

Annual Accounts



2018/2019

Unaudited

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Membership of the South West of Scotland Transport Partnership Board

Andrew Wood (Chairman) (Dumfries and Galloway Council)
David Bryson (Vice –Chairman) (NHS Dumfries and Galloway)
Richard Brodie (Dumfries and Galloway Council)
John Campbell (Dumfries and Galloway Council)
Alistair McKinnon (Scottish Enterprise)
David Stitt (Dumfries and Galloway Council)
Adam Wilson (Dumfries and Galloway Council)

The Council members have substitutes being:-

Ian Carruthers
Archie Dryburgh
Andrew Giusti
Sean Marshall
Ronnie Tait

Management Commentary

Introduction

The Management Commentary is intended to assist readers of the annual accounts through providing an insight into the activities and priorities of the organisation and also through providing an analysis of financial performance as reflected in the following statements.

The South West of Scotland Transport Partnership (SWestrans) was set up under the Transport (Scotland) Act 2005 and Dumfries and Galloway Council's public transport functions were transferred to the SWestrans under a Transfer of Functions Order on 7 November 2006.

The Financial Statements following this present the South West of Scotland Transport Partnership's (SWestrans) financial position for the year ended 31 March 2019. These statements have been prepared in accordance with proper accounting practice as set out in the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The purpose of these Accounts is to provide clear information about the Transport Partnership's financial position and this foreword is intended to give the reader an easily understandable guide to the most significant matters reported in the Accounts.

Activities during 2018/19

The South West of Scotland Transport Partnership continued to balance service provision through its revenue budget, and service development through capital budgets during 2018/19. The Partnership's officers and Board members have continued to participate in the development of local, regional and national initiatives including the review of the National Transport Strategy, the Transport (Scotland) Bill 2018 and the second Strategic Transport Projects Review.

The five Councillor Board members for SWestrans were Andrew Wood, John Campbell, Adam Wilson, David Stitt and Richard Brodie. These Councillor Boards members are joined by two external Board members from NHS Dumfries and Galloway (David Bryson) and Scottish Enterprise (Alistair McKinnon). External Board members are appointed for 4 years, with the Scottish Enterprise position due for renewal in December 2018. Scottish Enterprise confirmed they wished Alistair McKinnon to continue as their nomination and the Chairman with support from the Secretary to the Board and Policy Officer undertook the required appraisal prior to submission and receipt of Ministerial approval for this nomination.

Management Commentary (continued)

The continued provision of the local bus services funded by SWestrans proved extremely challenging for the Board throughout 2018/19 with reports to each of the seven Board meetings. Confidential reports on significant and critical sustainability issues raised by operators on the fragile position of the local bus network were considered at a special Board meeting in April 2018, followed by further reports to the meetings in May 2018, October 2018, January 2019 and March 2019. The fragility of the network will continue to be a focus of the Board for the coming year.

A particular challenge during the first part of 2018/19 was the replacement of the 101/102 local bus service from Dumfries to Edinburgh. At its meetings on 17 April 2018 and 8 May 2018, the Board received reports on the tender exercise for the service and was made aware of concerns on future deliverability due, in the main, to a £100K per year reduction in funding by Scottish Borders Council (previous contribution was £135K per year). This decision by Scottish Borders meant that retaining the current level of service was unaffordable and, following a procurement process, the Board at its meeting in June 2018 reluctantly agreed the best value alternative which provided a reduced level of service. The service provided from August 2018 now finishes earlier in the evening and the number of through journeys between Dumfries and Edinburgh reduced from six to four each day.

The Board received a detailed report to its May 2018 meeting on the position with the two phases (Phase 2 and Phase 3) of the capital project which seeks to improve car parking issues at/around Lockerbie Station, this is a project that is being taken forward in partnership with Dumfries and Galloway Council. Agreement was given, in principle, to develop an option of Phase 3 which would provide a draft layout of 125 spaces at Sydney Place / Bridge Street, noting that the progression of Phase 3 first would alleviate the impact of any progression of Phase 2 in the future. All the options for Phase 2 (current Station car park) are to be the subject of an engagement with the local community before determining which to progress. At its meetings in September and October 2018, the Board were informed of progress being made with the Council and that the Council's Strategic Asset Board had determined to:

- agree the acquisition of the land at Sydney Place for the purpose of providing car parking for Lockerbie Rail Station; and
- agree the acquisition of land at Bridge Street, subject to the successful acquisition of land at Sydney Place, for the purpose of providing car parking for Lockerbie Rail Station.

