Dartford-Thurrock River Crossing Charging Scheme

Accounts 2024-2025

HC 1648

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

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Foreword and Management Commentary

Legislation

The Dartford-Thurrock River Crossing 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.

The powers to introduce a charging scheme on a trunk road bridge and tunnel of at least 600m in length 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 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 for Transport 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 charging scheme at the Dartford-Thurrock River Crossing is enabled by the following secondary legislation:

- Procedural regulations for the making of an order[1].
- Regulations covering accounting arrangements[2].
- The making of a Dartford-Thurrock River Crossing charging scheme order[3].

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

The following regulations allow effective enforcement of the road user charge (RUC), with the introduction of free-flow charging (known as Dart Charge) on 30 November 2014:

- The Road User Charging Enforcement Regulations[4] provide a national legislative framework for the enforcement of road user charging through the imposition of penalty charges.
- The Dartford-Thurrock River Crossing Charging Scheme Order[5] sets out the level of penalty charge and enforcement measures that are being used at Dartford

The Dart Charge Scheme

The crossing has historically suffered from heavy congestion during peak periods, with more than 50 million vehicles using the route each year. The previous barrier based tolling system and its associated road layout frequently disrupted traffic flow, causing persistent delays and unreliable

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[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 2013 No. 2249 The A282 Trunk Road (Dartford-Thurrock Crossing Charging Scheme) Order 2013

[4] Statutory Instrument 2013 No. 1783 The Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013

[5] Statutory Instrument 2013 No. 2249 The A282 Trunk Road (Dartford-Thurrock Crossing Charging Scheme) Order 2013

journey times. To tackle these challenges, a free-flow charging system was identified as the most effective medium-term solution, culminating in the launch of Dart Charge in November 2014.

Dart Charge uses automatic number plate recognition (ANPR) technology, requiring road users to pay a RUC for crossings made during chargeable hours (6am–10pm). Payments can be made through a range of channels, including online, by phone, at retail outlets, via pay-as-you-go, or through registered customer accounts.

When payment is not received, a Penalty Charge Notice (PCN) is issued to the road-user, supported by recovery processes designed to enforce the scheme. To encourage understanding of the scheme and promote compliance, first time users who receive a PCN are given the opportunity to avoid payment of the penalty if they pay the RUC within 14 days. Further detail on the impact of this policy is provided in Note 11 of the accounts.

The operation is largely administered through call centres and back office functions with National Highways managing the scheme with support from key suppliers; Conduent manages the road user charging service, Emovis delivers UK enforcement activity, and Euro Parking Collection (EPC) is responsible for international enforcement.

In July 2023, the service migrated to a new operating model, which affected customer experience for several months. These issues have been fully resolved, and road users have benefited from a stable and robust service during the 2024-25 financial year.

Traffic Volume and Compliance

In 2024–25, overall traffic volumes fell on last year by 1.7%. Chargeable hour volumes declined by 1.6%, and volumes outside chargeable hours decreased by 2.1%. Total chargeable crossings fell from 50.2 million to 49.4 million. The financial impact of these changes is outlined in Note 2 of the accounts.

Road user compliance improved to 94.5% in 2024–25 (up from 93.2% in 2023-24), reflecting enhancements in service delivery. Compliance is defined as the proportion of users who pay the charge in accordance with scheme rules—specifically, by midnight on the day after their crossing.

Lower Thames Crossing

Free-flow charging is a medium-term measure ahead of delivery of the Lower Thames Crossing scheme which will ease congestion at the Dartford Crossing, strengthening connectivity across the UK and to major ports, and improving resilience and reliability for both car and freight users.

In March 2025, the Lower Thames Crossing application was granted development consent by the Secretary of State for Transport. At Spending Review 2025 and Autumn Budget 2025 the Government committed further funding to complete the publicly funded works for the Lower Thames Crossing, the final tranche of government support to enable the private sector to take forward construction and to take forward construction and long-term operation.

Accounts of the Secretary of State for Transport

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 2025.

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 Accounting Officer confirms that he takes personal responsibility for the foreword, management commentary and accounts and the judgments required for determining that they are fair, balanced and understandable; and considers that they have been so presented.

The accounts have been audited by the Comptroller and Auditor General (C&AG). The Independent Auditor's Opinion and accompanying Report are on pages 15 to 19.

Income

Cash receipts collected by Emovis Operations Ltd, Conduent, and EPC for paid crossings were fully remitted to the Department. Total revenue recognised for the year ended 31 March 2025 was £255.3m, representing an increase of £33.7m compared to £221.6m in 2023-24.

The increase in income was primarily driven by a significant rise in active PCNs processed during the year. In particular, it reflects the clearance of a substantial backlog of non-compliance cases that had built up at the end of 2023–24, none of which had yet reached the stage where a PCN could be issued. These PCNs were issued in 2024–25, at which point the related enforcement income was recognised in line with the scheme's income recognition policy.

The utilisation of the income for transport purposes is fulfilled through the parliamentary supply procedures. This ensures that the whole of the income is received and appropriated in aid and set against the Department's total transport expenditure. The net proceeds from the charging scheme are used to offset the generality of transport expenditure and not hypothecated to specific programmes or projects.

Expenditure

There is no separate identification of costs specifically attributable to the Dartford–Thurrock River Crossing within the service payments made by National Highways to Connect Plus, which cover the operation and maintenance of the entire M25 network. As a result, the costs incurred by the Secretary of State for Transport in relation to the maintenance and operation of the Dartford–Thurrock River Crossing have been estimated. These estimates are based on the most appropriate allocation methodology, as outlined in Note 1 to the accounts. A detailed analysis of the resulting expenditure is provided in Note 3.

Total expenditure for the year ended 31 March 2025 was £177.2m, compared to £149.2m in 2023-24. The £28m increase is primarily due to a higher impairment to enforcement income, reflecting a greater number of PCNs closed during the year. This follows the resolution of a substantial backlog that had built up at the end of the previous financial year, due to issues experienced on migration to a new operating model in July 2023.

Net proceeds

The net proceeds for the year ended 31 March 2025 were £78.0m, compared to £72.3m in 2023-24

Statement regarding disclosure of Information to the Auditors

So far as I am aware, there is no relevant audit information of which the auditors are unaware of, and I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

Date of Issue

The accounts have been authorised for issue by the Accounting Officer on the date of the Comptroller and Auditor General's signature of the audit report.

Nick Harris
Accounting Officer
26 January 2026

Scott Dale
Chief Financial Officer
26 January 2026

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 for Transport 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.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by Secretary of State including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis.

The Treasury has appointed the Chief Executive of National Highways as the Accounting Officer for the account. The relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which they are answerable, the keeping of proper records and for safeguarding the company's assets are set out in HM Treasury's 'Managing Public Money'.

