

DARTFORD-THURROCK CROSSING ROAD USER CHARGING SCHEME

ACCOUNTS, prepared pursuant to Section 3 (1) (b) of the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003, showing an Income and Expenditure Account for the year to 31 March 2005 and Statement of Assets and Liabilities as at 31 March 2005 and relevant notes to the account together with the Report of the Comptroller and Auditor General thereon.

Presented pursuant of Section 3 (1) (d) of the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003.

Dartford-Thurrock Crossing Road User Charging Scheme Account 2004-2005

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 26 JANUARY 2006

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Foreword

The Thames crossing between Dartford and Thurrock consists of two tunnels and the Queen Elizabeth II Bridge. The first tunnel was built in 1963, the second in 1980 and the bridge was opened in 1991.

An early Private Finance Initiative (PFI) concession, enacted by the Dartford-Thurrock Crossing Act 1988, transferred the existing debt from the tunnels to the private sector who would retain toll revenue to pay off the existing debt and the debt incurred by building the new bridge. Tolls were set by the Department of Transport (and its forerunners) in conjunction with the Concessionaire. The concession was for a period of 20 years from 31 July 1988, but could be ended as soon as the debt was repaid. The Secretary of State determined that all financial commitments had been met by 31 March 2002.

The Dartford-Thurrock Act 1988, Schedule 6, Section 16, (4) (1) contains the provision for a Toll Extension Period for the collection of tolls to provide a fund for future maintenance of the crossing. An Extension Agreement between the Concessionaire and the Secretary of State was in place from 4 March 1999 and allowed the Toll Extension Period to run from 1 April 2002 to 31 March 2003. All Toll Revenue during this period was passed over gross to the Department for Transport.

A charging scheme was introduced at the crossing from 1 April 2003. The powers to introduce a charging scheme on a trunk road bridge and tunnel of at least 600m are set out in Part III Chapter I of the Transport Act 2000 (Road User Charging). Sections 163 (Preliminary) and 167 (Trunk road charging schemes) and Schedule 12 (Road User Charging and Workplace Parking Levy: Financial Provisions) apply to charging schemes introduced on trunk roads.

Schedule 12 paragraph 13 to the Act requires that the net proceeds of such a charging scheme should be applied for the purposes of directly or indirectly facilitating the achievement of any policies or proposals relating to transport but makes no prescription for how that will be achieved.

Schedule 12 paragraph 2(2) allows the Secretary of State to make regulations determining how the net proceeds are to be calculated.

Schedule 12 paragraph 5 allows regulations to be made for the keeping of accounts and the preparation and publication of statements of such accounts.

The effect of the regulations made under these provisions is to require an account to be produced to demonstrate the amount of the net proceeds.

The introduction of a charging scheme at the Dartford-Thurrock Crossing is enabled by the following secondary legislation:

- procedural regulations for the making of an order ¹;
- regulations covering accounting arrangements ²; and
- the making of a Dartford-Thurrock charging scheme order ³.

Cumulatively these enable the requirements of the Act to be translated into a charging scheme at the Dartford-Thurrock Crossing.

A contract with Le Crossing Company Limited has been in place to manage the crossing and collect charges on behalf of the Secretary of State since 1 April 2003. All cash receipts from Le Crossing are passed over gross to the Department for Transport. For the year ended 31 March 2005, this amounted to £68,082,508 (2003-04 £66,087,513).

The utilisation of the income for transport purposes is fulfilled through the Parliamentary Supply procedures: these ensure that the whole of the income is received and appropriated in aid and set against the Department's total transport expenditure. Apart from that income which is passed back to the Highways Agency to fund the maintenance of the crossings and the operations of the charging regime, all the other income offsets the generality of transport expenditure and is not hypothecated to particular programmes or projects.

Accounts of the Secretary of State

Section 3(1) (b) of the Trunk Road Charging Schemes (Bridges and Tunnels (Keeping of Accounts) (England) Regulation 2003 requires the production of accounts for the year to 31 March 2005.

These accounts have been prepared in accordance with a Direction given by HM Treasury in pursuance of the above regulation. The Direction is reproduced as an Appendix to the Accounts.

The accounts have been audited by the Comptroller and Auditor General (C&AG). His opinion is expressed on pages 11 and 12.

Archie Robertson

Accounting Officer

19 January 2006

¹ Statutory Instrument 2001 No. 2303 The Trunk Road Charging Schemes (Bridges and Tunnels) (England) Procedure Regulations 2001

² Statutory Instrument 2003 No. 298 The Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Procedure Regulations 2003

³ Statutory Instrument 2002 No. 1040 The A282 Trunk Road (Dartford-Thurrock Crossing Charging Scheme) Order 2002.