Work continues on the potential development of new rail stations for Dumfries and Galloway. Updates have provided to the Board throughout 2018/19 on the three STAG 2 Appraisals for the Thornhill, Eastriggs and Beattock areas with all three due to be complete in the early part of 2019/20. These Part 2 Appraisals require a more detailed appraisal of options taken forward from Part 1 and include detailed analysis of an option's performance against:

- Transport Planning Objectives;
- STAG Criteria (Safety; Economy; Integration; and Accessibility and Social Inclusion);
- Cost to Government; and
- Risk and Uncertainty.

The STAG appraisals are multi-model and seek to identify and evidence the transport problems and opportunities within each of the study areas, and the most appropriate opportunities for addressing them through the consideration of all sustainable transport modes. A completed and robust transport appraisal in line with STAG provides evidence for decision-makers to inform transport investment decisions.

SWestrans continued to be a key partner in the development and delivery of the Social Transport Public Social Partnership (PSP) which is seeking to improve the design of transport services delivered on behalf of the regions transport commissioners (SWestrans, Dumfries and Galloway Council, NHS Dumfries and Galloway) and to develop the capacity of the social/community transport sector. Progress reports were presented to the Board at its meetings in June 2018, October 2018 and March 2019. A number of projects were developed and are at an advance stage in 2018/19:

- Out of region health appointments in Annandale and Eskdale;
- Demand Responsive Transport (DRT) for hospital appointments by postcode;
- Community Transport (CT) involvement in low-use local bus routes in Stewartry and in Annandale and Eskdale;

Management Commentary (continued)

- Low-use bus routes transition to DRT;
- After-school activities access;
- Develop a Health and Social Care Transport Hub; and
- Implementation of a Quality Framework for CT in Dumfries and Galloway similar to the West of Scotland CT Network.

SWestrans continued its initiatives during 2018/19 on:

- the improvement and replacement of bus shelter infrastructure;
- the purchase of fully accessible buses for use by local bus companies operating on contracted journeys; and
- the progression of walking and cycling infrastructure linking communities.

In its wider strategy and policy role SWestrans continues to lobby and respond to a number of consultations across all transport modes and on a wide range of other issues at national and local level. These included responses to consultations on “A Connected Scotland – Tackling Social Isolation and Loneliness and Building Stronger Social Connections”, the use of section 19 and section 22 permits for road passenger transport in Great Britain and a Call for Evidence on the Transport (Scotland) Bill. SWestrans also submitted its 2017/18 Climate Change Duties Report in the required reporting format to the Sustainable Scotland Network.

Comprehensive Income & Expenditure Statement

SWestrans’ Comprehensive Income & Expenditure Statement for the year ended 31 March 2019 is shown on page 8 of these accounts. Income received totalled £4.550Million with Scottish Government grants and requisitions from Dumfries & Galloway Council being the main contributors to this total.

SWestrans’ financial results for the year, compared against budget are shown below. This presentation differs from that shown in the Comprehensive Income & Expenditure Statement, which is a more summarised version.

Budget Performance Statement

	2017/18		2018/19	
	Budget £000	Actual £000	Budget £000	Actual £000
Staff costs	106	106	111	111
Property costs	0	0	0	0
Supplies & services	1	1	0	0
Transport costs	18	18	0	0
Administrative costs	25	25	21	21
Payments to other bodies	4,282	4,282	4,373	4,373
Central Support costs	45	45	45	45
Capital charges	332	332	350	350
Gross Expenditure	4,809	4,809	4,899	4,899
Government Grants	259	259	259	259
Other income	4,550	4,550	4,640	4,640
Gross Income	4,809	4,809	4,899	4,899
Net Expenditure	0	0	0	0

SWestrans achieved a breakeven position for the financial year. The major item of expenditure which created the main budget pressure was the subsidies in respect of the local bus network, which totalled £4.1 Million. However, through tight spending controls and active budget management, SWestrans achieved a breakeven position.