The Accounting Officer is required to confirm that, as far as they are aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accounting Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Governance Statement

HM Treasury's Managing Public Money and Financial Reporting Manual require that I, as Accounting Officer for National Highways (the Company) (and in relation to the Dartford-Thurrock River Crossing), provide a statement on how I have discharged my responsibility to manage and control the resources for which I am responsible during the year.

HM Treasury with the Cabinet Office published its Corporate Governance Code of Good Practice and guidance for central government departments in April 2017. The following Statement provides details as to how the system of corporate governance has operated during 2024-25, including any areas where the system has not operated in line with the code.

Scope of responsibility

The Department for Transport's Permanent Secretary has appointed me, as Chief Executive, as Accounting Officer for National Highways. As Accounting Officer, I have responsibility for maintaining a sound system of governance, risk management and internal control mechanisms that:

- Supports the achievement of the Company's policies, aims and objectives.
- Safeguards the public funds and the Department's assets for which I am personally responsible.

All activity is completed in accordance with the responsibilities as assigned to me in HM Treasury's Managing Public Money.

Governance framework

Corporate governance is the system by which an organisation is directed and controlled. I have ensured that National Highways has established robust governance, risk management and internal control arrangements. These are designed to comply with both the UK and Government Codes of Good Practice on corporate governance.

The Dartford-Thurrock River Crossing governance framework is largely reliant on the Company's governance arrangements as set out below.

National Highways' governance framework

The Company's Framework Document sets out the respective roles and accountabilities of the Secretary of State, the Department, and National Highways. The document details how we will work to achieve the common objective of delivering a network that meets the country's needs efficiently and provides the best possible service for road users and other stakeholders. The Framework also:

- Recognises the functional and day-to-day operational independence of National Highways.
- Sets out how financial control and accountability is achieved.
- Recognises the governance and decision-making arrangements that are appropriate to National Highways as a corporate, legal entity with its Board, and with executives reporting to the Board.

The key elements of National Highways' governance framework are:

- The formal governance forums, including the Board (and its sub-committees), and the Executive (and its sub-committees).
- National Highways' Audit and Risk Committee (supported by the company's Business Ethics Committee).
- A formal enterprise-wide risk management approach, supported by a sound system of internal control.

Full details are available in the Governance Section of the National Highways' Annual Report and Accounts 2025:

https://nationalhighways.co.uk/media/okehxfjy/national_highways_ara_24-25.pdf

Board and Executive Committee

Board

National Highways is governed by a formal Board which is accountable to the Secretary of State for Transport – for all strategic aspects of the Company's activities and performance. This includes the fulfilment of our role and responsibilities as a strategic highways company and is the Company's primary governance arm, in line with its fiduciary and other duties under company law.

The Board is supported in its decision making through several board-level sub-committees who work together to ensure the Company's long-term success through overseeing performance, reviewing risks and holding the business to account for its delivery.

The Executive

The Board delegates responsibility for the day-to-day management of National Highways' operations to the Chief Executive and his senior team. Strategic, financial or other significant matters are reserved to the Board for decision. The Executive are accountable for the effective and efficient use of resources, ensuring compliance with all legal, statutory and regulatory requirements and maintaining the confidentiality, integrity and accessibility of the information it holds.

Risk management

The Board has overall responsibility for determining the nature and extent of the significant risks it is willing to take in achieving National Highways' strategic objectives. The Chief Executive (as Accounting Officer) is responsible to Parliament for the stewardship of public money and delegations are exercised in line with the Finance and Reporting letter and Accounting Officer letter issued to National Highways and the Chief Executive by our shareholder.

Throughout the year, the Executive team monitors the corporate (or principal) risks and considers whether there are any further risks, uncertainties to, or opportunities in, the delivery of our strategic objectives. Similar exercises are carried out across all key business areas, including Dartford-Thurrock River Crossing. Risks are identified, evaluated, recorded and monitored as part of a continuous cycle of managing the exposure, with any significant movements reported to the Executive Committee and the Board on a quarterly basis.

Internal control framework

National Highways ensures efficiency, best value, integrity, propriety and regularity in the use and stewardship of public funds and assets. It also ensures that clear accountability is in place through a variety of control systems, including:

- A mandatory Investment Decision Control framework to test whether a proposed project or expenditure offers value for money. The arrangements complement larger value approvals required from the Department or Ministers.
- Financial propriety and other requirements from HM Treasury's Managing Public Money.
- A financial accounting system with embedded controls.
- Asset management procedures to record and account for all assets.
- A Business Ethics Committee to effectively oversee the management of the risk of economic crime and malpractice across the business; providing direction and oversight on security threat and vulnerability management; and overseeing the supply chain's performance in economic crime risk management (including modern slavery).

The Board has overall responsibility for the company's internal control framework and for reviewing its effectiveness. Internal control systems are recognised by the Board as being designed to manage, rather than eliminate, the risk of failure to achieve business objectives. They recognise that controls can only provide reasonable and not absolute assurance against material misstatements, losses or the breach of laws or regulation.

Management Assurance reporting

Stewardship reporting is undertaken periodically within year, across the company and our results are reported to the Department at year-end, in line with their timetable. The report covers the full range of delegations, policies and procedures agreed between National Highways and our Shareholder. The evidence collated forms part of a management assurance process which enables the Accounting Officer to approve the Governance Statement in the Company's Annual Report and Accounts, and the Dartford & Thurrock River Crossing Scheme Annual Accounts.

Dartford-Thurrock River Crossing governance

The Chief Executive has delegated responsibility for the day-to-day management of the Charging Order to the Dart Charge team. In turn, they apply all National Highways' principal governance, risk management and internal control arrangements as laid out above. The function's key priority is to ensure that the principal suppliers (Emovis, Conduent, and Euro Parking Collection plc) provide a robust, efficient and effective service to Dartford Crossing users to manage the operational risks to both the public and the Secretary of State (the shareholder).

Risk is managed monthly by the team through a combination of assessing from a functional (such as operational, finance or digital) perspective as well as a strategic lens. Escalation is governed through applying set criteria and presented to senior management for review. Formal reviews take place on a quarterly basis, but any risk can be escalated (or cascaded) outside of process to the Service Review Group, if appropriate.