Statement of Secretary of State and Accounting Officer Responsibilities

Under Section 3 (1) (b) of the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003, the Secretary of State is required to prepare a statement of accounts for each financial year in the form and on the basis directed by the Treasury. The accounts are prepared on an accruals basis and must present fairly the income and expenditure for the financial year and the assets and liabilities at year-end.

The Treasury have appointed an Accounting Officer for the account. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in "Government Accounting" (TSO).

Statement on Internal Control

The Statement on Internal Control describes the overall control environment and the management of risk within the Highways Agency.

1. Scope of responsibility

1.1 As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting. This includes responsibility for transactions in respect of the Dartford-Thurrock Crossing Road User Charging Scheme.

1.2 I hold regular meetings with Ministers when operational risks are discussed. Ministers receive direct reports about risks to key initiatives, the outcome of key Gateway Reviews and other key risk areas as necessary. They receive reports on risks to delivery of Public Service Agreement Targets through the Department for Transport reporting system.

1.3 My staff work closely with their counterparts in the Department for Transport to ensure that risk management, planning and performance measurement systems are compatible, clear accountability for risk management is agreed, joint action is taken where appropriate to manage, transfer or tolerate risks, and the Department is kept informed of risks as appropriate.

2. The purpose of the system of internal control

2.1 The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Highways Agency for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3. Capacity to handle risk

3.1 The Highways Agency Board, Directors, and other senior managers lead risk management in their commands, supported by a team of risk management co-ordinators led by a risk management adviser. This team develops and maintains procedures for risk management, and identifies and spreads good practice internally.

3.2 Risk management guidance is available to all staff. The guidance explains the Agency's underlying approach to risk management, documents the roles and responsibilities of the Highways Agency Board (HAB), managers and staff, outlines key aspects of the risk management process and identifies the main reporting procedures.

3.3 The senior management teams in each directorate have received training in risk management tailored to their particular responsibilities and concerns.

4. The risk and control framework

4.1 The Highways Agency Board sets the Agency's risk appetite in line with that of the DfT Board.

The risk appetite is set to ensure that all risks with a high impact on:

- the Agency's performance or
- stewardship of public funds or
- the Agency's stewardship of the environment or
- on the Agency's or the wider Government's reputation

receive focussed management attention, that decisions to tolerate or treat risks are made on cost-justified grounds, and that where appropriate action is escalated through the line management chain, to DfT and Ministers.

We give priority to risks to achieving the DfT's targets of reducing congestion and improving safety, and to those to stewardship of public resources and assets.

4.2 Risk management is an integral part of the Agency's management and project planning procedures.

The Board identify strategic risks to the Agency's business. Managers identify and evaluate risks to successful delivery of the Agency's operational and control objectives when they prepare and monitor directorate and divisional management plans.

Project leaders ensure that risks are identified when preparing project plans.

4.3 The key strategic risks managed by the Board are:

- The Agency fails to justify and secure sufficient funds to meet our objectives and customer / stakeholder expectations;
- The Agency fails to recruit, retain, motivate and develop staff with the skills and qualities needed to deliver our objectives and outcomes;
- The Agency's financial management systems and controls fail to deliver and demonstrate value for money, propriety, accountability and management information;
- Operational Failure (including structure / network, standards, major projects and mitigation of environmental impact);
- The Agency fails to manage or meet customer / stakeholder service expectations;
- The Agency does not provide complete, accurate and timely management and other information to our people, stakeholders and customers; and
- The Agency fails to meet the health and safety needs of its employees, and fails to achieve all legal obligations in respect of those working for it and others affected by it.

4.4 Staff and managers are required to identify new or increased risks and opportunities as part of the routine risk reporting process, for discussion and reporting to senior management and the Board. Risk is a standard agenda item in team meetings in many areas of the Agency. Key risks and their handling are included in Directorates' performance reporting arrangements.

4.5 Risks are reviewed, the effectiveness of risk treatments and their impact on residual risk is monitored, and changes identified and evaluated throughout the year, as part of routine management activity. Risk owners include reports on their handling of operational risk as part of their wider stewardship reports. The Board allocate the management of strategic risks to nominated directors who report back as appropriate through the year.

4.6 I am keenly aware that risks to public stakeholders arise from many aspects of the development and operation of the strategic highways network. While developing new works, we involve the public in risk management through the normal consultation process. In operations, my senior staff and I regularly meet with stakeholder groups and cover their views on risks to their interests in these meetings. We use the DfT safety strategy as a proxy for public involvement in managing road safety risks.

