

## 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 and Statement of Capital Expenditure for the year to 31 March 2009 and Statement of Assets and Liabilities as at 31 March 2009 and relevant notes to the account together with the Report of the Comptroller and Auditor General thereon. (In continuation of House of Commons Paper No. 159 of 2008-2009)

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

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# Dartford-Thurrock Crossing Charging Scheme Account 2008 - 2009

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# Foreword and Management Commentary

## Background Information

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 retained toll revenue to pay off the existing debt and the debt incurred by building the new bridge. Tolls were set by the Department for 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<sup>1</sup>;
- regulations covering accounting arrangements<sup>2</sup>; and
- the making of a Dartford-Thurrock charging scheme order<sup>3</sup>.

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. Whilst the contract was due to expire on 31 August 2008, the contract has been extended to terminate at a time when functions transfer to the new M25 Design Build Finance Operate (DBFO) concessionaire, which took place on the 13 September 2009. All cash receipts from Le Crossing are passed over gross to the Department for Transport. For the year ended 31 March 2009, this amounted to £67,804,149 (2007-08: £65,702,291).

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. The net proceeds from the charging scheme is used to offset the generality of transport expenditure and is not hypothecated to particular programmes or projects.

Following consultations in 2006 and 2008 the Government introduced changes to the charging arrangements at the Dartford Thurrock River Crossing from the 15 November 2008. This included the introduction of a local residents discount scheme, the removal of overnight charging and a greater incentive for drivers to use DART-Tag, the crossings electronic payment system. Final implementation costs will total £5.7m, with £1.5m having been spent in 2007 – 2008, £4m in 2008 – 2009 and £0.2m in 2009 - 2010. Further details on the new charging scheme are available on the Highways Agency website <http://www.highways.gov.uk/roads/projects/4065.aspx>

## **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 2009.

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

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

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

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 audit certificate and report are on pages 10 and 11.

**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 Account has been authorised for issue on 30th November 2009 by the Accounting Officer.

**Graham Dalton**  
Accounting Officer  
30 November 2009

## 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 the Chief Executive of the Highways Agency as the 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 HM Treasury's "Managing Public Money".

## 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 Managing Public Money. This includes responsibility for transactions in respect of the Dartford-Thurrock Crossing Charging Scheme.

The Highways Agency system of internal control was in place for the year ended 31 March 2009 and up to the date of approval of the accounts. It accords with Treasury guidance.

The system of internal control 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 governance objectives:

- We have clear strategic direction, objectives, responsibilities and key targets in support of government policies;
- We ensure efficiency, best value, integrity, propriety and regularity in the use and stewardship of public funds and assets and that clear accountability for expenditure and stewardship of assets is in place;
- We manage our projects and contracts to ensure delivery on time, within budget and to the appropriate quality;
- The information and advice we use and provide is Trusted, Reliable, Useful and Effective;
- Our people, partners and procedures comply with relevant legal, government, departmental and technical standards and requirements.

### **The risk and control framework**

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

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 (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. The Board sets the Agency's risk appetite in line with that of the Department for Transport Board and remains committed to good risk management in the interests of improved delivery.

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

I hold regular meetings with Ministers when operational risks are discussed. Ministers receive direct reports about risks to key initiatives as well as reports on risks to delivery of Public Service Agreement Targets through the Department for Transport 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, the Agency involves 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. Road Safety risks are managed 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 Department for Transport 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. It is informed by the work of my internal auditors, stewardship reports from 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 this review of the effectiveness of the system of internal control by the Board and the Audit Committee, and on data handling and the management of Information risk by the Information Director in her capacity as Senior Information Risk Officer (SIRO). Measures to address weaknesses and ensure continuous improvement of the system are in place. As a result of my review and the advice received I have instigated the Agency's participation in the National Fraud Initiative conducted by the Audit Commission<sup>i</sup>.

The Agency's corporate governance arrangements are designed to comply with the Code of *Good Practice on Corporate Governance in Central Government Departments*<sup>ii</sup>.