Dart Charge works within the National Highways Risk Appetite framework, as approved by the Board. The key risks considered by the Dart Charge team during this financial year are summarised as:

Risk	Control	Exposure	Additional comments
Business continuity and equipment resilience A failure of the roadside detection equipment, back-office system or other roadside equipment that could lead to a loss of vehicle passage records or large numbers of chargeable crossings.	Regular disaster recovery tests are carried out. Established monitoring systems identify incidents quickly to ensure speedy resolution prior to impact.	**Inherent High** **Residual Low**	We recognise that a failure to charge for 1 day would see a loss of circa £400k to the Exchequer.
General Protection Data Regulation (GDPR) Failure to manage customer private data in accordance with the GDPR requirements, which leads to a breach or non-compliance issue.	Regular data purging in line with our data retention policy ensures data is only retained as necessary. Regular monthly security scanning is performed, and any vulnerabilities detected prioritised and remediated accordingly. A monthly privileged admin access check is conducted for internal and supplier staff to ensure that only required accounts remain active. This is also supported by the		Ensuring that our customer data remains secure is a key priority of the service. Our controls work together to ensure that no breaches or non-compliance issues arose during the reporting year. In year, both suppliers: • Retained their ISO accreditations • Were recertified as PCI compliant • completed their Annual IT Health Check and we agreed and are overseeing progress against their remediation plans • completed their External Threat and Vulnerability Assessments and were considered Low – Moderate.

Risk	Control	Exposure	Additional comments
	Company's 'movers and leavers' process. An annual IT Health Check and penetration exercise is conducted to ensure the environment remains secure and protected from external and insider actor threat. An annual Payment Card Industry (PCI)audit is conducted focussing on payment specific data and controls that safeguard this part of the service. The supplier is ISO27001 (Information Security Management System) accredited ensuring good security controls and practices are established and compliance demonstrated. New products and services delivered by the supplier are developed to comply with GDPR and other standards and are regulated against the Requirement Traceability Matrix.	**Residual Medium**	

In-year activity

We work hard to manage our risks within their appetite exposure levels. However, despite our best efforts, the following key risks materialised, which impacted a small number of our customers. These were fully remediated, as described below. Any key lessons learned have been fully captured and retained by the project team to ensure that any future projects of this magnitude learn from our experiences

Direct debit payments

In November 2024, we were made aware of two customer accounting issues relating to direct debit payments. This led to a small number of customers either:

- inadvertently not being charged for crossings due to their accounts being credited, without individual customer bank accounts being debited with the appropriate fee for their journey (£1.2m)
- being overcharged, due a manual processing error (£0.6m)

The contractor quickly fixed both issues and completed a detailed reconciliation of all direct debit payments since the service began. This resulted in a re-imbursement to overcharged customer accounts, which we completed in January 2025. Recovery of debt from undercharged customer accounts was approved by National Highways for larger accounts. A total of £0.38m was recovered directly from these customers. The remaining financial loss to the scheme of £0.78m was re-imbursed directly to National Highways by the contractor in July 2025.

Enforcement Backlog

Due to issues in the 2023-24 accounting period following the change of contracts, PCNs were not issued in a timely manner, creating a backlog. The backlog was cleared during April and May 2024, with over half a million PCNs being issued per month in comparison to a usual average of 175,000 for the same months in other years.

The delay in issuing PCNs meant some customers made multiple crossings before being notified that payment was required. This resulted in a short-term increase in the volume of PCNs issued and, in turn, a rise in the number of PCN challenges and customer calls. Additional resource was deployed to manage the increased activity, and appropriate discretion was applied to ensure customers were treated fairly.

Incorrect Enforcement Fees

In April 2025, National Highways identified an issue where one of the contracted Enforcement Agent suppliers was incorrectly applying additional enforcement (visit) fees to customer cases. Our initial investigations identified 3,387 affected customers, with a total overcharge value of £1.1 million.

The issue relates solely to the fees retained by the supplier, and National Highways has neither overreported revenue nor received additional cash receipts beyond the amount entitled (the RUC payable + £115 enforcement charge) As such, a refund scheme was launched by the supplier on 7 July 2025 and we are monitoring progress closely to ensure all affected customers are refunded.

Whilst the issue was identified by National Highways, it was not limited to Dart Charge cases. The Enforcement Conduct Board has assumed responsibility and has instigated a broader investigation into the wider industry. We are assisting with any further enquiries, as required. We suspended future work with the supplier whilst we carried out our own investigations and are now satisfied that the issue has been rectified and the control environment strengthened. The supplier recommenced the receipt of new work in January 2026.

Assurance

The Company's Corporate Risk and Assurance function maintains regular oversight of the organisation's governance, risk management and internal control arrangements. Results are reported to individual functional areas, the Executive and the Board, and discussed by the National Highways Audit and Risk Committee.

Liaison between Corporate Risk and Assurance and the Dart Charge team occurs throughout the year to ensure key risk strategies are in place and progressing, governance arrangements are being adhered to, and control frameworks are operating effectively. Results are reported as part of the National Highways' Management Assurance return.

Additional assurance was provided in 2024-25 through internal audit reviews of the Dart Charge operational and financial controls and of the Dart Charge 'customer journey' planned activity. No non-compliance issues were raised, but the reviews did identify several opportunities to enhance the effectiveness and efficiency of core control and established processes. The Dart Charge team, in conjunction with their suppliers, have agreed several improvement actions which will be implemented over the next 12 months. The Internal Audit team will monitor progress, prior to closing any actions down and the Audit and Risk Committee will maintain oversight of the improvement programme as part of their ongoing internal control evaluation.

Nick Harris

Accounting Officer

26 January 2026

Scott Dale

Chief Financial Officer

26 January 2026

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I have audited the financial statements of the Dartford-Thurrock River Crossing Charging Scheme for the year ended 31 March 2025.

The financial statements comprise the Dartford-Thurrock River Crossing Charging Scheme's

- Statement of Income and Expenditure for the year ended 31 March 2025
- Statement of Assets and Liabilities as at 31 March 2025
- Statement of Capital Expenditure for the year ended 31 March 2025; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards as adapted by the requirements of the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003.

In my opinion, the financial statements have been prepared, in all material respects, in accordance with UK adopted international accounting standards as adapted by the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003..

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Dartford-Thurrock River Crossing Charging Scheme in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

In auditing the financial statements, I have concluded that the Dartford-Thurrock River Crossing Charging Scheme's 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 the Dartford-Thurrock River Crossing Charging Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Secretary of State and Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Dartford-Thurrock River Crossing Charging Scheme is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Dartford-Thurrock River Crossing Charging Scheme accounts, but does not include the financial statements and my auditor's report thereon. The Secretary of State and the Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read 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 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.