4.7 Risk management informs a number of internal control processes designed to fulfil the following control objectives:

- To ensure that the Agency has established (agreed) clear strategic direction, objectives and key targets in support of government policies;
- To ensure regularity and propriety in the Agency's stewardship of public funds and other assets with due regard to accountability, probity and integrity;
- To ensure that the Agency delivers its services to time/ cost / quality;
- To ensure that the quality of Agency projects and advice are effective, accurate and timely;
- To ensure that HA people and procedures comply with relevant legal, government, departmental and technical standards and requirements

5. Review of effectiveness

5.1 As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, and the Audit Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

5.2 The Highways Agency Board (which comprises the senior members of the Agency and three independent non-executive directors) meets frequently to consider the plans, performance and strategic direction of the Agency, the most important risks to successful delivery of those plans and the Agency's stewardship of public assets.

5.3 The Audit Committee is made up of two of the non-executive directors, one of whom chairs it, and three Highways Agency Board members. I, together with my Head of Internal Audit, Finance Director and representatives from the DfT and National Audit Office attend but have no vote. The independent chairman of the Audit Committee advises as appropriate on key risk and control issues.

5.4 My Head of Internal Audit provides regular reports on key risk and control issues, to standards defined

in the Government Internal Audit Manual, and an annual independent opinion on the adequacy and effectiveness of the Agency's system of internal control together with recommendations for improvement. The Head of Internal Audit's opinion for the year 2004-05 is that:

- **Risk Management** is working effectively with some minor weaknesses
- **Risk Handling / Internal Control** is operating effectively except for some areas where significant weaknesses have been identified.
- **Corporate Governance** is working effectively with some minor weaknesses.

5.5 Managers make regular reports on the steps they are taking to manage risks in their areas of responsibility including progress reports on key projects.

5.6 In the Statement on Internal Control for 2003-04 I reported on some actions designed to improve control in areas where the control environment gave Medium to Low assurance. As a follow-up I can report:

- Monthly Management Accounts, Quarterly interim financial statements, monthly business reviews and a monthly financial risk monitoring tool were developed and have improved financial accountability, budgetary control and resource allocation in the business. These measures have also allowed us to significantly improve the speed of production and the audit of our draft statutory accounts for 2004-05.
- The structure of the finance function was reviewed, with the aim of embedding financial control into the business. Implementation started late in the financial year and is continuing in 2005-06.
- A System of Stewardship reporting, by senior managers principally on financial controls was introduced and worked well. This has given improved assurance and some learning points for improvements in processes, controls and communication.
- Improvements in the definition of our processes and internal controls and the guidance on how they are to be operated are being introduced. We started to publish these electronically during the year, with complete coverage scheduled by 2006.

5.7 I have commissioned action to:

- Raise the profile of internal control with managers;
- Improve the design and monitoring of controls;
- Complete the electronic publication of guidance on processes and controls; and
- Improve the scope and machinery of Stewardship Reporting by senior staff, and the associated guidance available to them on their internal control and stewardship responsibilities;

and thus give me improved assurance on the system of internal control.

Archie Robertson

Accounting Officer

19 January 2006

The Certificate of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 13 to 19. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 15.

Respective responsibilities of the Secretary of State and Accounting Officer and auditors

As described on page 6, the Secretary of State and Accounting Officer are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Secretary of State and Accounting Officer are also responsible for the preparation of the contents of the Foreword. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements present fairly the assets and liabilities in relation to functions exercised under the Transport Act 2000 and are properly prepared in accordance with the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003 and Treasury directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Highways Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Foreword, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 7 to 10 reflects the Highways Agency's compliance with Treasury's guidance "Corporate governance: statement on internal control". I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Department's corporate governance procedures or its risk and control procedures.

Basis of Audit Opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Secretary of State and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Dartford-Thurrock Crossing Road User Charging Scheme's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements present fairly the assets and liabilities in relation to functions exercised under the Transport Act 2000 as at 31 March 2005 and the income and expenditure for the year then ended and have been properly prepared in accordance with the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003 and directions made thereunder by the Treasury; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria SW1W 9SP
20 January 2006

Income and Expenditure Account for the year ended 31 March 2005

	Note	£'000	2004-05 £'000	2003-04 £'000
EXPENDITURE				
Managing Agent Contractor's fees	2		13,846	12,771
Other expenditure	2		2,937	1,342
Audit fee	2		25	18
			<u>16,808</u>	<u>14,131</u>
INCOME				
Road user charges		49,693		49,460
DART Tag usage		19,234		18,658
Rental income	3	75		-
Interest received	3	17		-
			<u>69,019</u>	<u>68,118</u>
NET PROCEEDS FOR THE YEAR	3		<u>52,211</u>	<u>53,987</u>

All results derive from continuing operations.

