

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

**ERSKINE BRIDGE**

**ACCOUNTS 2005-06**

**Accounts prepared pursuant to section 22 (5) of the Public Finance  
and Accountability (Scotland) Act 2000 showing the Operating Account  
for the year ended 31 March 2006**

**Laid before the Scottish Parliament**  
**By the Scottish Ministers**  
**November 2006**

**SE/2006/209**

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

**ERSKINE BRIDGE ACCOUNTS 2005-06**

**FOREWORD**

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

**Tolls**

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

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

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

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

6. On 1 March 2006 a Tolls Suspension Order was published by the Department following the Transport Minister's announcement that the tolling regime on Erskine Bridge was to be lifted.

**Accounts**

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

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

9. The prior year figures (2004/5) have been adjusted to reflect a change in the treatment of the audit fee, now treated as a notional item and included within the items described in paragraph 8 above. This non-cash fee is now offset by a matching notional income figure as disclosed in Note 6.

10. Notwithstanding that the Tolls were removed from 31 March 2006, the fundamental service provided, namely the provision of a vehicular crossing point across the River Clyde, continues to be provided by Transport Scotland, an Executive Agency. Bridge maintenance and operations will be funded from the agency's Network Management budget. In that context these accounts continue to be prepared on a going concern basis.

11. For clarity the accounts for 2005-06 onward will be prepared and published in round thousands. This change has been agreed with Audit Scotland.

### **Toll Collection**

12. Following full and open competition, the contract for the toll collection operation was re-awarded to APCOA Parking (UK) Ltd with effect from 1 April 2002. The contractor collects tolls and carries out ancillary duties on behalf of the Scottish Executive. The contract for toll collection expired on 31 March 2006. Toll pricing and charging policy remain the responsibility of the Scottish Executive.

### **Results for the Year 2005-06**

13. During the year there were 10,074,280 vehicle crossings of the Erskine Bridge reported, (a rise of 1.09% on 2004-2005) of which 451,900 were exempt from toll charges, including 56,430 motorcycles.

14. The value of tolls collected (including concession vouchers, but excluding notional income) totalled £5.676m.

15. Operating costs decreased from £5.826m in 2004-05 (restated from £5.812m) to £2.846m in 2005-06.

16. The operating surplus for 2005-06 amounted to £2.847m compared to a restated deficit of £77,000 for 2004-05. The most significant factor contributing to the movement on the year was a reduction in costs charged in relation to the Phase 4 Bridge Refurbishment Programme which was substantially completed in the previous year (£0.9m for 2005-06, £3.4m for 2004-05).

## **Fixed Assets**

17. Expenditure of a capital nature to the sum of £3,730 was incurred in 2005-06. Valuation of the Bridge resulted in an increase in gross value of approximately £9.8m at 31 March 2006 (ref. Note 7.1). The other significant assets are access roads. The gross value of access roads has increased by £1.7m during 2005-06.

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

18. Reference Note 12 to the Accounts.

## **Payment of Suppliers**

19. The Scottish Executive policy requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. The Scottish Executive aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time in these terms. During the year ended 31 March 2006 the SEETLLD paid 87.7% of all invoices within the terms of its payment policy. This compares with the Scottish Executive corporate performance of 86.4%.

## **Auditors**

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

## **Statement on Internal Control**

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

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

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

Philip Rycroft  
Accountable Officer  
25 October 2006

## **Independent auditor's report to the Erskine Bridge, the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of the Erskine Bridge for the year ended 31 March 2006 under the Erskine Bridge Tolls Act 1968. These comprise the Operating Account, the Balance Sheet, the Cash Flow Statement and the Statement of Total Recognised Gains and Losses and related notes. These financial statements have been prepared under the accounting policies set out within them.

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

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

The Accountable Officer is responsible for preparing the foreword and the financial statements in accordance with the Erskine Bridge Tolls Act 1968 and directions made thereunder by the Scottish Ministers. The Accountable Officer is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Accountable Officer's Responsibilities.

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

I report my opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Erskine Bridge Tolls Act 1968 and directions made thereunder by the Scottish Ministers.

I also report whether in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, The Erskine Bridge Tolls Act 1968 and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and

I report if, in my opinion, the Foreword is not consistent with the financial statements, if proper accounting records have not been kept, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I read the other information contained in the Foreword and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with the Erskine Bridge Tolls Act 1968, the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Erskine Bridge's circumstances, consistently applied and adequately disclosed.

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

## **Opinion**

### *Financial statements*

In my opinion

- the financial statements give a true and fair view, in accordance with the Erskine Bridge Tolls Act 1968 and the directions made thereunder by the Scottish Ministers, of the state of affairs of the Erskine Bridge as at 31 March 2006 and the net cost of operations, recognised gains and losses and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Erskine Bridge Tolls Act 1968 and directions made thereunder by the Scottish Ministers.

