

DARTFORD-THURROCK CROSSING 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 2006 and Statement of Assets and Liabilities as at 31 March 2006 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 Charging Scheme Account 2005-2006

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 14 DECEMBER 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, this contract expires on 31 August 2008. All cash receipts from Le Crossing are passed over gross to the Department for Transport. For the year ended 31 March 2006, this amounted to £67,395,964 (2004-05 £68,082,508).

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 2006.

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

27 November 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. Management and preparation of this account, and the underlying accounting transactions, are subject to the control environment of the Highways Agency to which the following statement refers. There are no risks identified specifically for the Dartford-Thurrock Crossing Charging Scheme account.

The scope and purpose of the system of internal control

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 Charging Scheme.

The Highways Agency's system of internal control was in place for the year ended 31 March 2006 and up to the date of approval of the Agency's annual report and accounts. It accords with Treasury guidance.

The system of internal controlⁱ is designed to manage risk of failure to achieve policies, aims and objectives to a reasonable level rather than to eliminate all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness. Risk management informs a number of internal control processes designed to fulfil the Agency's control objectives.ⁱⁱ

The risk and control framework

I have established a framework of responsibility for risk management, with appropriate support, guidance and proceduresⁱⁱⁱ in all parts of the Agency's business.^{iv}

My staff work closely with their counterparts in the Department for Transport to ensure that risk management systems are compatible, there is clear accountability for managing risks, joint action is taken where appropriate to manage risks, and the Department is kept informed of risks as appropriate.

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

The Board identifies strategic risks^{vi} 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.

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. They receive reports on risks to delivery of Public Service Agreement Targets through the DfT reporting system.

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. My senior staff and I regularly meet with stakeholder groups and cover their views on risks to their interests in these meetings. We manage road safety risks through a developing set of safety action plans based on the views from the public and stakeholders with the objective of meeting the targets set by the DfT Road Safety Strategy.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review consists of discussions with my Head of Internal Audit and the chair of the Audit Committee, informed by the work of my internal auditors, that of 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 ^{vii} and the Audit Committee ^{viii}. Measures to address weaknesses and ensure continuous improvement of the system are in place, and as a result of my review and the advice received I have commissioned a program of work to improve management assurance by:

- Documenting and publishing an agreed new Corporate Governance framework for the Agency (incorporating risk, stewardship and balanced scorecard reporting);
- Making further improvements in the electronic guidance on processes and controls; and
- Providing support and guidance to managers to help them to improve record-keeping, control and accountability in their commands.

This will allow us to address the causes rather than the symptoms of weaknesses in our systems of control.

The Agency's corporate governance arrangements are designed to comply with the Code of Good Practice on Corporate Governance in Central Government Departments. ^{ix}

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 2005 – 06 is that:

Corporate Governance is working effectively with some minor weaknesses. The arrangements are substantially compliant with the code of practice;

Risk Management is working effectively with some minor weaknesses; and

Risk Handling / Internal Control is operating effectively except for some areas where significant weaknesses have been identified. None of those weaknesses fall within the scope of those required to be disclosed in this statement.

Actions to rectify specific weaknesses identified by my internal auditors are under way. I have also set an objective for the top managers in the Agency to improve control and assurance (as measured by internal audit opinions relating to their commands) during the year and commissioned the program of work to improve assurance outlined above.

In my Statement on Internal Control for 2004-05 I reported that I had 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.

As a follow-up I can report that:

- A large part of our systems of working and guidance were reviewed and a formal quality review process applied to support electronic publication. More work is needed to deliver the full improvements in the design and monitoring of controls;
- The first electronic edition of the guidance on processes and controls has been published and is in use; and
- The scope and machinery of Stewardship Reporting by senior staff, and the associated guidance available to them on their internal control and stewardship responsibilities, was improved and will be subject to further improvement in the forthcoming years. This also had the effect of raising the profile of internal control with managers.

Notes

i **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.

ii **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 Information and advice is timely and TRUE (Trusted - Reliable - Useful - Effective); and
- to ensure that HA people and procedures comply with relevant legal, government, departmental and technical standards and requirements.

iii **Capacity To Handle Risk**

The Agency's 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. Risk management guidance is available to all staff. The guidance outlines key aspects of the risk management process and identifies the main reporting procedures. Senior managers have received training in risk management tailored to their responsibilities and concerns.

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

Staff and managers are required to identify new or increased risks and opportunities as part of the routine performance reporting process. Risk is a standard agenda item in team meetings in many areas of the Agency.

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.

v **The Agency's risk appetite** is set to ensure that:

- All risks with a high impact on the Agency's performance, stewardship of public funds, stewardship of the environment or the reputation of the Agency or the wider Government receive focussed, cost-justified management attention, and
- Where appropriate, action is escalated through the line management chain to DfT and Ministers.

vi The key **strategic risks managed by the Board** are shown in the Management Commentary section of the Agency's annual report.

vii **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;

viii 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.

ix <http://www.hm-treasury.gov.uk/media/71D/48/daocorp-governancecode.pdf>.

Disclosures about how the Board and its sub-committees operate, the independence of non-executive directors, and the Audit Committee's terms of reference elsewhere in this annual report.

Archie Robertson

Accounting Officer

27 November 2006

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

I certify that I have audited the financial statements of the Dartford Thurrock Crossing Charging Scheme for the year ended 31 March 2006 on pages 13 to 18. These comprise the Income and Expenditure Account, Statement of Assets and Liabilities, and the related notes. These financial statements have been prepared under the accounting policies set out within them.

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 responsibility, as independent auditor, is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

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 on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's Statement on Internal Control covers all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

Basis of Audit Opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My 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 Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Dartford-Thurrock Crossing 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 fraud or error, 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 2006, 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.