Opinion on other matters

In my opinion the information given in:

- the Foreword and Management Commentary
- the Statement of Secretary of State and Accounting Officer Responsibilities, and
- the Governance Statement

for the financial year for which the financial statements are prepared are consistent with the financial statements and are in accordance with the applicable legal requirements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- in light of the knowledge and understanding of the Dartford-Thurrock River Crossing Charging Scheme and its environment obtained in the course of the audit, there are any material misstatements in the Foreword and Management Commentary, the Statement of Secretary of State and Accounting Officer Responsibilities, and the Governance Statement;
- adequate accounting records have not been kept by the Dartford-Thurrock River Crossing Charging Scheme or returns adequate for my audit have not been received from branches not visited by my staff; or

- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Secretary of State and Accounting Officer for the financial statements

As explained more fully in the Statement of Secretary of State and Accounting Officer Responsibilities, the Secretary of State and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Dartford-Thurrock River Crossing Charging Scheme from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements in accordance with the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping Accounts) (England) Regulation 2003 and with directions made by HM Treasury;
- assessing the Dartford-Thurrock River Crossing Charging Scheme'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 the Secretary of State and Accounting Officer anticipate that the services provided by the Dartford-Thurrock River Crossing Charging Scheme will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping Accounts) (England) Regulation 2003.

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 a 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 economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Dartford-Thurrock River Crossing Charging Scheme's accounting policies
- inquired of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Dartford-Thurrock River Crossing Charging Scheme's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Dartford-Thurrock River Crossing Charging Scheme's controls relating to the Dartford-Thurrock River Crossing Charging Scheme's compliance with the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping Accounts) (England) Regulation 2003 and Managing Public Money.
- inquired of management, internal audit, and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant internal specialists, including data analytics experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Dartford-Thurrock River Crossing Charging Scheme for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Dartford-Thurrock River Crossing Charging Scheme's framework of authority and other legal and regulatory frameworks in which the Dartford-Thurrock River Crossing Charging Scheme operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Dartford-Thurrock River Crossing Charging Scheme. The key laws and regulations I considered in this context included Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping Accounts) (England) Regulation 2003, the A282 Trunk Road (Dartford-Thurrock Crossing Charging Scheme) Order 2013 as amended, the Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013, and Managing Public Money.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;

- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I reviewed the amounts recognised for road user crossings and penalty charges, to ensure they have been applied in line with legislation.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies
Comptroller and Auditor General

Date 27 January 2026

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Income and Expenditure for the year ended 31 March 2025

Income	Note	2024-25 £000	2023-24 Restated £000
Dart Charge operation	*2*	255,158	221,458
Rental income	*2*	117	132
		255,275	**221,590**
Expenditure			
Managing agent contractor's costs	*3*	(68,857)	(71,100)
Impairment of receivable	*3*	(94,670)	(59,372)
Other expenditure	*3*	(13,702)	(18,776)
		(177,229)	**(149,248)**
Net proceeds for the year	*4*	**78,046**	**72,342**

Statement of Capital Expenditure for the year ended 31 March 2025

	2024-25 £000	2023-24 Restated* £000
Technology Improvements (Safety)	139	24
Routine Maintenance	(9)	2
Dart Charge Infrastructure	490	6,736
	620	**6,762**

Further details on the prior year restatement can be found in Note 1.3.

The Notes on pages 22 to 36 form part of these accounts

Statement of Assets and Liabilities as at 31 March 2025

	Note	2024-25	2023-24 Restated
		£000	£000
Current Assets			
Cash at bank	*5*	49,815	40,479
Trade and other receivables	*5*	30,618	27,042
		80,433	**67,521**
Current Liabilities			
Trade and other payables	*6*	(80,433)	(67,521)
Total Liabilities		**(80,433)**	**(67,521)**
Assets less Liabilities		**-**	**-**

Further details on the prior year restatement can be found in Note 1.3.

The Notes on pages 22 to 36 form part of these accounts

Nick Harris

Accounting Officer

26 January 2026

Scott Dale

Chief Financial Officer

26 January 2026

Notes to the Accounts

1. Statement of accounting policies

1.1 Accounting Convention

The accounts have been prepared in accordance with the statutory requirements of the Trunk Road Charging Scheme Regulations, which require accounts showing the net proceeds of the scheme, as well as a statement of income and expense, and a statement of capital expenditure.

Additionally, the accounts implement the requirements of the Accounts Direction given by HM Treasury (Appendix A) including the preparation of a statement of assets and liabilities. In accordance with the specific directions in the regulations and accounts direction, no statement of cash flows, or of changes in equity, is provided.

In all other respects - and in determining amounts to be recognised as income, expenses, assets or liabilities, or recognisable as assets or liabilities - the Scheme applies the requirements of International Accounting Standards as adapted or implemented in HM Treasury's Financial Reporting Manual, as required in the Accounts Direction and described further in the specific accounting policies below.

The scheme's expenses including capital expenditure are settled in full by National Highways, itself funded by Parliament and working on behalf of the Secretary of State as the charging authority. A receivable from National Highways is recognised equal to any balances due to suppliers at the end of the year in recognition of this financing arrangement.

The net assets arising from the charging scheme are payable to the Department under the charging scheme legislation. The net assets which principally comprise cash, net receivables due from road users (Note 5), and deferred income comprising prepayments by road users (Note 6) – are payable under the charging scheme legislation to the Department. An equal payable is therefore recognised to the Department in respect of these net assets. The scheme regularly pays the cash proceeds of the scheme amounts to the Department in service of this commitment.

1.2 Going Concern

The accounts are prepared on a going concern basis. The charging scheme for the Dartford-Thurrock River Crossing is enabled by a number of pieces of secondary legislation and there has been no indication from the Department for Transport that this legislation will be amended.

New contracts for the operation of second generation free-flow charging at the crossing commenced in 2023 on a 10-and-a-half-year basis indicating the Department's commitment to continuing the scheme.

Autumn Budget 2025 announced that the Government's preferred financing option for the Lower Thames Crossing scheme at this stage is the Regulated Asset Base (RAB) model. Under this model, ownership and operations of the Dartford Crossing would transfer to a new regulated private sector entity, which would be responsible for operating and maintaining both the Dartford Crossing and the new Lower Thames Crossing, ensuring a consistent and reliable service. This entity will be overseen by a regulator to ensure it performs and protects users. New primary legislation is required to enable the RAB model to be utilised to deliver roads. We intend to put forward legislation, when parliamentary time allows for it.

1.3 Adjustment to last year's published results

An in-year review has identified errors in our expenditure working papers across two areas, resulting in a material understatement of expenditure in the published 2023-24 figures:

- M25 Connect+ Expenditure: Incorrect allocation of Dartford-specific contractual variations led to an understatement of £5.2 million in the prior year's accounts.
- Other Dart Charge Costs: The reversal of prior-year accruals was overstated, resulting in an understatement of £9.1 million in the prior year reported expenditure on this subcategory.

As a result, the 2023-24 figures have been restated to reflect these corrections, increasing prior year expenditure by a total of £14.3 million. There is no impact on equity, as all expenditure is settled in full each year, as outlined in Note 1.1.