### *Regularity*

In my opinion in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Erskine Bridge Tolls Act 1968 and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000.

Alastair Reid, CPFA  
Senior Audit Manager, Audit Services  
Osborne House  
1/5 Osborne Terrace  
Edinburgh EH12 5HG  
November 2006

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

**ERSKINE BRIDGE TOLLS ACT 1968  
OPERATING ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2006**

	Note	£'000	Previous Year (Restated) £'000
<b>INCOME</b>			
Tolls Levied	6	5,693	5,749
		5,693	5,749
<b>OPERATING COSTS</b>			
Collection		645	620
Maintenance	1.3	1,285	4,051
Depreciation	7	783	1,056
Administration Costs		133	99
Redundancy Costs		-	
		2,846	5,826
<b>SURPLUS/(DEFICIENCY) FOR THE YEAR</b>	<b>3</b>	<b>2,847</b>	<b>(77)</b>
Accumulated surplus/(deficiency) Brought forward		19,665	19,742
<b>ACCUMULATED SURPLUS/ (DEFICIENCY) carried forward</b>		<b>22,512</b>	<b>19,665</b>

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

**STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES**

	Note		
Surplus (Deficit) for Year per Operating Account		2,847	(77)
Unrealised Surplus on revaluation of Assets less Backlog Depreciation on revaluation of Assets	9	8,957	10,076
<b>TOTAL Recognised Gains &amp; Losses for the year</b>		<b>11,804</b>	<b>9,999</b>

The cumulative effect of prior year adjustments for notional income is to increase the Total Recognised Gains & Losses for 2004/5 by £16,800.

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

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

**ERSKINE BRIDGE TOLLS ACT 1968  
BALANCE SHEET AS AT 31 MARCH 2006**

	Note	£'000	Previous Year (Restated) £'000
<b>FIXED ASSETS</b>			
Tangible Assets	7	137,133	128,955
<b>CURRENT ASSETS</b>			
Debtors		45	0
Cash at bank and in hand		260	94
		305	94
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade Creditors		276	667
Other Creditors		48	14
Deferred Income			88
		324	769
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(19)</b>	<b>(675)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>137,114</b>	<b>128,280</b>
<b>CAPITAL AND RESERVES</b>			
Revaluation Reserve	9	141,627	132,670
Accumulated Surplus/(Deficiency)		22,512	19,665
Capital Account	8	(27,025)	(24,055)
		137,114	128,280

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

Philip Rycroft  
Accountable Officer  
25 October 2006

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

**ERSKINE BRIDGE TOLLS ACT 1968  
CASH FLOW STATEMENT FOR YEAR ENDING 31 MARCH 2006**

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

	£'000	£'000	Previous year (Restated) £'000
Operating Surplus/(Deficit)		2,847	(77)
Depreciation charges		783	1,056
(Increase)/Decrease in debtors		(45)	1
Increase/(Decrease) in creditors		<u>(445)</u>	<u>35</u>
<b>Net Cash inflow from operating activities</b>		<u>3,140</u>	<u>1,015</u>
<b>CASH FLOW STATEMENT</b>			
<b>Net Cash inflow from operating activities</b>			
Toll Receipts: SEETLLD	5,572		5,719
Payment for salaries & wages, supplies and services, and other expenses	<u>2,432</u>		<u>4,704</u>
		3,140	1,015
<b>Capital Expenditure</b>			
Payments to acquire tangible fixed assets: SEETLLD		4	4
		<u>3,136</u>	<u>1,011</u>
<b>Financing</b>			
Net Cash surrendered to/(advanced from) departments		<u>2,970</u>	<u>1,023</u>
<b>Increase/(decrease) in cash in the period</b>		<u>166</u>	<u>(12)</u>
<b>The notes on pages 11 to 18 form part of these accounts.</b>			

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

**ERSKINE BRIDGE TOLLS ACT 1968  
CASH FLOW STATEMENT FOR YEAR ENDING 31 MARCH 2006 (continued)**

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

	£'000	Previous Year £'000
<b>Increase (Decrease) in Cash in the period</b>	166	(12)
<b>Net funds at 1.4.05</b>		
Cash at Bank and in Hand	<u>94</u>	<u>106</u>
<b>Net funds at 31.3.06</b>		
Cash at Bank and in Hand	<u>260</u>	<u>94</u>

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

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

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS**

**1. ACCOUNTING POLICIES**

**1.1 Accounting Convention**

The Accounts are prepared under the historical cost convention modified by the inclusion of the Erskine Bridge and other related assets at current cost (see Note 7).

Without limiting the information given, the Accounts meet the requirements of the Companies Acts and are prepared in accordance with the Accounts Direction and applicable Accounting Standards.

