

# South West of Scotland Transport Partnership

*[SWestrans.org.uk](http://SWestrans.org.uk)*

## Annual Accounts 2023/24





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## Management Commentary

### Membership of the South West of Scotland Transport Partnership Board

John Campbell (Chair) (Dumfries and Galloway Council)  
Karen Jackson (Vice-chair) (South of Scotland Enterprise)  
David Bryson (NHS Dumfries and Galloway)  
Jim Dempster (Dumfries and Galloway Council)  
Willie Scobie (Dumfries and Galloway Council)  
Keith Walters (Dumfries and Galloway Council)  
Andrew Wood (Dumfries and Galloway Council)

The Council members have substitutes being: -

Richard Brodie (Dumfries and Galloway Council)  
Ben Dashper (Dumfries and Galloway Council)  
Andrew Giusti (Dumfries and Galloway Council)  
Ivor Hyslop (Dumfries and Galloway Council)  
Sean Marshall (Dumfries and Galloway Council)

### 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 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 2024. 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 2023/24

SWestrans continued to balance service provision and service development through its revenue and capital budgets during 2023/24. Its officers and Board members have continued to collaborate in the development of local, regional and national initiatives including the Regional Transport Strategy and the second Strategic Transport Projects Review (STPR2).

All Board meetings in 2023/24 were held as hybrid meetings with in-person participation at the Council Hall and remote access available through Microsoft Teams with all meetings recorded and livestreamed online.

The Board received an update from Transport Scotland on the STAG Strategic Business Cases submitted in September 2019 for the potential re-opening of rail stations at Beattock, Easttriggs and Thornhill. A response from Transport Scotland's Interim Head of Strategic Transport Planning (dated 9 June 2023) provided feedback on the three completed transport appraisal reports. Transport Scotland concluded that progressing any of the rail stations options was not justifiable in the current economic terms or in non-monetary benefits and therefore none of the three reports demonstrated a socio-economic case for any of the stations. This conclusion was extremely disappointing for our region given that SWestrans along with our partners in the Beattock, Easttriggs and Thornhill Rail Actions Groups had expended significant efforts and funding to develop a Strategic Business Case (STAG appraisals) for the potential reopening of each station.

A year long strategic review of the Public Bus Service Network was commissioned in preparation for tenders being published in April 2024. The review made several recommendations and Bus Operators and the Board

## Management Commentary Continued

were asked if contracts could be extended for another year (further to the previous extension in 22/23) to allow a Public Sector Partnership transport model to be developed and implemented. It was agreed that the next tenders published would be long-term contracts for Bus Operators; thereby encouraging investment in more reliable, environmentally friendly, and accessible vehicles.

In 2019, the Scottish Government introduced the Transport (Scotland) Act which enables Transport Authorities to utilise three new approaches for operating buses in their area:

- Local Authorities providing local bus services.
- Bus service improvement partnerships (BSIP)
- Franchising.

One of the new options available is for the Council and/or SWestrans to establish their own in-house Passenger Service Vehicle (PSV) operation. For the Council, this would involve DGC Buses applying to the Traffic Commissioner for a PSV Operator Licence. It would provide the Council with the same rights and legal opportunities to run any form of bus service as with any other commercial operator, alongside all the corresponding risks and responsibilities. A Business Case and project plan setting out the Strategic, Economic, Financial, Commercial and Management benefits was submitted to Dumfries & Galloway Council in late 2023. This report was developed in line with HM Treasury Guidance.

Delivery of the Swestrans capital programme continued through the year with the completion of works on:

- Phase 2 of car parking at Lockerbie Station,
- the purchase of low floor buses,
- the bus shelter programme
- 12 significant active travel interventions.

Transport Scotland announced that their current model for the delivery of Behaviour Change and Access to Bikes interventions (via the national active travel delivery partners) needed to be refreshed and advised all Regional Transport Partnerships (RTPs) that they should prepare for receipt of direct funding to coordinate this refreshed delivery in their respective areas. A total budget of £20m will be available for 2024/25 for this new Active Travel People and Place Programme (ATPPP). RTPs have been advised that they will have responsibility to further develop their relationships with Local Authorities to mutually agree the local priorities for ATPPP, and to work with the national active travel delivery partners to secure the support required to deliver. A grant funding scheme was developed, approved and implemented for 24/25 for the ATPPP.