£7.0 million of the £14.3 million expenditure understatement relates to capital spend. Consequently, the 2023–24 Statement of Capital Expenditure has been restated, increasing the reported total for the year from (£0.2) million to £6.8 million.

Although not material, we have also restated other balances affected by the identified errors, including accruals and trade payables. These adjustments are offset by corresponding changes in receivables - specifically, funding due from National Highways. The net impact of these adjustments is detailed below.

	Expenditure '£000	Assets '£000	Liabilities '£000
2023-24 as published	134,915	66,676	66,676
Correction of Dart Charge expenditure position	9,125		
Uplift of M25 cost allocation	5,208		
Adjustments of accruals linked to changes in the M25 cost allocation		437	437
Adjustment of trade payables linked to changes in the M25 cost allocation		408	408
2023-24 restated	149,248	67,521	67,521

As the Statement of Assets and Liabilities does not include an equity reserve, and all expenditure is settled in full each year, the cumulative impact of the omitted expenditure prior to 2023-24 is not material. Furthermore, the impact in any individual prior year is also immaterial. Accordingly, a third balance sheet, as required under IAS 1 has not been presented on the grounds of materiality.

1.4 Capital expenditure

Capital expenditure is expensed as it is incurred and included in the overall expenditure figures in these accounts. Capital expenditure will form part of the Statement of Income and Expenditure and Note 3 below, in addition to its separate presentation in the Statement of Capital Expenditure.

This policy reflects the fact that the scheme itself derives no future economic benefit from the expenditure, since net proceeds are payable in full to government. The relevant assets are capitalised and depreciated in the National Highways financial statements in line with the policies stated therein (https://nationalhighways.co.uk/media/okehxfjy/national_highways_ara_24-25.pdf).

1.5 Revenue recognition and derecognition

Road user charges RUC revenue is recognised on the date the road user crosses the Dartford–Thurrock River Crossing during the chargeable period.

Fines and Penalties Fines and penalties represent economic benefits payable to government for breaches of laws or regulations where there is a statutory obligation to pay. These are recognised as revenue as follows:

- For non-first offenders, the PCN amount is recognised as revenue when issued.
- For first-time offenders who receive a PCN with an RUC payment offer, the PCN amount is initially recognised as revenue. If the road user pays the RUC within the 14-day offer period, the PCN is cancelled and the revenue is derecognised.
- Where a penalty is overturned on appeal, the associated revenue is derecognised.

Non-account payments Road users making prepaid deposits outside of account arrangements are informed that payments expire 12 months from the date of deposit. Any unused funds remaining after this period are recognised as revenue.

Rental Income Rental income received from communication network providers is recognised on a straight-line basis over the term of the lease.

1.6 Managing agent expenditure

Estimation techniques have been applied to determine the monetary value of expenditure incurred under the Design, Build, Finance and Operate (DBFO) contract with Connect Plus (M25) Ltd for the year ended 31 March 2025.

The service charge payable by National Highways under the DBFO contract covers the entire M25 network, including the Dartford–Thurrock River Crossing. As the contract does not separately identify costs specific to the Crossing, an estimate has been made to apportion the relevant share of the service charge to its maintenance and operation.

These estimated costs have been included in the accounts using the most appropriate allocation method for each expenditure type, as defined within the financial model underpinning the DBFO contract. Further details on the allocation methodology are provided in Note 1, and a breakdown of the estimated expenditure is presented in Note 3.

Expenditure Type	Total costs specific to Dartford-Thurrock River Crossing per the financial model £m	Apportionment to Dartford-Thurrock River Crossing of non-specific costs within the financial model £m	Total £m
Operational & management	18.6	8.0	26.6
Lifecycle schemes	13.4	0.4	13.8
Overhead & management	-	1.9	1.9
Total	**32.0**	**10.3**	**42.3**

1.6.1 Operational and Management

The types of cost associated to this category are:

- ***Routine structures*** - Inspections and routine maintenance. The amount allocated has been derived based on the elements specific to the Dartford-Thurrock River Crossing rather than the entire M25 contract.
- ***Routine service*** - Incident Response. This is based on the number of incidents as a percentage of the M25.
- ***Other routine*** - Such as roads, winter service and inspection surveys are allocated as a percentage based on the length of the Dartford-Thurrock River Crossing as per the legislation compared to the total length of the M25 per the DBFO contract.
- ***Charge collection and crossing*** - The whole amount is specific to the Dartford-Thurrock River Crossing.
- ***Management activities staff*** - Is based on the staff capacity of the Dartford-Thurrock River Crossing depot as a percentage of the capacity of all depots.
- ***Management activities facilities*** - Is based on the staff capacity of the Dartford-Thurrock River Crossing depot as a percentage of the capacity of all depots.
- ***Lifecycle tunnels*** - Is based on the number of Dartford-Thurrock River Crossing tunnels compared to the total amount of tunnels across the M25.
- ***Vehicle recovery*** - The whole amount is specific to the Dartford-Thurrock River Crossing.
- ***Others*** - Such as lifecycle ancillaries and indeterminate costs are allocated as a percentage based on the length of the Dartford-Thurrock River Crossing as per the legislation against the total length of the M25 per the DBFO contract.

1.6.2 Lifecycle Schemes

The types of cost associated to this category are:

- ***Pavements*** - Costs under this category are allocated as a percentage based on the length of the Dartford-Thurrock River Crossing as per the legislation against the total length of the M25 per the DBFO contract.
- ***Tunnels*** - the whole amount is related to the Dartford-Thurrock River Crossing.

1.6.3 Overhead and Management

Cost under this category relate to the head office costs incurred by the contractor.

- ***Management -*** Project management, advisors and board fees are based on the contractors' best estimate of the time spent by management on an annual basis.
- ***Energy -*** Is based on the actual metered and unmetered supplies that are specific to the Dartford-Thurrock River Crossing as a percentage against the total energy cost incurred through the DBFO.
- ***Insurance and risk -*** the percentage as per that applied to the financial model in the DBFO contract.

Further information is included in Note 3 page 30.

1.7 New and amended Accounting Standards

The following new or amended standards and interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective and have not been early adopted within these accounts as at 31 March 2025.

IAS 21 – Amendments on lack of exchangeability

Effective date: 1 January 2025.

These amendments clarify the accounting when a currency is not exchangeable.

Expected impact: The Dartford-Thurrock River Crossing accounts are not impacted by these amendments.

IFRS 17 – Insurance Contracts

Effective date: 1 January 2024. This standard replaces IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It aims to provide more consistent and transparent reporting of insurance obligations.

Expected impact: The Dartford–Thurrock River Crossing accounts are not impacted by this standard.