**1.2 Fixed Assets Accounting Policy**

The basis of valuation for (i) the Bridge is depreciated replacement cost; (ii) access roads is current replacement cost; (iii) the administration building and associated land is open market value for existing use (ref. Note 7)

**1.3 Maintenance Costs**

The maintenance costs disclosed in the Operating Account relate primarily to payments to the maintenance contractor for the South West Area of the Scottish Roads Network. The contractor invoices SEETLLD for activities across the whole of this Area rather than specifically for the Erskine Bridge. The figure brought to account in the Erskine Bridge Operating Account is derived as an apportionment from the total costs invoiced for the whole of the South West Area.

**1.4 Depreciation**

Depreciation is provided on all tangible fixed assets, other than land, at appropriate rates calculated to write-off the cost or valuation of each asset evenly over its expected useful life, as follows:-

The Erskine Bridge - over 120 years  
(excluding non-renewable elements. Ref. Note 7.1)

Access Roads - Roads element maintained in perpetuity; other

- elements over 120 years

Administration Building

- elements from 5 to 40 years

Furniture, fittings and equipment

- following the abolition of the tolling regime, these assets have been depreciated to their estimated disposal value

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

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**2. FORMAT OF ACCOUNTS**

The format of the account was changed in 1991-92. Prior to 1991-92, the notional costs required for the purposes of S.4 (2) of the Act were incorporated in the Accounts (i.e. Amortisation; Interest; Sinking Fund).

These notional costs have continued to be calculated for 1991-92 and the years following, but are included only at Note 6 to the Accounts, which shows that the requirements of S.4 (2) are being met.

**3. OPERATING SURPLUS**

This is stated after charging:

	£'000	Previous Year (Restated) £'000
Auditor's remuneration (notional)	17	17
Depreciation	783	1,056

**4. STAFF COSTS**

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

**5. INSURANCE**

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

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

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**6. TOLL REVENUES**

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

	£000's	£000's	Previous Year (Restated) £000's
Tolls income per the Accounts		5,676	5,718
Notional income for year		17	31
Applications permitted by the Act :			
Operating Costs – per the Accounts (excluding Depreciation £0.783m and £1.368m allocated to Sinking Fund)	(695)		(1,032)
Notional costs :			
Amortisation	(1,698)		(1,534)
Interest	(23,223)		(22,558)
Sinking Fund contribution	(1,368)		(410)
		(26,984)	(25,534)
		(21,291)	(19,785)
Balance brought forward		(299,777)	(279,992)
Balance carried forward at 31 March 2006		(321,068)	(299,777)

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

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

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

Scheduled maintenance costs for Bridge refurbishment of £1.368m has been met from the sinking fund in 2005-06.

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

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**7. TANGIBLE FIXED ASSETS**

	Land and Buildings  £'000	Equipment and Furniture  £'000	Total  £'000
Cost or valuation at 1 April 2005	164,753	480	165,233
Additions	0	4	4
Surplus/(deficit) on revaluation	11,424	0	11,424
Disposals	0	0	0
	<hr/>	<hr/>	<hr/>
At 31 March 2006	176,177	484	176,661
	<hr/>	<hr/>	<hr/>
Depreciation at 1 April 2005	35,822	456	36,278
Provided during the year	757	26	783
Surplus/(deficit) on revaluation	2,467	0	2,467
Disposals	0	0	0
	<hr/>	<hr/>	<hr/>
At 31 March 2006	39,046	482	39,528
	<hr/>	<hr/>	<hr/>
Net book value			
at 1 April 2005	128,931	24	128,955
	<hr/>	<hr/>	<hr/>
At 31 March 2006	137,131	2	137,133
	<hr/>	<hr/>	<hr/>

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

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

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

7.1 The gross valuation of the Bridge is derived from the Roads Assets Valuation System (RAVS) Database maintained for the Scottish Executive Consolidated Account. The basis for valuation is depreciated replacement cost by using appropriate indices. The gross valuation of the Bridge at 31 March 2006 is £154.0m (£144.2m at March 2005). Depreciation is provided at rates calculated to write off the valuation (excluding non-renewable elements) by equal instalments over the useful economic life of the Bridge. The non-renewable elements of the Bridge (foundations, etc) excluded from the calculation of depreciation are considered to constitute 20% of the total value of the Bridge. The net book value of the Bridge at 31 March 2006 is £118.1m (2004-05 £111.5m).

7.2 Other assets:

Access Roads In line with RAVS database, as used for Scottish Executive Consolidated Account, the relevant roads are included at current replacement cost, adjusted to reflect the current condition of the road component, and the depreciation of structures and communication components. The net book value of access roads at 31 March 2006 is £18.8m (2004-05 £17.1m)

Administration Building (including associated land) is valued at open market value for existing use in line with Scottish Executive Consolidated Account. The net book value is £200,000 based on an external valuation provided by GVA Grimley LLP in April 2006 (2004-05 £302,000).