The Board approved the final draft of the Regional Transport Strategy (RTS) in June 2023 and agreed that the RTS should be submitted to Scottish Ministers for approval. This approval was granted in March 2024 and the RTS Delivery Plan was developed and is ready for sign off by the SWestrans Board.

The SWestrans component of the successful Dumfries & Galloway Council's Levelling Up Fund Transport Bid (LUF) is as follows:

- £1.2 million for 16 Electric Buses, an Electric Bus Depot and 'Opportunity' Charging Infrastructure
- £1 million for Bus Stops for across the region.

The LUF Transport Bid Project team for the Council will be working closely with Swestrans to deliver all the Capital Infrastructure for the SWestrans components before the end of March 2026. The remaining components of the Council's LUF Transport bid are all priority areas identified in the RTS. Potentially these could include 9 Transport/Mobility Hubs throughout the region (e.g. in Dumfries, Stranraer and Annan).

The TransPennine Express (TPE) train company which operates services between Manchester, Liverpool, and Leeds in the north of England and Glasgow and Edinburgh in Scotland was brought into operator of last resort (OLR) from 28 May 2023. TPE services stop at Lockerbie station.

ScotRail launched a six-month trial from 2 October 2023 to 31 March 2024 introducing cheaper and simpler fares on their services. This Scottish Government funded project was set up to encourage people to travel by

## Management Commentary Continued

rail instead of car and allows passengers to travel all day on off-peak fares and has now been extended to June 2024.

As a consequence of the fire at the old Station Hotel in Ayr at the end of September 2023, Ayr Station was closed, and no trains can operate to or from Ayr. The line to Stranraer has been closed for several months with services between Ayr and Girvan being withdrawn and a bus replacement service being provided. There are currently two trains on the track south of Ayr which are being used to provide a service between Stranraer and Girvan, with a connecting bus at Girvan to Ayr. However, once the trains have reached a certain mileage, maintenance will need to be undertaken that can only be carried out at a depot. To increase the time until the trains need to visit a depot, they are only operating some of the journeys with the others covered by replacements buses.

Network Rail carried out a £3 million works into replacing Dumfries Railway Station pedestrian bridge with lifts for more accessibility.

### Budget Performance Statement

The table below provides a summary outturn statement which outlines expenditure against budget for SWestrans.

	Budget £000	2023/24	
		Actual £000	Variance
Staff costs	245	245	0
Administrative costs	34	34	0
Payments to other bodies	4,116	4,116	0
Central Support costs	44	44	0
<b>Gross Expenditure</b>	<b>4,439</b>	<b>4,439</b>	<b>0</b>
Government Grants	259	259	0
Other Income	4,180	4,180	0
<b>Gross Income</b>	<b>4,439</b>	<b>4,439</b>	<b>0</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

The budget performance statement does not include depreciation / capital charges, which were not reflected in the original budget.

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 £4.10 Million. To address other pressures during the year, tight spending controls and active budget management was exercised which resulted in SWestrans achieving a breakeven position.

SWestrans' received income totalling £4.439 Million with Scottish Government grants and requisitions from Dumfries & Galloway Council being the main contributors to this total.

On 15 November 2019 a new Transport (Scotland) Act 2019 received Royal Assent, this act included a provision in the order (section 122) that would allow a partnership to carry funds over from one financial year to the next and therefore enable a General Fund reserve to be held. The Commencement Order for this Act was agreed at Scottish Parliament in March 2020 and became effective for the 2019/20 Financial Year. Although SWestrans did not make a surplus in 2023/24 if they succeed in doing so in future years it now has the ability to create a General Fund balance at the end of that financial year.

**Exemption from preparing a remuneration report**

The board members who sit on SWestrans Board do not receive any additional remuneration from that received for the remuneration for being a Councillor with Dumfries and Galloway Council. SWestrans does not directly employ any staff but uses staff time of direct employees of Dumfries and Galloway Council.