IFRS 7 and IFRS 9 – Amendments on financial instruments with environmental, social and governance-linked features

Effective date: 1 January 2026.

These amendments address classification and measurement of financial instruments with environmental, social and governance-linked features.

Expected impact: The Dartford-Thurrock River Crossing accounts are not expected to be impacted by these amendments.

IFRS 18 – Presentation and disclosure in financial statements

Effective date: 1 January 2027.

Introduces a new structure for primary financial statements and enhanced disclosures.

Expected impact: Presentational changes may need to be made to the primary financial statements within the Dartford-Thurrock River Crossing accounts but this is not anticipated to have a material impact on recognition or measurement.

1.8 Pension costs and the accounting treatment

When the Dartford–Thurrock River Crossing concession was enacted, employees previously employed by Kent County Council transferred to Egis, a private sector company within the Connect Plus joint venture. As part of the transfer arrangements, the Secretary of State for Transport provided an indemnity to Egis, accepting liability for any future contributions and deficits associated with the Dartford–Thurrock Crossing Pension Scheme fund.

On behalf of the charging scheme, National Highways contributes to the funded defined benefit Dartford River Crossing Pension Scheme in respect of managing agent staff who are members of the scheme. In-year contributions relating to current service are recognised annually as part of the scheme's expenditure (see Note 3).

Where the scheme is in deficit, the indemnity is treated as a provision, reflecting a legal obligation arising from the agreement. The financial liability is measured in accordance with IAS 37, with estimation uncertainty and discounting addressed under Note 1.9.2.
Where the scheme is in surplus, no asset or contingent asset is recognised, as there is no associated inflow of economic benefit to the Department.

1.9 Use of estimates

1.9.1 Impairment of Receivable

The principal area of estimation in these financial statements relates to the impairment of debt arising from enforcement activities. Due to the nature of the Scheme's enforcement operations, not all debt is ultimately recoverable, despite management undertaking reasonable and robust credit control procedures.

In accordance with IFRS 9, management assesses impairment collectively across groups of receivables that share similar credit risk characteristics. Expected credit losses (ECLs) are calculated by:

- Identifying scenarios in which a receivable may default
- Estimating the cash shortfall in each scenario
- Multiplying the shortfall by the probability of default
- Summing the results across all possible default events

As every receivable carries some probability of default from the point of origination, each has an associated ECL.

Impairment is determined for each group based on the amount required to align the net debt balance with expected future cash flows. For receivables referred to the Debt Enforcement Agency (DEA), impairment is based on the aggregate percentage of debt recovered in recent DEA cases prior to their return with no further action.

For other categories, management applies cohort-based analysis using historical repayment profiles. This approach relies on actual recovery data rather than fixed impairment policies, enhancing accuracy and relevance.

Cohort selection involves judgement. More recent cohorts provide a closer reflection of the year-end debt position but offer less historical cash-flow evidence. Given the accounts preparation timeline and the typical enforcement lifecycle management selected debts originating between April 2024 and March 2025 for analysis. The cash-flow profile of this cohort, including the proportion recovered at the final enforcement stage, is then used as a proxy for estimating recoverable debt at the balance-sheet date.

The total impairment expense recognised for the year was £94.7 million (2023–24: £59.4 million), an increase of £35.3 million. This movement reflects a £52.3 million rise in write-offs, offset by a £17.0 million reduction in the allowance for doubtful debt.

The increase in impairment is primarily driven by a significant rise in enforcement activity during the year. Additional PCNs were issued as part of targeted action to address the backlog that accumulated in 2023–24 following issues arising from the transition to a new operating model in July 2023. The heightened enforcement activity is also reflected in the substantial increase in enforcement income reported for the year.

1.9.2 Measurement of pension indemnity provision

The measurement of the pension provision described in Note 1.8 is determined using IAS 37 principles. The key source of information for the asset and liability position is the advice of actuaries provided to the trustees of the pension scheme, which include representatives of the charging authority. The funding update position as at the 31 March 2025 was provided by the actuary to support these accounts.

The charging scheme will incur net cash outflow in excess of in-year contributions for service (which is consistent with pensions accounting more broadly, where contributions paid in the year do not necessarily reflect the cost of future pension obligations) where there is an excess of liabilities for pension payments over scheme assets at any point up to the pension scheme discharging its final obligation. Determining the expected cash flows therefore involves determining whether any excess of pension liabilities over assets exists at the Balance Sheet date, which in turn relies on the valuation approach to both assets and liabilities. Assets are measured at fair value.

The value of the pension fund may increase or decrease in the future based on actuarial assumptions, actual investment performance and experience of the extent of future obligations, resulting in a total net liability or a total net asset. To the extent that any future deficit arises, this represents a liability to the Secretary of State for Transport and the charging scheme. The charging authority is working with the pension scheme's trustees to maximise the return on investment from scheme assets to minimise the funding gap.

For accounting purposes, the charging scheme uses a more prudent discount rate assumption, using the 'bonds basis' applied in the most recent full actuarial valuation. This results in a valuation of the net surplus at £0.9m (2023-24 £0.4m surplus). Key indicators used to determine the bonds basis valuation include.

Discount Rate for Bonds Basis	5.4% pa
Retail Price Index (RPI)	3.3% pa
Consumer Price Index (CPI)	2.5% pa

It is noted that these rates differ to the advised HM Treasury Public Expenditure Systems (PES) rates issued for 2024-25, which provides 2.15% as the nominal discount rate for financial instruments. However, it is deemed that our actuarial rates will be more current and accurate.

2. Income

	2024-25	2023-24
	£000	**£000**
Dart Charge Operation		
Road user charge (accounts)	78,914	79,051
Road user charge (non-accounts)	47,601	51,083
Enforcement	128,354	91,011
Abnormal load	289	313
	255,158	**221,458**
Other Income		
Rental	117	132
	255,275	**221,590**

Income has increased by £33.7m (15.2%), driven by a £37.3m increase in enforcement income.

Account income relates to crossings made by users registered with Dart Charge accounts, who benefit from discounted rates as an incentive for account-based payment. Registered crossing volumes remained broadly static during the year, which is reflected in income remaining largely unchanged.

Non-account income relates to crossings typically made by less frequent users and pay the full crossing charge. Non-account crossing volumes reduced during the year, and this is reflected by a reduction in income recognised.

This balance also includes £3.0m relating to non-account payments which expired without a crossing being taken (2023-24: £3.5m).

Enforcement income relates to road users who used the crossing but did not make a RUC payment within the required timescale, resulting in a PCN being issued.

Enforcement income was valued and recognised at £128.4m (2023-24: £91.0m). The 41.1% increase reflects a significant rise in the number of PCNs issued and processed during the year, following the clearance of a substantial backlog that had accumulated due to issues experienced on migration to a new operating model in July 2023.

