0	0	0
<b>298</b>	<b>NET COST OF SERVICES</b>	<b>837</b>	<b>708</b>	<b>129</b>	<b>240</b>
(134)	Interest and Investment Income	0	1	(1)	(30)
11	Pensions Interest Costs and Expected Return on Pension Assets	45	0	45	0
<b>175</b>	<b>NET OPERATING EXPENDITURE</b>	<b>881</b>	<b>709</b>	<b>173</b>	<b>210</b>
(150)	Constituent Council Requisitions	0	143	(143)	(210)
<b>25</b>	<b>DEFICIT FOR THE YEAR</b>			<b>30</b>	<b>0</b>

# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

For the year ended 31 March 2009

The Income and Expenditure account shows the Partnership's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Partnership is funded on a different accounting basis, the main difference being that retirement benefits are changed as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

<i>2007/08</i>		<b>2008/09</b>
<i>£000</i>		<b>£000</b>
25	Deficit in the Income and Expenditure Account	30
(25)	Net Additional Amount required by Statute or Non-Statutory Proper Practices to be credited to the General Fund Balance for the year (Note 9)	(30)
<hr/> <u>0</u>	<b>General Fund Surplus</b>	<hr/> <u>0</u>
0	General Fund Balance Brought Forward	0
<hr/> <u>0</u>	General Fund Balance Carried Forward	<hr/> <u>0</u>

# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 March 2009

This statement brings together all the gains and losses of the Partnership for the year and shows the aggregate increase or decrease in its net worth. In addition to the surplus or deficit on the Income and Expenditure account, it includes gains and losses relating to re-measurement of the net liability to cover the cost of retirement benefits.

<i>2007/08</i>		<b>2008/09</b>
<i>£000</i>		<b>£000</b>
25	Deficit on the Income and Expenditure Account for the Year	30
(47)	Actuarial Loss/(Gain) on Pension Assets and Liabilities (Note 8)	18
<u>(22)</u>	<b>Total Recognised Loss/(Gain) for the Year</b>	<u>48</u>

# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## BALANCE SHEET

<i>Restated</i> <i>As at</i> 31 March 2008 £000    £000		Note  31 March 2009 £000    £000	
<b>Current Assets</b>			
142	Debtors	12	111
<u>3,775</u>	Cash and Bank		<u>166</u>
			<u>277</u>
			<u>3,917</u>
<b>Less Current Liabilities</b>			
<u>(3,917)</u>	Creditors	13	<u>(277)</u>
			<u>(277)</u>
			<u>(3,917)</u>
	<b>0 Total Assets less Current Liabilities</b>		<b>0</b>
<u>(242)</u>	Net Pension Liabilities	8	<u>(290)</u>
<u>(242)</u>	<b>Net Liabilities</b>		<u><b>(290)</b></u>
<b>Financed by Fund Balances and Reserves:</b>			
0	General Fund		0
<u>(242)</u>	Pensions Reserve		<u>(290)</u>
<u>(242)</u>			<u><b>(290)</b></u>

**J Symon ACA**  
 Treasurer  
*tactran*

The unaudited accounts were issued on xx June 2009  
 and the audited accounts were authorised for issue on xx August 2009

# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## CASH FLOW STATEMENT

2007/08			2008/09	
£000	£000	Note	£000	£000
<b>Revenue Activities</b>				
Cash Outflows:				
206			279	
<u>3,939</u>			<u>4,213</u>	
	4,145			<u>4,492</u>
Cash Inflows:				
(150)			(194)	
<u>(4,606)</u>			<u>(660)</u>	
	<u>(4,756)</u>			<u>(854)</u>
	(611)	16		<b>3,638</b>
<b>Returns on Investment and Servicing of Finance</b>				
Cash Inflows:				
(60)			(29)	
	<u>(60)</u>			<u>(29)</u>
	<u>(671)</u>	17		<u><b>3,609</b></u>
<b>Net Decrease in Cash</b>				

# TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 1 ACQUIRED AND DISCONTINUED OPERATIONS

In 2008/2009 there were no acquired or discontinued operations.