The notes on pages 15 to 19 form part of these accounts.

Statement of Assets and Liabilities as at 31 March 2005

			2004-05	Restated 2003-04
	Note	£'000	£'000	£'000
CURRENT ASSETS				
Bank	4	5,793		5,921
Debtors	4	129		138
Stock	5	2,814		2,509
Accrued income	4	838		618
			9,574	9,186
CURRENT LIABILITIES				
Creditors: Amounts falling due within one year	6		(9,618)	(8,321)
NET (LIABILITIES) / ASSETS				
			(44)	865
Financing due from / (to) the Highways Agency	7		44	(865)

Archie Robertson
Accounting Officer
19 January 2006

The notes on pages 15 to 19 form part of these accounts.

Notes to the Account

1. Statement of Accounting Policies

a. Accounting Convention

The Accounts are prepared under the historical cost convention on an accruals basis.

An Accounts Direction has been given by H M Treasury and is reproduced in the Appendix.

b. Stock

Stock of DART Tags is valued at the lower of historical cost and net realisable value.

2. Expenditure

		2004-05	2003-04
	£'000	£'000	£'000
Managing Agent Contractor's fees		13,846	12,771
Other expenditure;			
Structure renewals	795		486
Safety	730		378
Road renewals	549		-
Pylon protection	420		7
Toll booth protection	157		-
Diverting traffic	147		-
Stock write-downs	29		-
Other	110		471
		<u>2,937</u>	<u>1,342</u>
Audit fee		25	18
		<u>16,808</u>	<u>14,131</u>

Other expenditure includes costs related to fuel tank replacement, fire protection in tunnels and Electronic Message Signs maintenance.

Capital expenditure during the year amounted to £577,039. This related to improvements including pylon protection and traffic diversion methods. Capital expenditure is expensed as it is incurred.

The audit fee represents an amount of £18,000 accrued charge for the audit of the 2004-05 account plus £7,000 under accrual for the audit fee relating to the audit of the 2003-04 account.

3. Net proceeds

The gross income of £69,019,000 (2003-04 £68,118,000) is payable to the Department for Transport and is Appropriated in Aid in its accounts. The gross expenditure of £16,808,000 (2003-04 £14,131,000) has been financed through the Parliamentary Supply to the Department for Transport.

Included within income is £92,000, which derives from rental income (£75,000) and interest received (£17,000). During 2003-04, £215,000 was received as interest but not disclosed in the Road User Charging Scheme account.

4. Current Assets

		Restated
	2004-05	2003-04
	£'000	£'000
Bank	5,793	5,921
Amounts due from DfT in respect of DART Tag creditors	99	-
Amounts due from DRC Ltd in respect of DART Tag creditors	-	100
Amounts due from DfT in respect of British rail creditors	30	-
Amounts due from Le Crossing relating to DART Tag	-	38
	<u>129</u>	<u>138</u>
Stock of DART Tags	2,814	2,509
Accrued toll income	838	618
	<u>9,574</u>	<u>9,186</u>

Bank represents amounts received in respect of road user charges and DART Tag prepayments. These will be paid over to the Department for Transport (DfT) immediately in the case of road user charges, or as and when the DART Tag is utilised.

Amounts due from DfT in respect of DART Tag creditors and Amounts due from DfT in respect of British Rail creditor represent receipts from the previous operator to cover liabilities transferred to the Highways Agency. Subsequently these receipts have been paid over to the Department for Transport (DfT) and will be repayable to the Highways Agency as the corresponding liabilities are settled.

Accrued toll income represents receipts for the period 24 to 31 March 2005 where the cash was not received from Le Crossing, by 31 March 2005.

5. Stock

Stock represents tags used in the DART Tag scheme:

	2004-05	Restated 2003-04
	£'000	£'000
Opening Balance	2,509	2,509
Purchases in the year	362	-
Write-downs	(29)	-
Lost and stolen tags	(28)	-
	<u>2,814</u>	<u>2,509</u>

Stock of DART Tags transferred from the previous Concessionaire, Dartford River Crossing Limited to the current Concessionaire, Le Crossing Company Limited were not recognised in the account for 2003-04. A prior year adjustment was therefore needed to show the opening balance of this stock as at 1 April 2004 to give a more accurate view of the position and performance of the Dartford-Thurrock Crossing Road User Charging Scheme.