These issues were resolved during 2023-24, with the backlog formally cleared by May 2024. Enforcement income is expected to return to more typical levels in 2025-26

3. Expenditure

	2024-25	2023-24 Restated
	£000	£000
Managing Agent Contractor's costs		
Connect Plus (M25) Ltd	42,274	47,069
Dart Charge service providers	26,583	24,031
	68,857	**71,100**
Impairment to Income		
Road user charge		
Write offs	8,032	3,917
Movement in allowance for doubtful debt	(5,294)	88
Enforcement		
Write offs	103,377	55,207
Movement in allowance for doubtful debt	(11,445)	160
	94,670	**59,372**
Other Expenditure		
Dart Charge	7,603	13,686
National Highways Staff	4,774	3,908
Safety scheme	0	7
Technology projects safety	535	286
Routine maintenance	19	29
Pension Costs	771	860
	13,702	**18,776**
	177,229	**149,248**

2023-24 expenditure has increased by £14.3m following a restatement of the balance after the identification of two material errors. Further detail on the restatement is provided in Note 1.3.

Connect Plus (M25) Ltd represent an apportionment of the total expenditure payable to Connect Plus under the M25 DBFO contract for the operation and maintenance of the crossing. These estimated costs are derived using the most appropriate allocation method for the three expenditure categories defined within the DBFO financial model.

Total expenditure amounted to £42.3m (2023-24: £47.1m), comprising:

- Operational & management costs: £26.6m (2023-24: £30.5m)
- Life cycle schemes: £13.8m (2023-24: £14.6m)
- Overhead and management costs: £1.9m (2023-24: £2.0m)

Dart Charge service provider costs relate to monthly payments made to Emovis, Conduent, and EPC, who deliver operational services for the Dart Charge scheme. These costs increased by 10% during the year, primarily due to heightened enforcement activity required to manage the backlog of PCNs that accumulated in 2023-24.

Impairment to income relates to RUC and enforcement receivables that have been written off or provided for due to a low probability of collection. During the year, impairment increased by 59.4% to £94.7m (2023–24: £59.4m). This increase reflects the substantial rise in enforcement activity undertaken to address the backlog of PCNs that accumulated in 2023–24, following issues encountered during the migration to a new operating model in July 2023.

Dart Charge expenditure reflects payments to third-party providers supporting revenue collection. Associated costs dropped to £7.6m (2023-24: £13.7m) following the end of implementation of the new service model. The balance also includes an audit fee of £90k (2023-24 £92.5k).

National Highways staff is expenditure incurred by National Highways involving staff associated with crossing activity, including traffic officers and staff responsible for managing contracts with service providers. These costs increased to £4.8m (2023-24: £3.9m), driven by a more detailed review of staff allocations and modest increases in pay and full-time equivalent staffing.

4. Net proceeds

The income of £255.3m (2023-24: £221.6m) is payable to the DfT, net of impairment. This income is appropriated in aid within the departmental resource accounts, subject to specific income retention rules for enforcement income as agreed between HM Treasury and the Department. The expenditure reported in these accounts has been financed through the parliamentary supply to the Department.

5. Current assets

		2024-25		2023-24 Restated
	£000	£000	£000	£000
Cash at bank		49,815		40,479
Cash in transit		2,311		1,440
Receivables				
Road user charge	8,619		11,590	
Allowance for doubtful debt	(4,186)		(9,480)	
		4,433		2,109
Enforcement	84,585		97,093	
Allowance for doubtful debt	(77,316)		(88,759)	
		7,269		8,333
Financing due to/(from) National Highways		16,605		15,160
		80,433		**67,521**

Cash at bank represents amounts received by National Highways in respect of RUC payments, enforcement, and Dart Charge prepayments that have not yet been remitted to the Department. These amounts become payable to the Department once a road user has both made a payment and completed a crossing.

Cash in transit refers to customer payments made as at 31 March 2025 that have not yet cleared through National Highways.

Receivables represent crossings that remained unpaid at the end of the financial year. Given the inherent risk of evasion associated with this type of scheme, an allowance for doubtful debts has been recognised as an expense. This has reduced during the year following implementation of more efficient debt closure processes

Financing due to National Highways reflects funding required to cover the scheme's accrued expenditure and pension-related financial guarantee contract. These balances relate entirely to expenditure streams settled by National Highways on behalf of the scheme.

6. Trade and other payables

	2024-25 £000	2023-24 Restated £000
Trade payables	3,581	4,154
Amounts to be paid over to the Department	44,764	33,688
Payable to Road Users	756	-
Accrued Expenditure	11,655	9,636
Deferred Income-Prepaid Road user charge	19,677	20,043
	80,433	**67,521**

Trade payables relate to work performed, invoiced but not paid as at 31 March 2025.

Payables to the Department total £44.8m and comprise of:

- Road user and enforcement cash collected but not yet remitted to the Department as at 31 March 2025
- Impaired road user and enforcement liabilities not yet recovered.

Payables to road users amount to £0.8m and relate to closed accounts where refund cheques have been issued but remain unbanked.

Accrued expenditure reflects work performed but not invoiced as at 31 March 2025. The total accrual of £11.7m (2023-24: £9.6m).

Deferred income stands at £19.7m (2023-24: £20.0m) and represents prepaid RUC payments. These funds are held in a bank account until the road user completes a crossing or receives a refund. If unused after 12 months, accounts are closed and balances are either refunded or recognised as income, in accordance with Note 1.5.

7. Provisions

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, provisions are recognised for legal or constructive obligations of uncertain timing or amount at the Statement of Financial Position date, where it is more likely than not that a liability exists. Provisions are measured based on the best estimate of the expenditure required to settle the obligation.

At present, the scheme does not recognise any provisions. Although a pension indemnity was recognised in prior years, the pension scheme assets are currently in surplus, and as such, no further obligations exist.

8. Risks relating to financial instruments

For the purposes of these disclosures, the Dart Charge scheme is considered a part of National Highways. Given the largely non-trading nature of its activities and the financing model typical of government arm's length bodies, National Highways is not exposed to the level of financial risk commonly faced by commercial entities.

Financial instruments play a limited role in influencing or managing risk within National Highways, unlike the more complex risk profiles of listed companies subject to IFRS 9. The organisation has minimal authority to borrow or invest surplus funds. Instead, its financial assets and liabilities arise from routine operational activities and are not held for the purpose of altering its risk exposure.

8.1 Liquidity risk

Liquidity refers to the possibility that National Highways may be unable to meet its financial obligations as they fall due or to replace funds when withdrawn. However, National Highways' resource requirements are financed through funding settlements approved by Parliament—whether interim or as part of the longer-term Road Investment Strategy. As a result, National Highways is not exposed to significant liquidity risk.