The Audit Committee is made up of the Agency's three non-executive directors, one of whom chairs it. I, my Head of Internal Audit, Finance Director, and Traffic Operations director and representatives from the Department for Transport and National Audit Office attend meetings of the Audit Committee but have no vote. The independent Chairman of the Audit Committee advises as appropriate on key risk and control issues. The Audit Committee meets approximately every quarter and reviews the Agency's assessment of corporate risk, considering wider Departmental risk as appropriate. In addition, it considers reports from the Agency's Fraud Committee and monitors progress with the internal audit programme, health and safety audits and other assurance processes operating across the Agency, ensuring recommendations arising are implemented. During 2008/09, the Audit Committee specifically reviewed: operational contingency planning, fraud resilience in the Agency and the wider supply chain, data assurance and handling, procurement capability, post project evaluation processes, changes to accounting standards, and contractual delegations.

My Head of Internal Audit provides regular reports on key risk and control issues, to standards defined in the Government Internal Audit Standards, 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 2008/09 is that on the basis of the evidence obtained during the year sound systems of corporate governance, risk management and internal control are established and found to be operating effectively with some minor exceptions.

In his opinion there are no significant weaknesses that fall within the scope of issues that should be reported in the Statement on Internal Control. Actions to rectify specific weaknesses identified by my internal auditors are under way.

The SIRO's advice on Information Risk and Information handling is given below.

In my Statement on Internal Control for 2007/08 I reported that action had been commissioned to:

- ensure that management of the Agency's information assets, handling of personal data and management of information risks continues to meet current & future business needs and represents good practice
- conduct a trial of continuous monitoring of our financial transactions and associated electronic records to assess whether it will provide a cost-effective improvement to the Agency's system of internal control
- Improve the Investment Control Framework as a result of lessons learned from a post-implementation review.

As a follow-up I can report that:

- During the year the Agency continued to implement the Cabinet Office guidance on information risk management. My Senior Information Risk Officer's assessment of information risk performance on is that the Agency's information assets held on the Agency's business IT infrastructure are being managed effectively and appropriate risk controls are in place. Senior staff responsible for teams that handle personal data have received training in implementing the Cabinet Office guidelines.

Risk assessments conducted on assets so far show that the required level of risk control is in place for those assets and in some cases is exceeded. Risk assessments will have been conducted on all assets on the HA Business IT infrastructure by March 2009 and a full report was made in the SIRO report for Quarter 4.

- Following the Post-Implementation review the Investment Control Framework has been refined, is well embedded in Agency procedures, and provides good visibility and transparency to senior managers about investment decisions

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<sup>i</sup> <http://www.audit-commission.gov.uk/nfi/>

<sup>ii</sup> <http://www.hm-treasury.gov.uk/media/7/5/corpgovernancecode280705.pdf>

**Graham Dalton**  
Accounting Officer  
30 November 2009

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

I have audited the financial statements of the Dartford-Thurrock Crossing Charging Scheme for the year ended 31 March 2009 under the Transport Act 2000. These comprise the Income and Expenditure Account, the 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, Accounting Officer and auditor**

The Secretary of State and Accounting Officer are responsible for preparing the Foreword and the financial statements in accordance with the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Secretary of State and Accounting Officer Responsibilities.

My responsibility is to audit the financial statements in accordance with the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003 and with International Standards on Auditing (UK and Ireland).

I report to you 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 whether the financial statements have been properly prepared in accordance with the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003 and HM Treasury directions made thereunder. I also report whether in all material respects the assets and liabilities in relation to functions exercised under the Transport Act 2000 have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Highways Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury is not disclosed.

I review whether the Statement on Internal Control reflects the Highways Agency's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Highways Agency's corporate governance procedures or its risk and control procedures.

I read the information contained in the Foreword and Management Commentary and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## **Basis of audit opinions**

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 judgments made by the Accounting Officer in the preparation of the financial statements.