The balance of DART Tag stock as at 1 April 2004 was therefore valued as follows:

	£'000
Historic cost	3,047
Write-down to net realisable value	(538)
Balance brought forward at 1 April 2004	<u>2,509</u>

6. Creditors: amounts falling due within one year

	2004-05	2003-04
	£'000	£'000
Trade Creditors	2,408	1,512
Amounts to be paid over to DfT	1,666	2,030
Accrued expenditure	428	132
DART Tag prepayments	4,965	4,647
DART Tag unrepresented cheques	99	-
Amounts due to Le Crossing relating to DART Tag	17	-
British Rail creditor	30	-
VAT creditor	5	-
	9,618	8,321

The amounts to be paid over to DfT are charges collected for the period 24 to 31 March 2005, to be paid over to the Department for Transport once they clear the Highways Agency bank account.

Accrued expenditure represents maintenance work carried out not yet invoiced of £410,000 (2003-04 £113,806) and audit charges of £18,000 (2003-04 £18,000).

DART Tag prepayments are amounts received from road users as at 31 March 2005 for future use, they will be paid over to the Department for Transport once utilised.

DART Tag unrepresented cheques and British Rail creditor relate to liabilities transferred to the Highways Agency from the previous operator, a payment of an equivalent amount was received from the previous operator to cover these liabilities.

7. Financing due from / (to) the Highways Agency

Work carried out and not paid at year-end plus recognition of Dart Tag stocks, comprising:

	2004-05	Restated 2003-04
	£'000	£'000
Trade Creditors	2,408	1,512
Accrued expenditure	428	132
Amounts due to Le Crossing	17	-
VAT Creditor	5	-
Recognition of stock of DART Tags	(2,814)	(2,509)
	44	(865)

The net liability will be financed by funding of £44,000 from the Highways Agency.

If the stock of DART Tags had not been recognised during the year the statement of assets and liabilities at 31 March 2005 would have appeared as follows:

	2004-05	2003-04
	£'000	£'000
Current assets	6,760	6,677
Current liabilities	(9,618)	(8,321)
NET LIABILITES	(2,858)	(1,644)
Financing due from the Highways Agency	2,858	1,644

Dartford Thurrock Crossing Road Charging Scheme

ACCOUNTS DIRECTION GIVEN BY THE TREASURY IN ACCORDANCE WITH SECTION 3 OF THE TRUNK ROAD CHARGING SCHEMES (BRIDGES AND TUNNELS) (KEEPING OF ACCOUNTS) (ENGLAND) REGULATIONS 2003

The Treasury in pursuance of Section 3 (1) (b) of the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003 hereby gives the following direction:

1. The statement of accounts which is the duty of the Secretary of State for Transport to prepare in respect of the year ended 31 of March 2004 and in any subsequent year shall comprise:

- (a) a Foreword, which shall include:
 - (i) a statement that the accounts have been prepared in accordance with a Direction given by the Treasury in pursuance of Section 3 (1) (b) of the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003;
 - (ii) an explanatory introduction;
 - (iii) information on significant events during the period
 - (iv) a statement providing information on how the Secretary of State has or intends to disburse the net proceeds arising from the scheme on other transport initiatives
- (b) a statement of the responsibilities of the person signing the accounts
- (c) a statement of the system of internal control
- (d) a statement of income and expenditure
- (e) a statement of capital expenditure
- (f) a statement of assets and liabilities
- (g) notes to the accounts, including an explanation of the accounting policies adopted, that may be necessary to present fairly the income and expenditure for the period, transfers of funds to or from Central Government, and the assets and liabilities at the end of the period in relation to functions under the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003.

2. The statement of accounts shall disclose the net proceeds of the scheme for the year ended 31 of March 2004 and for each subsequent year.
3. The statement of accounts shall be prepared under the historical cost convention on an accruals basis and shall follow the format attached to this Direction although minor drafting changes may be made without seeking the approval of the Treasury. Except for the statement of accounts for the year ended 31 March 2004 , comparative figures shall be shown.
4. The statement of account prepared under the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003 shall observe all relevant accounting and disclosure requirements as given in Government Accounting and other guidance as issued by the Treasury from time to time.
5. The statement of accounts shall be transmitted to the Comptroller and Auditor General no later than the 30 of November following the end of the financial year to which the statement relates, for the purpose of audit, examination and report.
6. The statement of accounts, once audited, shall be laid before each House of Parliament not later than the 31 of January in the calendar year following the end of the financial year to which the statement relates.
7. This Accounts Direction (excluding the proforma accounts) shall be reproduced as an Appendix to the accounts.

David A. Cruden FCA

Head of the Central Accountancy Team, Her Majesty's Treasury
2nd February 2005

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Highways Agency Publications Group. L050114 HA21/06

Published by TSO (The Stationery Office) and available from:

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