

Notes to the Account

1. Statement of Accounting Policies

a. Accounting Convention

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

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

b. Stock

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

2. Expenditure

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

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

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

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

3. Net proceeds

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

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

4. Current Assets

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

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

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

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

5. Stock

Stock represents tags used in the DART Tag scheme:

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

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

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

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

6. Creditors: amounts falling due within one year

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

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

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

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

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

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

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

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

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

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

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

Dartford Thurrock Crossing Road Charging Scheme

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

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

1. The statement of accounts which is the duty of the Secretary of State for Transport to prepare in respect of the year ended 31 of March 2004 and in any subsequent year shall comprise:
 - (a) a Foreword, which shall include:
 - (i) a statement that the accounts have been prepared in accordance with a Direction given by the Treasury in pursuance of Section 3 (1) (b) of the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003;
 - (ii) an explanatory introduction;
 - (iii) information on significant events during the period
 - (iv) a statement providing information on how the Secretary of State has or intends to disburse the net proceeds arising from the scheme on other transport initiatives
 - (b) a statement of the responsibilities of the person signing the accounts
 - (c) a statement of the system of internal control
 - (d) a statement of income and expenditure
 - (e) a statement of capital expenditure
 - (f) a statement of assets and liabilities
 - (g) notes to the accounts, including an explanation of the accounting policies adopted, that may be necessary to present fairly the income and expenditure for the period, transfers of funds to or from Central Government, and the assets and liabilities at the end of the period in relation to functions under the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003.

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

David A. Cruden FCA

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