### 2 EXCEPTIONAL AND EXTRAORDINARY ITEMS

In 2008/2009 there were no exceptional or extraordinary items.

### 3 PRIOR PERIOD ADJUSTMENTS

The pension liability stated in the 2007/2008 accounts was £239,000. This was based on the estimated return provided by Fund Actuary. The pension liability based on the actual return increased to £242,000. To ensure figures in the Balance Sheet and disclosure figures in Note 8 are comparable, the figures for 2007/2008 have been restated as follows:

	<b>Balance Sheet 2007/08 £ 000</b>	<b>Increase in Liability £ 000</b>	<b>Comparatives in Balance Sheet 2007/08 £ 000</b>
<b>SERVICES</b>			
Pension Liability	(239)	3	(242)
<b>IMPACT ON NET LIABILITIES</b>	<b>(239)</b>	<b>3</b>	<b>(242)</b>

### 4 PUBLICITY ACCOUNT

Section 5 of the Local Government Act 1986 requires the Partnership to keep a separate account of expenditure on publicity. During 2008/2009 the Partnership incurred the expenditure shown below on publicity:

<i>2007/08</i> £		<b>2008/09</b> £
6,056	Employment Advertising	11,283
10,200	Publicity Advertising	33,350
<u>16,256</u>		<u>44,633</u>

## 5 OFFICERS REMUNERATION

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £10,000 were:

Number of Employees 2007/08	Salary Banding	Number of Employees 2008/09
0	£50,000 - £59,999	0
0	£60,000 - £69,999	0
1	£70,000 - £79,999	1

## 6 TRANSACTIONS WITH RELATED PARTIES

The four constituent Councils are considered to be related parties of *tactran*, in terms of the Accounting Code of Practice, as both are subject to common control by Central Government. During the 2008/2009 financial year, the Partnership entered into a number of transactions with the constituent Councils and these are detailed as follows:

2007/08			2008/09	
Income From £	Payments To £		Income From £	Payments To £
<b>Angus Council</b>				
(34,350)	0	<i>tactran</i> Requisition	(43,956)	0
0	75	Supplies and Services	0	0
0	3,053	Third Party Payments	0	3,725
0	782,255	Grant for Capital Expenditure	0	0
<u>(34,350)</u>	<u>785,383</u>		<u>(43,956)</u>	<u>3,725</u>
<b>Dundee City Council</b>				
(42,600)	0	<i>tactran</i> Requisition	(54,503)	0
(25,150)	0	Other Income	0	0
0	1,680	Supplies and Services	0	1,804
0	21,200	Third Party Payments	0	27,250
0	634,303	Grant for Capital Expenditure	0	0
<u>(67,750)</u>	<u>657,183</u>		<u>(54,503)</u>	<u>29,054</u>
<b>Perth &amp; Kinross Council</b>				
(45,450)	0	<i>tactran</i> Requisition	(58,152)	0
(134,484)	0	Interest Receivable	(1,289)	0
(300)	0	Other Income	0	0
0	2,800	Indirect Staff Costs	0	0
0	3,500	Supplies and Services	0	9,443
0	1,200	Third Party Payments	0	10,946
0	24,000	Central Support Services	0	24,000
0	1,274,994	Grant for Capital Expenditure	0	0
<u>(180,234)</u>	<u>1,306,494</u>		<u>(59,441)</u>	<u>44,389</u>

Table Continued

2007/08			2008/09	
Income From £	Payments To £		Income From £	Payments To £
		<b>Stirling Council</b>		
(27,600)	0	<i>tactran</i> Requisition	(35,314)	0
0	1,847	Supplies and Services	0	14,212
0	3,352	Third Party Payments	0	48,432
0	1,578,190	Grant for Capital Expenditure	0	0
(27,600)	1,583,389		(35,314)	62,644

**7 EXTERNAL AUDIT FEES**

The external auditors of the Partnership are appointed by the Accounts Commission for Scotland, for a period of 5 years. The total fee payable to Henderson Loggie in respect of the 2008/2009 financial year, for external audit services undertaken in accordance with the Code of Audit Practice, is £10,300 (2007/2008 £10,484). During 2008/2009, the external auditor did not provide any other services to the Partnership other than the duties undertaken in accordance with the Code of Audit Practice.