8.2 Credit risk

Credit risk is the risk of financial loss arising if a customer or counterparty fails to meet their contractual obligations. The scheme's principal credit risk relates to the enforcement of late-paid RUCs and outstanding PCNs. Further details are included in Notes 1.9, 1.5 and 11. Credit risk is the risk of suffering financial loss, should any of the company's customers or counterparties fail to fulfil their contractual obligations to the company. Some of the company's customers and counterparties are other public sector organisations. Little credit risk arises from these organisations since the receivables are backed by the government. For those customers and counterparties that are not public sector organisations, the company has policies and procedures in place to ensure credit risk is kept to a minimum.

8.3 Market risk

Market risk refers to the potential impact of changes in market prices—such as foreign exchange rates and inflation—on the company's income or the value of its financial instruments. The objective of market risk management is to identify, manage, and control exposures where such risks are considered to have a material effect on the company's business and operations.

However, the nature of our contractual arrangements and the strategic direction of the schemes ensures that market influences on the scheme are limited.

9. Remote Contingent Liabilities

Under the requirements of the Government Financial Reporting Manual (FReM), remote contingent liabilities must be disclosed where they arise from past events and could result in an outflow of resources, even where the likelihood of such an outflow is assessed as remote.

The scheme previously reported a contingent liability relating to potential refunds payable on accounts closed due to inactivity. Prior to 2021–22, residual balances on these accounts were recognised as income, and a contingent liability was disclosed to reflect the possibility that former account holders might request repayment.

A review undertaken during the current financial year confirmed that no refund requests have been received in the past two financial years. Based on this evidence, the likelihood of any future outflow is now considered remote and valued at £4.9m in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

10. Related party transactions

National Highways, which is a government owned company, operates the Dartford-Thurrock River Crossing on behalf of the Secretary of State. The income collected on behalf of National Highways by the managing agent is payable back to the Department, whilst the gross expenditure is financed through the parliamentary supply to the Department.

In addition to this we have had transactions with a small number of other government departments and agencies, in particular HM Court & Tribunals Service of £6.5m (2023-24 £4.2m), as well as immaterial values paid for services provided by the local Police and Crime Commissioners, Kent County Council and the Driver and Vehicle Licencing Agency.

11. Losses and special payments

In accordance with *Managing Public Money*, a statement of losses and special payments is required where the total value exceeds £300,000, or where individual items exceed £300,000. Losses may include cash and store losses, bookkeeping errors, fruitless payments, claims abandoned, and fraud. Special payments may include extra-contractual, extra-statutory, ex-gratia payments, and compensation.

11.1 Losses statement

11.1.1 RUC revenue and enforcement revenue impaired in year

The enforcement system for the Dartford–Thurrock River Crossing naturally carries risks that limit full debt recovery, including service provider errors, data issues, and customer behaviour. Although the main purpose of enforcement is to encourage compliance, persistent non-payment can lead to referral to debt recovery agents.

As some debts ultimately become difficult or uneconomic to pursue, it is standard practice for the organisation to write off balances judged unlikely to be recovered. In the year ending 31 March 2025, £8.0m of RUC receivables and £103.4m of enforcement receivables were written off both higher than the previous year, reflecting the increased volume of active PCNs following the backlog caused by operational issues during the migration to the new service model.

The accounts also include an allowance for doubtful debt, representing receivables expected to be irrecoverable, with movements recognised as expenses or credits. For 2024–25, the allowance decreased by £16.7m, compared with a £0.2m reduction in the prior year. This reduction reflects improved management of debt balances and more proactive housekeeping of legacy accounts, enabling earlier identification and closure of unrecoverable debts

11.1.2 PCNs not issued

In line with the revenue recognition policy adopted by this set of accounts, Penalty Charge Notice (PCN) revenue is only recognised once a PCN has been issued. Where a PCN has not been issued, the associated contravention is deemed outside the scope of revenue recognition.

During the financial year, £20.6m (2023-24: £33.8m) was not recognised as PCN revenue due to road users not receiving PCNs despite having recorded contraventions (i.e. crossings without matching payments).

PCNs may not have been issued for a variety of reasons, including unavailability of vehicle keeper details (UK and non-UK), illegal activity or evasion (such as cloned vehicles), poor quality vehicle images, misread number plates, system errors, service provider mistakes, or discretionary decisions made by National Highways. National Highways continues to address system issues and service provider errors on an ongoing basis.

It should be noted that a significant proportion of the PCNs not recognised are likely attributable to first-time offenders who are offered the opportunity to pay the RUC within 14 days, thereby avoiding a fine. From the outset, the scheme's objective—aligned with agreed policy—has been to promote compliance and public acceptance in support of a credible free-flow charging model. Compliance stood at 94.5% at year-end.

11.2 Special payments

No special payments have been made.

11.3 Derecognised enforcement revenue

The total value of PCNs issued during the year which were derecognised is £43.2m.

There are two main reasons for derecognition: the RUC was paid within the 14-day warning letter period and successful representations and appeals. In both cases these are not classified as losses under *Managing Public Money* but are included here to provide context.

11.3.1 RUC paid within 14-day warning letter period (first time offenders only)

A fair and balanced approach to enforcement, focused on encouraging compliance, has continued to be adopted. First-time users of the Dartford Thurrock River Crossing were given an additional opportunity to pay the RUC and avoid a penalty. This included an offer to settle any outstanding charges within 14 days to avoid the issuance of a first PCN.

As a result, not all potential PCN income is recoverable. In these cases, users paid the correct charge but did so outside the prescribed 24-hour payment window. Any penalty charge revenue initially recognised in respect of compliance with the 14-day payment offer has subsequently been derecognised from the accounts.

11.3.2 Successful representations & appeals and the cancellation of invalid PCNs

A representation is the initial process available to road users to dispute a PCN. Representations are reviewed by National Highways and result in either a notice of rejection, where the PCN is upheld, or a notice of acceptance, where the PCN is cancelled. If a road user challenges a notice of rejection, the matter proceeds to appeal. Appeals are heard and decided by an independent adjudicator. Invalid PCNs include those issued to exempt vehicles or duplicate PCNs issued in error.

12. Events after the reporting period

There have been no events since the 31 March 2025 to the date the accounts were authorised for issue which would affect the understanding of these accounts.

These financial statements are laid before the Houses of Parliament by the Secretary of State for Transport. IAS 10 requires disclosure of the date on which the accounts are authorised for issue.

The authorised date for issue is the date of the Comptroller and Auditor General’s audit report.

APPENDIX A

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 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

2 February 2005

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