SWestrans is not allowed to retain any General Fund balances at the year-end so it cannot show a surplus. If SWestrans is in deficit then it can requisition the shortfall from Dumfries & Galloway Council. Therefore, income and expenditure will always net to zero, excluding accounting entry requirements, and the budget has been set to take account of this requirement.

Balance Sheet

SWestrans' Balance Sheet is shown on page 10 of the accounts and provides details of SWestrans' assets and liabilities as at 31 March 2019.

Cash Flow Statement

The Cash Flow Statement is shown on page 11 of the accounts and shows the changes in the cash & cash equivalents of the Partnership during the course of the year.

Andrew Wood
Chairman

Douglas Kirkpatrick
Lead Officer

Paul Garrett
Treasurer

Statement of Responsibilities for the Statement of Accounts

The Transport Partnership's Responsibilities

The Transport Partnership is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Transport Partnership, that officer in the year to 31 March 2019 was the Treasurer (who was also the Section 95 Officer of Dumfries & Galloway Council);
- to manage its affairs, to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

The Treasurer's Responsibilities

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

In preparing this statement of accounts, the Treasurer has:

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

The Treasurer has also:

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

The Statement of Accounts provides a 'true and fair view' of the financial position of the Partnership at the accounting date and its income and expenditure for the year ended 31 March 2019.

Paul Garrett
Treasurer

Annual Governance Statement

1. This statement is given in respect of the statement of accounts of the South West of Scotland Transport Partnership. I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
2. The system of internal financial control can provide only reasonable and not absolute assurance that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
3. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including the segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by the Board of the Transport Partnership. The system currently includes regular financial reports to the Board and management.
4. The Transport Partnership currently uses the financial systems and resources of Dumfries & Galloway Council. The Internal Audit section of Dumfries & Galloway Council has reviewed these systems and has determined that reasonable assurance can be placed upon the adequacy and effectiveness of the systems.
5. My review of the effectiveness of the system has been informed by the work of managers in the Transport Partnership, the work of Internal Audit and reviews by External Audit.
6. In my opinion, based on the above information, reasonable assurance can be placed upon the adequacy and effectiveness of the Transport Partnership's internal financial control system in the year to 31 March 2019.
7. The Transport Partnership's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

Paul Garrett
Treasurer

**Independent auditor's report to the members of the South West of Scotland
Transport Partnership and the Accounts Commission**

(To be inserted once audit complete)

Comprehensive Income & Expenditure Statement

This statement shows the accounting costs in the year of providing services in accordance with generally accepted accounting practices.

2017/18				2018/19		
Gross Expenditure £000	Income £000	Net Expenditure £000		Gross Expenditure £000	Income £000	Net Expenditure £000
4,810	(4,478)	332	Roads and Transport Services	4,900	(4,550)	350
4,810	(4,478)	332	Net Cost of Services	4,900	(4,550)	350
		(347)	Taxation & Non Specific Grant Income capital grants & contributions			0
		(15)	(Surplus) or Deficit on the Provision of Services			350
		0	Other Comprehensive Income & Expenditure			0
		(15)	Total Comprehensive Income & Expenditure			350

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Transport Partnership, analysed into usable reserves – i.e. those that can be applied to fund expenditure – and unusable reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Transport Partnership's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance.