**8 PENSION COSTS**

In accordance with Financial Reporting Standard 17 (Retirement Benefits) (FRS 17), the Partnership is required to include figures in its Statement of Accounts relating to assets, liabilities and income and expenditure related to the pension scheme for its employees. The standard requires employing organisations to account for retirement benefits in the period in which they are committed to give them, even if the actual payment of these benefits will be many years in the future.

The Partnership participates in the Local Government Superannuation Scheme (Tayside Superannuation Fund), which is administered by Dundee City Council and is a Defined Benefits Scheme. The Partnership is recognised as a Scheduled Body within the Superannuation Regulations and therefore its employees can be admitted to the Fund.

The Tayside Superannuation Fund is subject to triennial revaluation with the last full review being at 31 March 2005. Under Pension Regulations, employer's contribution rates are set to meet 100% of the overall liabilities of the Fund. In 2008/2009 the Partnership paid an employer's contribution of £41,580 (2007/2008 £26,400) into the Tayside Superannuation Fund. This figure is projected to be £43,659 for 2009/10.

The table below summarises the entries reflected within the Income and Expenditure account in respect of accounting for pension costs under FRS 17:

2007/08 £		2008/09 £
	<b>Operating Costs</b>	
40,817	Current Service Cost	26,025
0	Past Service Cost	0
40,817	Total Operating Charge	26,025
	<b>Expected Returns</b>	
(19,270)	Expected Return on Employer Assets	(28,430)
29,984	Interest on Pension Scheme Liabilities	73,780
10,714	Net Charge	45,350
51,531	<b>Net Charge to the Income and Expenditure Account</b>	71,375

The SORP requires information to be provided in the notes to the accounts on the Council's assets and liabilities arising from its retirement benefit obligations as defined under FRS 17.

The Fund Actuary has used the following financial assumptions to value the Partnership's share of the assets and liabilities of the Fund as at 31 March 2009:

<i>2007/08</i>		<b>2008/09</b>
3.7%	Rate of inflation	3.0%
5.2%	Rate of increase in salaries	4.5%
3.7%	Rate of increase in pensions	3.0%
6.6%	Rate for discounting scheme liabilities	6.7%

The Fund Actuary has used the following mortality assumptions:

Life Expectancy From Age 65:		Years
Retiring Today	Males	21.37
	Females	24.44
Retiring in 20 Years	Males	22.30
	Females	25.34

The Actuary's assessment of the share of the Fund's assets and liabilities attributable to the Partnership at 31 March 2009 is set out below. The estimates have been prepared in accordance with guidance on accounting for retirement benefits under FRS 17 issued by the Institute and Faculty of Actuaries:

<i>Restated</i> 31 March 2008 £	<i>Expected</i> Return % Per Annum		<b>31 March 2009</b> £	<b>Expected</b> Return % Per Annum
<b>Assets</b>				
288,121	7.0%	Estimated Employer Fair Value of Scheme Assets (Bid Value)	783,287	3.0%
(530,178)		Present Value of Funded Obligation	(1,072,997)	
<u>(242,057)</u>		Net Pension Liability	<u>(289,710)</u>	

The Asset Allocation as at 31 March 2009 is:

<i>2007/08</i>		<b>2008/09</b>
68.8%	Equities	64.4%
12.7%	Gilts	11.5%
4.9%	Other Bonds	8.5%
10.9%	Property	10.1%
2.8%	Cash	5.5%
<u>100.0%</u>	Total	<u>100.0%</u>

Reconciliation of Opening and Closing Balances of the Fair Value of Scheme Assets:

<i>31 March 2008 £</i>		<b>31 March 2009 £</b>
266,286	Opening Fair Value of Scheme Assets	288,121
19,049	Expected Return on Scheme Assets	28,430
(33,214)	Actuarial Gains (Losses)	227,156
26,400	Contributions by Employer including Unfunded Pensions	41,580
9,600	Contributions by Scheme participants	13,200
0	Estimated Benefits Paid (Net of Transfers In)	184,800
<u>288,121</u>	Fair Value of Scheme Assets at End of Period	<u>783,287</u>

Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation:

<i>31 March 2008 £</i>		<b>31 March 2009 £</b>
530,385	Opening Defined Benefit Obligation	530,178
40,817	Service Cost	26,025
29,984	Interest Cost	73,780
(80,608)	Actuarial Losses (Gains)	245,014
0	Estimated Benefits Paid (Net of Transfers In)	184,800
9,600	Contributions by Scheme participants	13,200
<u>530,178</u>	Closing Defined Benefit Obligation	<u>1,072,997</u>

The movement in the Fund during 2008/2009 attributable to the Partnership is analysed below in accordance with CIPFA/LASSAC guidelines:

<i>Restated 2007/08 £</i>	<i>£</i>		<b>2008/09 £</b>	<b>£</b>
	(264,100)	Deficit at 1 April 2008		(242,057)
(40,817)		Current Service Cost	(26,025)	
26,400		Employer Contributions	41,580	
0		Past Service Cost	0	
(10,934)		Expected Net Return on Assets in the Scheme	(45,350)	
	<u>(25,351)</u>			<u>(29,795)</u>
	47,394	Actuarial Gains / (Losses)		(17,858)
	<u>(242,057)</u>	Deficit at 31 March 2009		<u>(289,710)</u>

The history of experience gains and losses is as follows:

<i>Restated 2007/08 Pensions Reserve £</i>		<b>2008/09 Pensions Reserve £</b>
(264,100)	Balance Brought Forward at 1 April 2008	(242,057)
	<u>Movements in Revenue Resources</u>	
(25,131)	Appropriations to Revenue	(29,795)
(33,434)	Difference between Expected and Actual Return on Pensions Assets	(204,040)
0	Experience gains arising on the scheme liabilities	(46,284)
80,608	Changes in financial assumptions underlying the present value of scheme liabilities	232,466
<u>(242,057)</u>	Balance as at 31 March 2009 – Net Pension Liability	<u>(289,710)</u>

## 9 RECONCILING ITEMS IN THE STATEMENT OF MOVEMENT ON GENERAL FUND BALANCE

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

<i>2007/08 £</i>		<b>2008/09 £</b>
	<b>Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the movement on the General Fund Balance for the year</b>	
(51,531)	Net charge made for retirement benefits in accordance with FRS 17	(71,375)
	<b>Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year</b>	
26,400	Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners	41,580
<u>(25,131)</u>	<b>Net additional amount required to be credited to the General Fund balance for the year</b>	<u>(29,795)</u>

## 10 FINANCE AND OPERATING LEASES

### *Partnership as Lessee*

The Partnership held no assets on finance lease during 2008/2009 (2007/2008: None) and, accordingly, there were no finance lease rentals paid to lessors during 2008/2009 (2007/2008: None). The Partnership occupies office premises in Perth on an operating lease which commenced in November 2006. The lease is for a period of 6 years with an option to break after 3 years. The annual rent is £12,000 to be reviewed in November 2009.

### *Partnership as Lessor*

The Partnership had no assets leased to third parties on finance or operating leases during 2008/2009 (2007/2008: None).

## 11 CONTINGENT ASSETS AND LIABILITIES

No contingent assets or liabilities existed at 31 March 2009 (2007/2008: None).