**Comprehensive Income & Expenditure Statement**

SWestrans' Comprehensive Income & Expenditure Statement for the year ended 31 March 2024 is shown on page 12 of these accounts.

**Movement in Reserves Statement**

The Movement in Reserves Statement is shown on page 13 of the accounts and 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.

**Balance Sheet**

SWestrans' Balance Sheet is shown on page 14 of the accounts and provides details of SWestrans' assets and liabilities as at 31 March 2024.

**Cash Flow Statement**

The Cash Flow Statement is shown on page 15 of the accounts and shows the changes in the cash & cash equivalents of the Partnership during the course of the year.

**John Campbell**  
Chair

**Natalie McKail**  
Lead Officer

**Gillian Ross**  
Interim 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 secure that the proper officer of the Transport Partnership has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Transport Partnership, that officer is the Treasurer (who is also the Section 95 Officer of Dumfries & Galloway Council);
- Manage its affairs, to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts.

I confirm that the Audited Annual Accounts were approved for signature by the Transport Partnership at its meeting on 27 September 2024 and signed on its behalf.

**John Campbell**  
Chair

### The Treasurer's Responsibilities

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

In preparing these Annual Accounts, the Treasurer has:

- Selected suitable accounting policies and applied them consistently
- Made judgements and estimates that were reasonable and prudent
- Complied with legislation
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation)

The Treasurer has also:

- Kept adequate accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Transport Partnership at the reporting date and the transactions of the transport partnership for the year ended 31 March 2024.

**Gillian Ross**  
Interim Treasurer



## Annual Governance Statement

This statement is given in respect of the statement of accounts of the South West of Scotland Transport Partnership. The South West of Scotland Transport Partnership is responsible for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned. The South West of Scotland Transport Partnership is committed to openness and acting in the public interest. It works with key partners to support engagement with stakeholders and wider community, ensuring accountability and encouraging open consultation. In discharging this responsibility, the South West of Scotland Transport Partnership has established governance arrangements including a members Code of Conduct.

The lead officer has been appointed to:

- oversee the implementation and monitor the operation of the Governance Arrangements in place; and
- review the operation of the governance arrangements in practice.

The South West of Scotland Transport Partnership continued to balance service provision through its revenue budget, and service development through capital budgets during 2023/24. The Partnership's officers and Board members have continued to participate in the development of local, regional and national initiatives including the National Transport Strategy, the Transport (Scotland) Act 2019 and the second Strategic Transport Projects Review (STPR2).

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.

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. This includes consideration of the effectiveness of decision-making framework and information and data provided to the board to support decision making. In line with the Dumfries and Galloway members training arrangements, where required training will be provided to members of the Board. The system currently includes regular financial reports to the Board and management.

The South West of Scotland Transport Partnership Board monitor the performance of services and related projects to ensure that they are delivered in accordance with defined outcomes and they represent best use of resources and value for money. The Partnership Board have oversight of the risks and issues facing the organisation.

### Review of effectiveness

South West of Scotland Transport Partnership has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The 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.

The Transport Partnership currently uses the financial systems and resources of Dumfries & Galloway Council. This includes effective counter fraud and anti-corruption arrangements as developed and maintained by the 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.

In our 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 2024.

### Significant Governance Issues

In considering governance arrangements we report below on the progress on significant governance issues during the year and actions planned for the coming year:-

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- Internal Audit assurance – The partnership use financial and operational systems and resources provided by Dumfries and Galloway Council. In considering the systems of internal control, the Partnership considers the findings of the Council’s Internal Audit service.
- The Board at its meeting of 22 March 2024 received an internal audit undertaken by Dumfries and Galloway Council’s Internal Audit Service on internal control, risk management and governance arrangements of the Transport Partnership.
- Future improvements for the year ahead are to address the main findings by implementing the action plan to address the 9 Audit Actions identified. Although there are areas for improvement, there has already been progress in addressing the findings,
- On 7 March 2024 approval was received from the Cabinet Secretary for Transport for the Transport Partnership’s Regional Transport Strategy 2023-2042

The Transport Partnership’s complies with the requirements on the Role of the Chief Financial Officer in Local Government, contained in the Chartered Institute of Public Finance and Accountancy’s (CIPFA’s) 2010 Statement and the Local Authority (Scotland) Regulations 2014.