	Usable Reserves	Unusable Reserves			Total Reserves
	General Fund Balance £000	Capital Adjustment Account £000	Revaluation Reserve £000	Total Unusable Reserves £000	£000
Balance at 31 March 2017	0	(1,774)	(25)	(1,799)	(1,799)
Movements in Reserves during 2017/18					
(Surplus) or Deficit on provision of services	(15)	0	0	0	(15)
Total Comprehensive Income & Expenditure	(15)	0	0	0	(15)
Adjustments between accounting basis & funding basis under regulations					
- charges for depreciation of non-current assets	(332)	332	0	332	0
- capital grants & contributions applied	347	(347)	0	(347)	0
	15	(15)	0	(15)	(0)
Overall Increase in year	0	(15)	0	(15)	(15)
Balance at 31 March 2018 carried forward	0	(1,789)	(25)	(1,814)	(1,814)
Movements in Reserves during 2018/19					
(Surplus) or Deficit on provision of services	350	0	0	0	350
Total Comprehensive Income & Expenditure	350	0	0	0	350
Adjustments between accounting basis & funding basis under regulations					
- charges for depreciation of non-current assets	(350)	350	0	350	0
- capital grants & contributions applied	0	0	0	0	0
	0	350	0	350	350
Overall Increase in year	0	350	0	350	350
Balance at 31 March 2019 carried forward	0	(1,439)	(25)	(1,464)	(1,464)

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Partnership. The net assets of the Partnership (assets less liabilities) are matched by reserves held by the Partnership. Reserves are reported in two categories. The first category of reserves are usable reserves which can be used to help fund services. The second category of reserves is those that the Partnership is not able to use to provide services. This category of reserves includes those that hold unrealised gains and losses where the amounts would only become available to provide services if the assets were sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line “adjustments between the accounting basis and funding basis under regulations”.

31 March 2018 £000		31 March 2019 £000	Note
1,814	Property, Plant & Equipment	1,464	7
1,814	Long Term Assets	1,464	
	Short Term Debtors		
37	- Central Government bodies	30	
173	- Other entities & individuals	160	
210	Current Assets	190	
	Short Term Creditors		
(210)	- Other entities & individuals	(190)	
(210)	Current Liabilities	(190)	
1,814	Net Assets	1,464	
1,814	Unusable Reserves	1,464	9
1,814	Total Reserves	1,464	

The Unaudited Accounts were issued on 28 June 2019.

Paul Garrett
Treasurer

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Transport Partnership during the reporting period. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Transport Partnership are funded by way of grant income or from recipients of services provided by the Transport Partnership.

2017/18 £000		2018/19 £000
(15)	Net (surplus) or deficit on the provision of services	350
(332)	Adjustment to net (surplus) on the provision of services for non-cash movements	(350)
(347)	Net cash flow from or used in operating activities	0
	Investing activities	
347	- Purchase of property, plant & equipment	0
0	Net (increase) or decrease in cash and cash equivalents	0
0	Cash and cash equivalents at the beginning of the period	0
0	Cash and cash equivalents at the end of the reporting period	0

Notes to the Accounts

1. Summary of Significant Accounting Policies

a) General Principles

The Annual Accounts summarise the Partnership's transactions for the 2018/19 financial year and its position at the year end of 31 March 2019. The Partnership is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which sets out that they require to be prepared in accordance with proper accounting practice. These practices are the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the Code), supported by International Financial Reporting Standards (IFRS). They are designed to provide a 'true and fair view' of the financial performance and position of the Council.

The accounts are prepared on a going concern basis. The accounting convention adopted in the Annual Accounts is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

b) Accruals of Income & Expenditure

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

- suppliers' invoices paid in the two weeks following the year-end have been analysed and included together with specific accruals in respect of further material items provided the goods and services were received in 2018/19,
- all known specific and material sums payable to the Partnership have been included. Revenue for the sale of goods or the provision of services is recognised when it is determined that the service has been provided,
- supplies are recorded as expenditure when they are consumed. When there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet,
- where income and expenditure has 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 it is doubtful that debts will be settled, the balance of debtors is written down and a charge is made to revenue for the income which will not be collected.

c) Cash & 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 are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with an insignificant risk of changes in value.

d) Changes in Accounting Policies and Prior Period Adjustments

Changes in accounting policies are only made when required by proper accounting practice or the change provides more reliable or relevant information about the effects of transactions, other events and conditions on the Partnership's financial position or financial performance. Where a change is made it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior periods as if the new policy had always been applied.