## 12 DEBTORS

<i>2007/08</i> <i>£ 000</i>		<b>2008/09</b> <b>£ 000</b>
	<u>Current (Due within 1 year)</u>	
31	Government Grants	53
36	Revenues and Customs	40
75	Perth and Kinross Council	18
<u>142</u>		<u>111</u>

## 13 CREDITORS

<i>2007/08</i> <i>£ 000</i>		<b>2008/09</b> <b>£ 000</b>
788	Angus Council	19
428	Dundee City Council	20
31	Government Grants (Paid in advance or repayable)	5
917	Perth and Kinross Council	87
1,587	Stirling Council	51
166	Other	95
<u>3,917</u>		<u>277</u>

## 14 BALANCES WITH RELATED PARTIES

The four Constituent Councils are considered to be related parties of *tactran*, in terms of the Accounting Code of Practice, as both are subject to common control by Central Government. The following balances existed between the Partnership and its related parties as at 31 March 2009.

<i>2007/08</i> <i>Amount Due To/ Received In Advance From</i> <i>£</i>		<b>2008/09</b> <b>Amount Due To/ Received In Advance From</b> <b>£</b>
	<b>Angus Council</b>	
11,335	<i>tactran</i> Requisition	15,469
3,053	Third Party Payments	3,725
773,363	Capital Grant	0
<u>787,751</u>		<u>19,194</u>

Table Continued

2007/08 Amount Due To/ Received In Advance From £		2008/09 Amount Due To/ Received In Advance From £
<b>Dundee City Council</b>		
14,048	<i>tactran</i> Requisition	19,185
703	Supplies and Services	707
10,000	Third Party Payments	0
402,889	Capital Grant	0
427,640		19,892
<b>Perth &amp; Kinross Council</b>		
(74,818)	Interest Receivable	27,961
14,991	<i>tactran</i> Requisition	4,561
23,583	Staff Costs	25,396
1,423	Supplies and Services	676
1,200	Third Party Payments	10,946
24,000	Central Support Services	0
852,260	Capital Grant	0
842,639		69,540
<b>Stirling Council</b>		
9,104	<i>tactran</i> Requisition	12,430
0	Third Party Payments	38,202
0	Supplies and Services	551
1,578,190	Capital Grant	0
1,587,294		51,183

**15 EVENTS AFTER THE BALANCE SHEET DATE**

There have been no events subsequent to 31 March 2009 that would have an impact on the financial statements.

16 RECONCILIATION OF REVENUE ACCOUNT SURPLUS/DEFICIT TO NET CASH FLOW FROM REVENUE ACTIVITIES

2007/08		2008/09	
£000	£000	£000	£000
(25)	Deficit for year per the Income and Expenditure Account	(30)	
<u>25</u>	<b>Items on a Non-Cash Basis</b> FRS 17 Adjustments (Note 9)	<u>30</u>	
	0		0
159	<b>Items on an Accrual Basis</b> (Increase)/Decrease in Debtors	31	
<u>512</u>	(Increase)/Decrease in Creditors	<u>(3,640)</u>	
	671		(3,609)
<u>(60)</u>	<b>Items Classified Elsewhere in the Cash Flow Statement</b> Interest Receivable	<u>(29)</u>	
	(60)		(29)
	<u>611</u>		<u>(3,638)</u>
	<b>Net Cash (Outflow)/Inflow from Revenue Activities</b>		

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

	2008/09 £000
Decrease in Cash in the Period	(3,609)
Change in Net Funds	<u>(3,609)</u>
Opening Net Funds at 1 April 2008	3,775
Closing Net Funds at 31 March 2009	<u>166</u>

**Analysis of Movement in Net Funds**

	1 April 2008 £000	Cash Flows £000	Non Cash Changes £000	31 March 2009 £000
Net Cash and Bank	3,775	(3,609)	0	166
<b>Total Net Funds</b>	<u>3,775</u>	<u>(3,609)</u>	0	<u>166</u>

## 18 FINANCIAL INSTRUMENT BALANCES

Accounting regulations require that the “financial instruments” shown on the balance sheet to be further analysed into various defined categories.