**Conclusion**

While we have identified opportunities for improving and developing governance arrangements, we are satisfied that the Transport Partnership has in place appropriate arrangements for the governance of its affairs and that reasonable assurance can be placed on the adequacy and effectiveness of the Partnership’s corporate governance systems in the year to 31 March 2024 and that the actions identified in the Statement to will address the issues identified and highlighted in this Statement reflect the Partnership’s commitment to continuous improvement and will further enhance our corporate governance and internal control arrangements

**John Campbell**  
Chair

**Natalie McKail**  
Lead officer

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

### Reporting on the audit of the financial statements

#### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of South West of Scotland Transport Partnership for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023/24 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of South West of Scotland Transport Partnership as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27 I am independent of South West of Scotland Transport Partnership in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to South West of Scotland Transport Partnership. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on South West of Scotland Transport Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on South West of Scotland Transport Partnership's current or future financial sustainability. However, I report on South West of Scotland Transport Partnership's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

## Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

## Responsibilities of the Treasurer and South West of Scotland Transport Partnership Board for the financial statements

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

In preparing the financial statements, the Treasurer is responsible for assessing South West of Scotland Transport Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue South West of Scotland Transport Partnership's operations.

The South West of Scotland Transport Partnership Board is responsible for overseeing the financial reporting process.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of South West of Scotland Transport Partnership;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of South West of Scotland Transport Partnership;
- inquiring of the Treasurer concerning South West of Scotland Transport Partnership's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of South West of Scotland Transport Partnership's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Reporting on other requirements

### Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### Other information

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

### Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

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

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

### Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

**Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

**Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Peter Lindsay  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow, G2 1BT

## Comprehensive Income & Expenditure Statement

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

2022/23			2023/24			
Gross Expenditure £000	Income £000	Net Expenditure £000		Gross Expenditure £000	Income £000	Net Expenditure £000
4,781	(4,515)	266	Roads and Transport Services	5,077	(4,755)	322
<b>4,781</b>	<b>(4,515)</b>	<b>266</b>	<b>Net Cost of Services</b>	<b>5,077</b>	<b>(4,755)</b>	<b>322</b>
		0	(Gains) & losses on sale of non-current assets			0
		(506)	Capital grants & contributions			0
		<b>(240)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>			<b>322</b>
		<b>(89)</b>	<b>Other Comprehensive Income &amp; Expenditure</b>			<b>(64)</b>
		<b>(329)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>			<b>258</b>

The notes on pages 16 to 24 form part of the accounts.

## 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 movement in reserves statement shows how the movements in year of the Partnership's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to the General Fund. The net increase/decrease line shows the statutory general fund balance in the year following those adjustments.

	Usable Reserves	Unusable Reserves			Total Reserves
	General Fund Balance	Capital Adjustment Account	Revaluation Reserve	Total Unusable Reserves	
<b>Balance at 31 March 2022 carried forward</b>	<b>0</b>	<b>(951)</b>	<b>0</b>	<b>(951)</b>	<b>(951)</b>
<b>Movements in Reserves during 2022/23</b>					
(Surplus) or Deficit on provision of services	(240)				(240)
Other Comprehensive Income & Expenditure			(89)	(89)	(89)
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(240)</b>	<b>0</b>	<b>(89)</b>	<b>(89)</b>	<b>(329)</b>
Adjustments to usable reserves permitted by accounting standards	(6)	0	6	6	0
Adjustments between accounting basis & funding basis under regulations					
- charges for depreciation of non-current assets	(260)	260	0	260	0
- impairment of non-current assets	0	0	0	0	0
- capital grants & contributions applied	506	(506)	0	(506)	0
- Gains & losses on disposal of non-current assets	0	0	0	0	0
	<b>240</b>	<b>(246)</b>	<b>6</b>	<b>(240)</b>	<b>0</b>
<b>Overall (Increase)/Decrease in year</b>	<b>0</b>	<b>(246)</b>	<b>(83)</b>	<b>(329)</b>	<b>(329)</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>0</b>	<b>(1,197)</b>	<b>(83)</b>	<b>(1,280)</b>	<b>(1,280)</b>
<b>Movements in Reserves during 2023/24</b>					
(Surplus) or Deficit on provision of services	322				322
Other Comprehensive Income & Expenditure		0	(64)	(64)	(64)
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>322</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>258</b>
Adjustments to usable reserves permitted by accounting standards	(70)	0	70	70	0
Adjustments between accounting basis & funding basis under regulations	0	0	0	0	0
- charges for depreciation of non-current assets	(252)	252	0	252	(0)
impairment of non-current assets					
capital grants & contributions applied					
- Gains & losses on disposal of non-current assets	0	0	0	0	0
Net (increase)/ decrease before transfers to /(from) other statutory reserves	0	252	6	258	258
<b>Overall (Increase)/Decrease in year</b>	<b>0</b>	<b>252</b>	<b>6</b>	<b>258</b>	<b>258</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>0</b>	<b>(945)</b>	<b>(77)</b>	<b>(1,022)</b>	<b>(1,022)</b>