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 income and expenditure 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 also evaluated the overall adequacy of the presentation of information in the financial statements

## **Opinions**

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 2009, and the income and expenditure for the year then ended, in accordance with the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulation 2003 and HM Treasury directions made thereunder;
- the financial statements have been properly prepared in accordance with the Trunk Road Charging Schemes (Bridges and Tunnels) (Keeping of Accounts) (England) Regulations 2003 and HM Treasury directions made thereunder; and
- information included in the Foreword and Management Commentary is consistent with the financial statements.

## **Opinion on Regularity**

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

### **Amyas C E Morse**

*Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria  
London SW1W 9SS*

15th December 2009

## Income and Expenditure Account for the Year Ended 31 March 2009

	Note	2008-09 £'000	2007-08 £'000
<b>INCOME</b>			
Road user charges (cash)		48,981	47,408
Road user charges (DART Tags)		20,420	19,779
Local Residents Annual Fee	2	165	-
Rental income	2	129	135
		69,695	67,322
<b>EXPENDITURE</b>			
Managing Agent Contractor's costs	3	17,161	15,830
Other expenditure	3	10,287	8,607
Audit fee	3	14	13
		27,462	24,450
<b>NET PROCEEDS FOR THE YEAR</b>	4	<b>42,233</b>	<b>42,872</b>

## Statement of Capital Expenditure for the Year Ended 31 March 2009

EXPENDITURE TYPE	2008-09 £'000	2007-08 £'000
Junction 30 – Toll Plaza	117	-
Speed Cameras QEII Bridge	69	-
Control Room Upgrade	246	22
Motorway Incident Detection Automatic Signalling System	-	39
Install National Motorway Communication System & Information points	1	49
CCTV Remedials	-	97
Dartford Charging Order - Design	-	331
VMS Renewals	75	68
Others	19	142
<b>CAPITAL EXPENDITURE</b>	<b>527</b>	<b>748</b>

The notes on pages 16 to 19 form part of these accounts.

## Statement of Assets and Liabilities as at 31 March 2009

	Note	2008-09 £'000	2007-08 £'000
<b>CURRENT ASSETS</b>			
Bank	5	6,851	6,504
Debtors	5	5	5
Stock	6	3,612	3,458
Accrued income	5	562	578
		11,030	10,545
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	7	(11,586)	(11,770)
		(556)	(1,225)
<b>NET ASSETS / (LIABILITIES)</b>		<b>(556)</b>	<b>(1,225)</b>
Financing due from the Highways Agency	8	<b>556</b>	<b>1,225</b>

**Graham Dalton**  
Accounting Officer  
30 November 2009

The notes on page 16 to 19 form part of these accounts.

## Notes to the Account

### 1. Statement of Accounting Policies

#### a. Accounting Convention

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

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

#### b. Stock

Stock of DART Tags is valued at 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 also identified and reported in the Agency's annual report and account.

#### d. Capital Expenditure

Capital expenditure is expensed as it is incurred and included in the overall expenditure figures in these accounts. The assets are capitalised and depreciated in the main Highways Agency financial statements.

### 2. Non Toll Income

Local Residents Annual Fee – The £165k relates to the £10 annual fee payable by Local Residents that have a DART-Tag account.

Rental Income – The £129k relates to amounts received from communication network providers.

### 3. Expenditure

	2008-09 £'000	2007-08 £'000
Managing Agent Contractor's costs*	17,161	15,830
<i>Other expenditure;</i>		
Structure renewals	2,186	2,346
Safety scheme	63	120
Road renewals	548	1,190
Diverting traffic	59	117
Stock Write downs	725	-
EU Tunnel Directive on Safety	1,956	2,668
Local Network Management Schemes (LNMS)	4	94
Technology Projects Safety	181	44
Routine Maintenance	260	330
Renewal of Technology	306	211
Charging Order Implementation	3,999	1,487
Audit fee	14	13
	<b>27,462</b>	<b>24,450</b>

\* Costs are in relation to the managing of the network, contracting and engineering works carried out by the Agent.