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- the fair value of trade and other receivables is taken to be the invoiced or billed amount

The fair value of an instrument is determined by calculating the Net Present Value (NPV) of future cash flows, which provides an estimate of the value of payments in the future in today’s terms.

### FAIR VALUE OF FINANCIAL LIABILITIES CARRIED AT AMORTISED COST

	31 March 2009		31 March 2008	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Creditors	(277)	(277)	(3,917)	(3,917)
Financial Liabilities	<u>(277)</u>	<u>(277)</u>	<u>(3,917)</u>	<u>(3,917)</u>

### FAIR VALUE OF FINANCIAL ASSETS CARRIED AT AMORTISED COST

	31 March 2009		31 March 2008	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Cash	166	166	3,775	3,775
Debtors	111	111	142	142
Loans and Receivables	<u>277</u>	<u>277</u>	<u>3,917</u>	<u>3,917</u>

### NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Partnership’s activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the Partnership
- liquidity risk – the possibility that the Partnership might not have funds available to meet its commitments to make payments
- market risk – the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates and stock market movements

#### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Partnership’s customers. The Partnership places deposits with The Co-operative Bank and Perth and Kinross Council.

The following analysis summarises the Partnership’s potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Partnership expects full repayment on the due date of deposits placed with its counterparties.

	Amounts at 31 March 2009 £000	Historical experience of default %	Historical experience adjusted for market conditions as at 31 March 2009 %	Estimated maximum exposure to default and uncollectability £000
Deposits with banks and other financial institutions	111	0	0	0
Loans to Others	0	0	0	0
Investments in subsidiaries	0	0	0	0
Bonds and other securities	0	0	0	0
Customers	0	0	0	0
<b>Total</b>	<b>111</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Debtors

The Partnership does not generally allow credit for customers, such that no amount of the balance is past its due date for payment. The level of debtors can be analysed by age as follows:

	<b>31 March 2009</b> <b>£000</b>
Less than three months	111
<b>Total</b>	<b>111</b>

### **Liquidity Risk**

The Partnership has deposits with both The Co-operative Bank and Perth and Kinross Council, both of which are on-call with immediate access. Therefore, there is no significant risk that the Partnership will be unable to raise finance from these sources to meet its commitments under financial instruments.

### **Market Risk**

The Partnership has no borrowings or investments and thus has no significant exposure to interest rate risk, price risk or foreign exchange risk.

## **19 AUTHORISATION OF ACCOUNTS**

The Statement of Accounts have been authorised for issue by John Symon, Treasurer on xx June 2009.

## TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

### STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

This statement is given in respect of the 2008/2009 Statement of Accounts for the Tayside and Central Scotland Transport Partnership. We acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

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

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

- a revenue budget system;
- the preparation of regular financial reports which indicate actual expenditure against the forecasts;
- annual financial reports which indicate actual financial performance against budget;
- clearly defined financial regulations, powers of delegation and scheme of administration; and
- setting targets to measure financial and other performance

*tactran* works in partnership with Perth and Kinross Council, which provides an internal audit service to *tactran*. During 2008/2009, the internal audit service undertook audits in line with the Councils audit plan.

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

- the work of senior officials and staff of the Partnership;
- the work done by the Internal audit team of Perth and Kinross Council, as described above;
- assurances received from the Partnership Board; and
- the external auditors in their annual audit letter and any other reports

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

**John Symon ACA**  
Treasurer  
*tactran*  
xx June 2009

**Eric Guthrie**  
Partnership Director  
*tactran*  
xx June 2009

**TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**  
**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

**The Partnership's responsibilities**

The Partnership is required to:

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

**The Treasurer's responsibilities**

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

In preparing this statement of accounts, the Treasurer has:

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

The Treasurer has also:

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

The Statement of Accounts presents fairly the financial position of the Partnership at the accounting date and its income and expenditure for the year ended 31 March 2009.

**John Symon ACA**  
**Treasurer**  
*tactran*  
**xx June 2009**

**PAGE FOR AUDIT CERTIFICATE**