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 Partnership is charged with the following amounts to record the real cost of holding non-current assets during the year:

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

Notes to the Accounts (continued)

f) Events After the Balance Sheet Date

Events after the Balance Sheet date are those events which occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. The Statement of Accounts is adjusted for events which provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is not adjusted for events which are indicative of conditions which arose after the end of the reporting period. However, where such events would have a material effect, a disclosure is made in the Notes to the Accounts of the nature of the event and the estimated financial effect.

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

g) Exceptional Items

When items of income and expenditure are material, their nature and amount is disclosed separately either on the face of the Comprehensive Income and Expenditure Statement or in the Notes to the Accounts, depending on how significant the items are to an understanding of the Partnership's financial performance.

h) Grants & Contributions

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as grants in advance. Where conditions are satisfied, the grant or contribution is credited to the relevant service line (revenue grants) or Taxation & Non Specific Grant Income (capital grants) in the Comprehensive Income & Expenditure Statement.

Where capital grants are credited to the Comprehensive Income & Expenditure Statement, they are reversed out of the General Fund 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. Amounts in the Capital Grant Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

i) 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 asset from the lessor to the lessee. All other leases are classified as operating leases.

The Partnership as Lessor

Operating leases

The Partnership has entered into leases relating to the operational use of vehicles, which are accounted for as operating leases. Where the Partnership grants an operating lease over a vehicle the asset is retained on the Balance Sheet.

j) Overheads and Support Services

The costs of Central Support departments, such as Financial Services, Legal Services and accommodation, are procured from Dumfries & Galloway Council. The cost of these is based on services provided to SWestrans during the year.

k) Property, Plant & Equipment

Assets which have a physical substance and are held for use in the provision of 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 & Equipment.

Notes to the Accounts (continued)

Recognition

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

Measurement

Assets are carried on the Balance Sheet at fair value, determined as the amount that would be paid for the assets in its existing use.

Revaluation

All assets are formally revalued at least once every five years and the revised amount is then included in the Balance Sheet. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Where decreases in the value are identified these are accounted for by:

- writing down any balances on the Revaluation Reserve for that asset up to the accumulated gain,
- where there is no or insufficient balance on the Revaluation Reserve, the loss is charged against the relevant service line in the Comprehensive Income & Expenditure Statement.

Impairment

Assets are reviewed at each year end as to whether there is an indication that an asset may be impaired. Where indications exist, the recoverable amount of the asset is estimated and where this is less than the carrying amount, an impairment loss is recognised. Impairment losses are accounted for by:

- writing down any balances on the Revaluation Reserve for that asset up to the accumulated gain,
- where there is no or insufficient balance on the Revaluation Reserve, the impairment loss is charged against the relevant service line in the Comprehensive Income & Expenditure Statement.

Depreciation

Depreciation is provided on all Property, Plant & Equipment, on a straight line basis over the expected life of the asset. Where an item of Property, Plant & Equipment has major components whose lives are different and whose costs are 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 on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

I) Reserves

Reserves are categorised under accounting regulations into two broad categories:

- usable reserves, which are available to support services,
- unusable reserves, which are required to facilitate accounting requirements.

SWestrans is statutorily unable to hold balances on its usable reserves at the year end.

m) VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenues & Customs (HMRC) and all VAT paid is recoverable from it.

2. Remuneration Report

SWestrans does not employ any staff; therefore, a Remuneration Report is not required for 2018/19.

Notes to the Accounts (continued)

3. Accounting Standards Issued & Not Yet Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

IFRS 16 leases has been issued to come into effect on 1 January 2019. Following the consultation on this standard CIPFA have deferred its adoption into the 2020/21 edition of the Accounting Code.

There are no other accounting standards issued and not yet adopted that will have a material impact on the 2019/20 Annual Accounts.

4. Critical Judgements in Applying Accounting Policies

In applying the Accounting Policies in note 1, the Partnership has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- all leases involving the Partnership as lessor have been reviewed and it has been determined that the Partnership is not party to any finance leases.

5. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Partnership 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.

There were no items in the Balance Sheet at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year.