Equipment & Furniture, including Toll Booths and Equipment are accounted for on historic cost basis. However, following the abolition of the tolls in March 2006, these assets have no further economic value and this category of asset has been written down to the disposal value obtained in August 2006. The remaining net book value at 31 March 2006 is £1,500 (2004-05 £24,000).

7.3 Minor additions to capital expenditure of £3,730 were made during the year.

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

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**8. CAPITAL ACCOUNT**

	£'000	Previous Year £'000
Balance at 1 April 2005	(24,055)	(23,032)
Net cash advanced from/(surrendered to) Scottish Executive Departments in year (see Cash Flow Statement)	(2,970)	(1,023)
	<hr/>	<hr/>
Balance at 31 March 2006	(27,025)	(24,055)
	<hr/>	<hr/>

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

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

**9. REVALUATION RESERVE**

	£'000	£'000	Previous Year £'000
As at 1 April 2005		132,670	122,594
Surplus/(deficit) on revaluation:			
Fixed Assets	11,424		12,817
Backlog Depreciation	(2,467)		(2,741)
	<hr/>		<hr/>
		8,957	10,076
		<hr/>	<hr/>
Balance at 31 March 2006		141,627	132,670
		<hr/>	<hr/>

**10. COMMITMENTS**

**Capital**

There are no amounts contracted for but not provided for in the Accounts, and due within one year (none for the previous year). Amounts authorised but not contracted for total nil in 2006-07 (previous year NIL in 2004-05)

**11. CONTINGENT LIABILITIES**

None at 31 March 2006. There were no contingent liabilities as at the previous year end.

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

**ERSKINE BRIDGE TOLLS ACT 1968**

**NOTES TO THE ACCOUNTS (continued)**

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

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

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

**13. POST BALANCE SHEET EVENT**

The Erskine Bridge Tolls Act 2001 provided that the power to levy tolls is to be exercisable during the period of 5 years beginning on 2 July 2001. This period expired on 2 July 2006, when tolls ceased to be leviable under the Erskine Bridge Tolls Order 1992. Under the provisions of the Act, Scottish Ministers no longer have authority to levy tolls on this crossing without the introduction of fresh legislation.

The Cabinet announced on 1 March 2006 that it would implement the recommendations of Phase 2 Tolled Bridges Review and remove the tolling regime at Erskine. The expiry of the Tolling Order implements that decision and no tolls will be collected at Erskine after 31 March 2006.

As a result of the above decision, the Department operated a refund scheme for pre-paid vouchers. The scheme was publicised both locally and nationally over a wide range of media. The full value of all claims properly received under the scheme has been provided for in these accounts.



## **ERSKINE BRIDGE TOLLS**

### **DIRECTION BY THE SCOTTISH MINISTERS**

1. The Scottish Ministers, in pursuance of Section 17(1) of the Erskine Bridge Tolls Act 1968, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRoM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. Clarification of the application of the Companies Act and any additional disclosure requirements is given in Schedule 1 attached.
5. The income and expenditure account and balance sheet shall be prepared under the historical cost convention modified by the inclusion of:
  - 5.1 The Erskine Bridge at a value based on its depreciated replacement cost. For the purposes of the Accounts, the Bridge shall have a deemed life of 120 years from the date of its coming into operation (taken for convenience to be 1 April 1971).
6. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 2 July 2004 is hereby revoked.

Signed by the authority of the Scottish Ministers

Dated

## **SCHEDULE 1**

### **APPLICATION OF THE COMPANIES ACT AND ADDITIONAL DISCLOSURE REQUIREMENTS**

1. The formats prescribed in the Companies Act in respect of the profit and loss account shall not apply to the operating account of the Erskine Bridge which shall be in the form outlined in the annex, although minor variations are permitted
2. The notes to the accounts shall include:
  - 2.1 details of the basis on which the Bridge has been valued,
  - 2.2 a statement demonstrating that the requirements of Section 4 (2) of the Erskine Bridge Tolls Act 1968 have been met.

ANNEX

SCOTTISH EXECUTIVE ..... DEPARTMENT

ERSKINE BRIDGE TOLLS ACT 1968

OPERATING ACCOUNT FOR THE YEAR ENDED 31 MARCH 20..

INCOME

Tolls levied	x	
Other income	<u>x</u>	
		x

OPERATING COSTS

Collectio n	x	
Maintenance	x	
Depreciation	x	
Other operating costs	<u>x</u>	
		<u>x</u>

SURPLUS (DEFICIENCY) FOR THE YEAR X

Accumulated deficiency brought forward as previously reported	x	
Prior year's adjustments	<u>x</u>	

As restated X

ACCUMULATED DEFICIENCY carried forward x