The notes on pages 16 to 24 form part of the accounts.



## 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”.

<b>31 March 2023 £000</b>		<b>31 March 2024 £000</b>	<b>Note</b>
1,280	Property, Plant & Equipment	1,022	7
<b>1,280</b>	<b>Long Term Assets</b>	<b>1,022</b>	
	Short Term Debtors		
45	- Central Government bodies	23	
102	- Other entities & individuals	361	16
<b>147</b>	<b>Current Assets</b>	<b>384</b>	
	Short Term Creditors		
(147)	- Other entities & individuals	(384)	16
<b>(147)</b>	<b>Current Liabilities</b>	<b>(384)</b>	
<b>1,280</b>	<b>Net Assets</b>	<b>1,022</b>	
1,280	Unusable Reserves	1,022	9
<b>1,280</b>	<b>Total Reserves</b>	<b>1,022</b>	

The unaudited annual accounts were issued on 28 June 2024 and the audited annual accounts were authorised for issue on 27 September 2024.

The notes on pages 16 to 24 form part of the accounts.

**Gillian Ross**  
Interim 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.

<b>2022/23</b> <b>£000</b>		<b>2023/24</b> <b>£000</b>
(240)	Net (surplus) or deficit on the provision of services	322
(266)	Adjustment to net (surplus) on the provision of services for non-cash movements	(322)
<b>(506)</b>	<b>Net cash flow from or used in operating activities</b>	<b>0</b>
	Investing activities	
506	- Purchase of property, plant & equipment	0
<b>0</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>0</b>
0	Cash and cash equivalents at the beginning of the period	0
<b>0</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>0</b>

The notes on pages 16 to 24 form part of the accounts.

## Notes to the Accounts

### 1. Summary of Significant Accounting Policies

#### a) General Principles

The Annual Accounts summarise the Partnership's transactions for the 2023/2024 financial year and its financial position at the year end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014, and these are required under section 12 of the Local Government in Scotland Act 2003 to be prepared in accordance with proper accounting practice. These practices are the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (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 Partnership.

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.

The accounts are prepared on a going concern basis.

#### 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 2023/24,
- 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 at cost, 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 depreciated historical cost as a proxy for current value of assets as the useful economic life of the assets are considered a realistic reflection of the life of the asset and the depreciation method used is a realistic reflection of the consumption of that asset class.

### 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. Vehicles are held at depreciated historic cost as a proxy for current value and not subject to revaluation. These assets are depreciated over their useful economic lives.

## **I) Reserves**

Reserves are created by appropriating amounts out of the General Fund balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is included in the appropriate service in that year so as to be included in the Comprehensive Income & Expenditure Statement. The reserve is then appropriated back into the General Fund balance in the Movement in Reserves Statement so that there is no net charge against the Council Tax for the expenditure.

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.