#### 4. Net proceeds

The gross income of £69,695,000 (2007-08: £67,322,000) is payable to the Department for Transport and is Appropriated in Aid in its Resource accounts. The gross expenditure of £27,462,000 (2007-08: £24,450,000) has been financed through the Parliamentary Supply to the Department for Transport.

#### 5. Current Assets excluding stock

	2008-09 £'000	2007-08 £'000
Bank	6,851	6,504
Debtors		
Advance Rental Income	5	5
Accrued Income		
Accrued toll income	436	575
Accrued Rental Income	56	3
Accrued DART Tag Income	70	-
	<b>7,418</b>	<b>7,087</b>

Bank represents amounts received by Highways Agency in respect of road user charges and DART Tag prepayments and rental income not yet paid over to the Department for Transport. These will be paid over to the Department for Transport immediately in the case of road user charges and rental income, or as and when the DART Tag is utilised.

Accrued toll income represents receipts for the period 25 to 31 March 2009 (2007-08: 27 to 31 March 2008) where the cash was not received by the Highways Agency from Le Crossing by 31 March 2009.

**6. Stock of DART Tags**

	2008-09 <b>£'000</b>	2007-08 <b>£'000</b>
Opening balance	3,458	3,067
Purchases in the year	879	391
Stock Write downs	(725)	-
	<b>3,612</b>	<b>3,458</b>

Regular users of the Dartford Thurrock 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 creates. The DART Tag remains the property of the Highways Agency.

The stock write down of £725k is as a result of a reduction in replacement cost

**7. Creditors: amounts falling due within one year**

	2008-09 <b>£'000</b>	2007-08 <b>£'000</b>
Trade creditors	2,544	2,107
Amounts to be paid over to DfT	1,909	1,641
Accrued expenditure	1,645	2,597
DART Tag prepayments	5,483	5,420
Advance Rental Income	5	5
	<b>11,586</b>	<b>11,770</b>

The amounts to be paid over to Department for Transport are charges collected for the period 25 to 31 March 2009 (2007-08: 27 to 31 March 2008), 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 £1,630,343 (2007-08: £2,583,548) and audit charges of £14,000 (2007-08: £13,000).

DART Tag prepayments are amounts received from road users as at 31 March 2009 for future use, and will be paid over to the Department for Transport once utilised.

## 8. Financing due from / (to) the Highways Agency

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

	2008-09	2007-08
	<b>£'000</b>	<b>£'000</b>
Trade creditors	2,544	2,107
Accrued expenditure	1,645	2,597
Other accrued payments	(21)	(21)
Stock of DART Tags	(3,612)	(3,458)
	<u>556</u>	<u>1,225</u>

## 9. Financial Instrument

FRS 29, which supersedes the requirements of FRS 13 and FRS 25, requires specified minimum disclosures about the nature and extent of credit risk, liquidity risk and market risk that the Highways Agency faces in undertaking its activities. Due to the largely non-trading nature of its activities and the way in which government agencies are financed, the Agency is not exposed to the degree of financial risk faced by many business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 29 mainly applies. The Agency has very limited powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Agency in undertaking its activities.

### Liquidity Risk

The managing agent contractor's cost and other expenditure as incurred by the Highways Agency are financed by resources voted annually by Parliament to the Department for Transport. The Highways Agency is not therefore exposed to significant liquidity risks.

### Interest-rate Risk

The Highways Agency is not exposed to any significant interest rate risk with regards to the Dartford-Thurrock Crossing Charging Scheme account.

### Exchange-rate risk

The Highways Agency is not exposed to any significant exchange rate risk with regards to the Dartford-Thurrock Crossing Charging Scheme account.

## Appendix

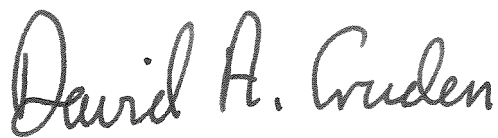
### Dartford Thurrock Crossing Road Charging Scheme

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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