6. Events After the Balance Sheet Date

The unaudited Statement of Accounts were issued by the Treasurer on 28 June 2019. Events taking place after this date are not reflected in the financial statements or notes. There have been no material or non-material events since the date of the Balance Sheet, which have required the figures in the financial statements and notes to be adjusted.

Notes to the Accounts (continued)**7. Property, Plant & Equipment**

The following table contains details on the movements on the Property, Plant & Equipment assets contained in the Balance Sheet.

	2017/18 Vehicles £000	2018/19 Vehicles £000
Cost or Valuation		
At 1 April	3,128	3,475
Additions	347	0
At 31 March	3,475	3,475
Accumulated Depreciation at 1 April	(1,329)	(1,661)
Charge for year	(332)	(350)
Accumulated Depreciation at 31 March	(1,661)	(2,011)
Net Book Value at 31 March	1,814	1,464

Depreciation

Depreciation has been provided for on non-current assets with a finite useful life, which can be determined at the time of acquisition or revaluation. The depreciation methods and useful lives used within each category of non-current assets have been determined on an individual asset basis in line with the Royal Institute of Chartered Surveyors (RICS) recommended practice. Vehicles are depreciated on a straight-line basis over up to 12 years.

8. Usable Reserves

Movements in the Transport Partnership's usable reserves are detailed in the Movement in Reserves Statement, the Partnership do not hold any usable reserves.

9. Unusable Reserves**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, impairment losses and amortisations are charged to the Comprehensive Income & Expenditure Statement. The Account is credited with the amounts set aside by the Partnership as finance for the costs of acquisition, construction and enhancement.

	2017/18 £000	2018/19 £000
Balance at 1 April	(1,774)	(1,789)
Depreciation of non-current assets	332	350
Capital grants & contributions credited to the Comprehensive Income & Expenditure Statement	(347)	(0)
Balance at 31 March	(1,789)	(1,439)

Notes to the Accounts (continued)**Revaluation Reserve**

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

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

	2017/18 £000	2018/19 £000
Balance at 1 April	(25)	(25)
Balance at 31 March	(25)	(25)

10. Payments to Members

No payments were made to Members of the SWestrans Board during 2018/19 or 2017/18.

11. Audit Fees

The external audit fee payable for 2018/19 was £9,790 (£9,500 in 2017/18).

12. Grant Income

The Partnership credited the following grants and contributions to the Comprehensive Income & Expenditure Statement:

	2017/18 £000	2018/19 £000
Credited to Taxation and Non Specific Grant Income		
Capital grants & contributions	(347)	(0)
Total	(347)	(0)
Credited to Services		
Scottish Government grants	(259)	(259)
Dumfries & Galloway Council service funding	(3,618)	(3,728)
Total	(3,877)	(3,987)

13. Related Parties

The Transport Partnership is required to disclose material transactions with related bodies – bodies or individuals that have the potential to control or influence the Transport Partnership or to be controlled and influenced by the Transport Partnership.

Central Government

Central Government is responsible for providing the statutory framework, within which the Transport Partnership operates, provides some of its funding in the form of grants and prescribes the terms of many of the transactions that the Transport Partnership has with other parties. Details of Central Government Grants received are contained in Note 12 (grant income).

Other Public Bodies

Dumfries & Galloway Council is responsible for providing the funding for the day-to-day operation of the Transport Partnership under the Transport (Scotland) Act 2005. In 2018/19, the Council provided £100k (£100k in 2017/18) as match funding to a Scottish Government grant for core running costs, a capital grant of £233K (£117k 2017/18) and a further £3.395 Million (£3.401 Million in 2017/18) was requisitioned by the Transport Partnership to cover the operating costs for 2018/19. SWestrans does not employ its own staff and during 2018/19 Dumfries & Galloway Council charged SWestrans £167k (£167k in 2017/18) in respect of staff support, supplies and other support services.

14. Leases

Partnership as Lessor

SWestrans purchased 0 buses in 2018/19 (3 buses in 2017/18) and the buses are leased to private bus operators as part of specific route tenders. No income is received from these operating leases.