## **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.

## Notes to the Accounts (continued)

### 2. 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. This applies to the adoption of the following new or amended standards within the 2024/25 Code by the Council on 1 April 2024:

- IFRS 16 Leases issued in January 2016\*
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- Lease Liability in a Sale and Leaseback (Amendments to IAS 16) issued in September 2022
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

The implementation of IFRS16 will bring all current operating leases onto the SWestrans Balance Sheet as a "Right of Use Asset" and include a corresponding lease liability. To date, work has been undertaken to identify any such leases in preparation for the implementation on 1 April 2024.

\*The implementation of IFRS 16 for Leases Accounting, which should have been adopted with effect from 1 April 2022, has been deferred until 1 April 2024 with local authorities having the option to adopt earlier if they decide to do so. The SWestrans has opted to defer implementation until 1 April 2024.

There are no other accounting standards issued and not yet adopted that will have a material impact on the 2023/24 Annual Accounts. While officers are unable to quantify the impact of the new standards at this stage these are not expected to have a material impact on the financial statements.

### 3. 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. There are no critical judgements to disclose.

### 4. 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 on the Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year.

### 5. Events After the Balance Sheet Date

The Audited Statement of Accounts were issued by the Treasurer on 27 September 2024. 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.

### 6. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the Transport Authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by partnership in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

**Notes to the Accounts (continued)**

	2022/23 Net Expenditure Chargeable to the General Fund £000	2022/23 Adjustments between the Funding and Accounting Basis £000	2022/23 Expenditure in the Comprehensive Income & Expenditure Statement £000
<b>SWestrans</b>	<b>0</b>	<b>266</b>	<b>266</b>
<b>Net Costs of Services</b>	<b>0</b>	<b>266</b>	<b>266</b>
Other Comprehensive Income and Expenditure	0	(89)	(89)
Capital grants & contributions	0	(506)	(506)
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>0</b>	<b>(329)</b>	<b>(329)</b>

	2023/24 Net Expenditure Chargeable to the General Fund £000	2023/24 Adjustments between the Funding and Accounting Basis £000	2023/24 Expenditure in the Comprehensive Income & Expenditure Statement £000
<b>SWestrans</b>	<b>0</b>	<b>322</b>	<b>322</b>
<b>Net Costs of Services</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other Comprehensive Income and Expenditure	0	(64)	(64)
Capital grants & contributions	0	0	0
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>0</b>	<b>258</b>	<b>258</b>

**7. Property, Plant & Equipment**

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

	2022/23 Vehicles £000	2023/24 Vehicles £000
<b>Cost or Valuation</b>		
<b>At 1 April</b>	<b>3,425</b>	<b>3,234</b>
Additions	506	0
Revaluations	(697)	(681)
Disposals	0	(182)
<b>At 31 March</b>	<b>3,234</b>	<b>2,371</b>
<b>Accumulated Depreciation at 1 April</b>	<b>(2,474)</b>	<b>(1,954)</b>
Charge for year	(266)	(322)
Write Back on Disposal	0	176
Write back on Revaluation	786	751
<b>Accumulated Depreciation at 31 March</b>	<b>(1,954)</b>	<b>(1,349)</b>
<b>Net Book Value at 31 March</b>	<b>1,280</b>	<b>1,022</b>

## Notes to the Accounts (continued)

### 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. 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 does 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.

	2022/23 £000	2023/24 £000
<b>Balance at 1 April</b>	(951)	(1,197)
Assets Disposed of during the year	0	0
Depreciation of non-current assets	260	252
Capital grants & contributions credited to the Comprehensive Income & Expenditure Statement	(506)	0
<b>Balance at 31 March</b>	<b>(1,197)</b>	<b>(945)</b>

#### 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.

	2022/23 £000	2023/24 £000
<b>Balance at 1 April</b>	0	(83)
Assets Disposed of during the year	0	6
Upward Revaluations of assets	(89)	(70)
Difference between fair value depreciation and historical cost depreciation	6	70
<b>Balance at 31 March</b>	<b>(83)</b>	<b>(77)</b>

### 10. Payments to Members

No payments were made to Members of the SWestrans Board during 2023/24 or 2022/23.



## Notes to the Accounts (continued)

### 11. Audit Fees

The external audit fee payable for 2023/24 was £12,560 (£11,850 in 2022/23). There were no fees paid for non-audit services.