John Bourn

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

Income and Expenditure Account for the Year Ended 31 March 2006

	Note	£'000	2005-06 £'000	2004-05 £'000
INCOME				
Road user charges			49,558	49,693
DART Tag usage			19,715	19,234
Rental income			54	75
Interest received			-	17
			<u>69,327</u>	<u>69,019</u>
EXPENDITURE				
Managing Agent Contractor's costs	2	14,426		13,846
Other expenditure	2	3,396		2,937
Audit fee	2	15		25
		<u>17,837</u>	<u>17,837</u>	<u>16,808</u>
NET PROCEEDS FOR THE YEAR	3		<u>51,490</u>	<u>52,211</u>

All results derive from continuing operations

The notes on pages 15 to 18 form part of these accounts.

Statement of Assets and Liabilities as at 31 March 2006

	Note	£'000	2005-06 £'000	2004-05 £'000
CURRENT ASSETS				
Bank	4	6,259		5,793
Debtors	4	122		129
Stock	5	2,919		2,814
Accrued income	4	438		838
			<u>9,738</u>	<u>9,574</u>
CURRENT LIABILITIES				
Creditors: Amounts falling due within one year	6		<u>(9,659)</u>	<u>(9,618)</u>
NET ASSETS / (LIABILITIES)				
			<u>79</u>	<u>(44)</u>
Financing due from / (to) the Highways Agency	7		<u>(79)</u>	<u>44</u>

Archie Robertson
Accounting Officer
27 November 2006

The notes on page 15 to 18 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. Net realisable value is deemed to be the equivalent of current replacement cost.

c. Contingent Liabilities

Contingent liabilities in relation to the Dartford-Thurrock Crossing are the responsibility of the Highways Agency. All contingent liabilities are identified and reported in the Agency's annual report and account. The related expenditure will be recognised in the Dartford Thurrock Crossing Charging Scheme account when it is incurred.

2. Expenditure

		2005-06	2004-05
	£'000	£'000	£'000
Managing Agent Contractor's fees		14,426	13,846
Other expenditure;			
Structure renewals	780		795
Safety	263		730
Road renewals	480		549
Pylon protection	313		420
Toll booth protection	1,347		157
Diverting traffic	39		147
Stock write-downs	-		29
Other	174		110
		3,396	
			2,937
Audit fee		15	25
		17,837	16,808

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 £1,665,515 (2004-05 £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 £15,000 accrued charge for the audit of the 2005-06 account.

3. Net proceeds

The gross income of £69,327,000 (2004-05 £69,019,000) is payable to the Department for Transport and is Appropriated in Aid in its accounts. The gross expenditure of £17,837,000 (2004-05 £16,808,000) has been financed through the Parliamentary Supply to the Department for Transport.

During the year £21,000 was received from the Highways Agency's property management agents in relation to rental income from telecommunications companies for use of land at the Dartford-Thurrock Crossing.

In previous years, similar income has been treated as Appropriated in Aid within the Agency annual report and account but was not identified as specifically relating to the Dartford Thurrock Crossing. During 2004-05 this income amounted to £15,000, has yet to be paid over to Department for Transport and is shown as a creditor within current liabilities.

4. Current Assets

	2005-06	2004-05
	£'000	£'000
Bank	6,259	5,793
Amounts due from DfT in respect of DART Tag creditors	92	99
Amounts due from DfT in respect of British Rail creditor	30	30
	<hr/>	<hr/>
	122	129
Stock of DART Tags	2,919	2,814
Accrued toll income	438	838
	<hr/>	<hr/>
	9,738	9,574

Bank represents amounts received in respect of road user charges and DART Tag prepayments plus rental income not yet paid over to DfT. These will be paid over to the Department for Transport (DfT) immediately in the case of road user charges and rental income, 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 28 to 31 March 2006 (2004-05 24 to 31 March 2006) where the cash was not received from Le Crossing by 31 March 2006.

5. Stock of DART Tags

	2005-06 £'000	2004-05 £'000
Opening balance	2,814	2,509
Purchases in the year	140	362
Write-downs	-	(29)
Lost and stolen tags	(35)	(28)
	2,919	2,814

Regular users of the Crossing have the facility to deposit funds in advance for their journeys through the plaza under the DART Tag scheme. A DART Tag is an electronic device that is placed inside a vehicles windscreen to enable automatic passage through the plaza with a deduction instantly made from the customers account. Customers on the DART tag scheme receive a discount on each individual journey to recognise the increased efficiency and reduced congestion this scheme causes.

6. Creditors: amounts falling due within one year

	2005-06 £'000	2004-05 £'000
Trade creditors	1,723	2,408
Amounts to be paid over to DfT	1,924	1,666
Accrued expenditure	1,103	428
DART Tag prepayments	4,770	4,965
DART Tag unrepresented cheques	92	99
British Rail creditor	30	30
Amounts due to Le Crossing relating to DART Tag	3	17
VAT creditor	14	5
	9,659	9,618

The amounts to be paid over to DfT are charges collected for the period 28 to 31 March 2006, 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 £1,088,441 (2004-05 £410,000) and audit charges of £15,000 (2004-05 £18,000).

DART Tag prepayments are amounts received from road users as at 31 March 2006 for future use, they will be paid over to the Department for Transport once utilised.

DART Tag unpresented 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 Concessionaire to cover these liabilities.

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

Work carried out and not paid at year-end less stock of Dart Tags, comprising:

	2005-06	2004-05
	£'000	£'000
Trade creditors	1,723	2,408
Accrued expenditure	1,103	428
VAT creditor	14	5
Amounts due to Le Crossing	-	17
Stock of DART Tags	(2,919)	(2,814)
	(79)	44

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
2 February 2005

For further information about this account please contact:

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