### 12. Grant Income

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

	2022/23 £000	2023/24 £000
<b>Credited to Taxation and Non-Specific Grant Income</b>		
Capital grants & contributions	(506)	0
<b>Total</b>	<b>(506)</b>	<b>0</b>
<b>Credited to Services</b>		
Scottish Government grants	(259)	(575)
Dumfries & Galloway Council service funding	(3,756)	(4,001)
<b>Total</b>	<b>(4,015)</b>	<b>(4,576)</b>

### 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 2023/24, the Council provided £100k (£100k in 2022/23) as match funding to a Scottish Government grant for core running costs, a capital grant of £0K (£506k 2022/23) and a further £3.901 Million (£3.706 Million in 2022/23) was requisitioned by the Transport Partnership to cover the operating costs for 2023/24. SWestrans does not employ its own staff and during 2023/24 Dumfries & Galloway Council charged SWestrans £290k (£183k in 2022/23) in respect of staff support, supplies and other support services, see note 15 Key Management Personnel for further details. NHS Dumfries and Galloway contributed £70k (£70k in 2022/23) to a specific bus contract. At the year-end £402k (£10k in 2022/23) was outstanding for payments to Dumfries and Galloway Council and £190k (£137k in 2022/23) in relation to sums held in the Dumfries and Galloway Council Loans Fund.

### 14. Leases

#### Partnership as Lessor

SWestrans purchased 0 buses in 2023/24 (5 buses in 2022/23) and 34 (34 in 2022/23) buses are leased to private bus operators as part of specific route tenders. No income is received from these operating leases.

## Notes to the Accounts (continued)

### 15. Key Management Personnel

SWestrans do not directly employ any staff and Dumfries and Galloway Council recharge SWestrans for staff and operational support during the year. Included within this recharge is an estimate of the share of the Lead Officer's time on SWestrans activities. Their remuneration for short term benefits is set below (note share of pension movements is unavailable):

	2022/23 £000	2023/24 £000
SWestrans' charge of wages and salaries	46	44

### 16. Financial Instrument Balances

Financial instruments are contracts which create a financial asset in one entity and a financial liability in another. They are recognised at fair value or amortised cost, or where no reliable measurement exists, measured at cost. The following categories of financial instruments are carried in the Balance Sheet. These are all current:

	Current – Amortised cost	
	2022/23 £000	2023/24 £000
<b>Financial Liabilities</b>		
Short term creditors (current)	(147)	(384)
	<b>Current- Amortised cost</b>	
	2022/23 £000	2023/24 £000
<b>Financial assets</b>		
Short term debtors (current)	102	361

There were no gains and losses recognised in the comprehensive Income and Expenditure Statement in relation to financial instruments during 2023/24 (2022/23: £nil).

#### Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Transport Partnership and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Transport Partnership. The Transport Partnership Financial liabilities were short term creditors held at amortised cost.

#### Financial assets

A financial asset is a right to future economic benefits controlled by the Transport Partnership that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Board. The financial assets held by the Transport Partnership during the year are accounted at amortised cost and comprise short term receivables.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2024. The fair value of short-term instruments, including trade payables and receivables, is taken to be the invoiced or billed amount.

**Nature and Extent of Risks Arising from Financial Instruments**

All Treasury Management is carried out on the Partnership's behalf by Dumfries and Galloway Council. The Council, on behalf of the Transport Partnership, has overall risk management procedures that focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks.

Market risk - the possibility that financial loss might arise for the Transport Partnership as a result of changes in such measures as interest rate movements is considered immaterial because the finances of the Transport Authority are such that during the year there was no interest payable or receivable.

Credit risk - the possibility that other parties might fail to pay amounts due to the Transport Partnership is considered insignificant on the basis debt payable to the Transport Partnership is due from other public bodies.

Liquidity risk – the risk that the Transport Partnership might not have funds available to meet its commitments to make payments is considered immaterial given its statutory responsibility to have a balanced budget and that constituent authorities have to fund the Transport Partnership's activities.

Price and foreign exchange risk - the possibility that fluctuations in equity prices or fluctuations in exchange rates has a significant impact on the value of financial instruments held is considered immaterial because of the nature of financial instruments held.