

Financial statements for the year ended 31 March 2002

Accounts of the Vehicle Inspectorate Trading Fund for the year ended 31 March 2002, together with the Report of the Comptroller and Auditor General thereon, are prepared pursuant to Section 4(6) of the Government Trading Funds Act 1973 as amended.

Ordered by the House of Commons to be printed.
17 July 2002

Foreword

The Vehicle Inspectorate is a Trading Fund within the Department for Transport (DfT), (formerly the Department of Transport, Local Government and the Regions). Its responsibilities, which are undertaken in conjunction with other authorities, are concerned with enforcing the law on vehicle safety and environmental protection legislation. This is carried out through the enforcement of traffic regulations such as drivers' hours and load weights; the supervision of the MOT testing scheme; the statutory testing of Heavy Goods Vehicles (HGVs), Public Service Vehicles (PSVs) and Light Goods Vehicles (LGVs) and those vehicles encompassed by the Single Vehicle Approval (SVA) scheme; specialised inspections for vehicles transporting dangerous goods, perishable foodstuffs and goods sealed for Customs purposes.

The Vehicle Inspectorate was founded in 1964 as a division of the Ministry of Transport and was established as the first executive agency under the Government's Next Steps initiative on 1 August 1988. It attained Trading Fund status under the provisions of the Government Trading Funds Act 1973 as amended, with effect from 1 April 1991. On 1 April 1992 the Traffic Enforcement functions previously undertaken by the Department of Transport were incorporated into the Vehicle Inspectorate's responsibilities.

The accounts have been prepared in accordance with the Direction given by the Treasury in pursuance of Section 4(6) of the Government Trading Funds Act 1973 as amended. The direction is reproduced at Annex A, on page 49, of the Annual Report.

Business objectives

The business objectives of the Vehicle Inspectorate are set out on page 5 of the Annual Report.

Financial objectives

The Government Trading Funds Act 1973, as amended, lays upon the Minister responsible for each fund the financial objective of:

- i. managing the funded operations so that the revenue of the fund is not less than sufficient, taking one year with another, to meet outgoings which are properly chargeable to the revenue account; and
- ii. achieving such further financial objectives as the Treasury may from time to time, by minute laid before the House of Commons, indicate as having been determined by the responsible Minister (with Treasury concurrence) to be desirable of achievement.

The financial objective of the Vehicle Inspectorate is to earn an average return of 6% per annum in the form of an operating surplus expressed as a percentage of average net assets employed at current values. The Vehicle Inspectorate has the additional objective of achieving an increase in the value for money of the services provided. This year there are two key measures set by the Minister under this objective. The first measure is to deliver a +2% Performance Gain in the enforcement activity of the Inspectorate. The second measure is to deliver a +2% Aggregate Cost Efficiency within the vehicle testing activity of the Inspectorate.

Financial results for the year

The Income and Expenditure Account for the year is set out on page 31 of the Annual Report.

Turnover and surplus

The outturn on total turnover and net surplus are:

	2001/02 £'000	2000/01 £'000
Turnover	90,624	76,627
Net surplus	<u>3,114</u>	<u>2,061</u>

The net surplus is stated after undertaking a full review of the provision for early retirement costs. In 2000/01 the net surplus was also stated after adjusting the amount reported in the Income and Expenditure Account by £351,000 in respect of additional funding in that year, relating to years prior to 31 March 1998.

Return on capital

The Vehicle Inspectorate is charged with earning a 6% return on capital. The resultant surplus/(deficit) after allowing for this requirement is:

	2001/02 £'000	2000/01 £'000
Net surplus	3,114	2,061
ROC requirement	(2,889)	(2,963)
Surplus/(deficit) after ROC	225	(902)

The net surplus of £3,114,000 on ordinary activities (excluding interest, dividend and exceptional items) represents a return on average net assets of 6.5% (4.2% in 2000/01).

The average return on net assets over the period 1 April 1998 to 31 March 2002 was 8.3%. This compares with the target, as stated in Annex B on page 50 of the Annual Report, of an average return over the period 1 April 1998 to 31 March 2003 of 6%.

Retained surplus/(deficit)

After deducting actual interest paid and providing for a distributable dividend but excluding exceptional items, the retained surplus/(deficit) is:

	2001/02 £'000	2000/01 £'000
Net surplus	3,114	2,061
Interest paid	(2,102)	(2,111)
Dividend payable	(726)	(850)
Retained surplus/(deficit) for the year	286	(900)

Performance against the value for money measures of Performance Gain and Aggregate Cost Efficiency were both at the +2% target level.

Market value of land and buildings

Freehold and leasehold land and buildings are re-valued over a five-year period with approximately one fifth of the estate being valued each year by an independent valuer. The Directors believe that there is no significant difference between the book values and the market values of the land and buildings.

Movements in tangible fixed assets are set out in note 7.

Future developments

The future developments of the Vehicle Inspectorate are discussed in 'The future' on page 52 of the Annual Report.

Directing Board

The composition of the Board as at 31 March 2002 is set out on page 4 of the Annual Report.

Policy and practice on the payment of creditors

The Vehicle Inspectorate's policy, in line with that of DfT, is to pay 98% of all undisputed bills in accordance with contractual conditions or, where no such conditions exist, within 30 days of the receipt of goods or services or the presentation of a valid invoice, whichever is the later. This supersedes the previous policy of paying 95% of all undisputed bills in accordance with the terms above as set out in the Department of Transport Report (Command 3206).

Throughout the year 99% of undisputed invoices were settled within this policy.

The Vehicle Inspectorate is also a supporter of the CBI's Prompt Payers Code of Good Practice.

Employment of registered disabled

Full and fair consideration is given to applications for employment by disabled persons, having regard to their particular aptitudes and abilities. Wherever possible arrangements are made for the continuing employment of persons who have become disabled during service and for the appropriate training, career development and promotion of disabled employees.

Staff involvement

During 2001/02 the Vehicle Inspectorate employed, on average, 2,036 (full-time equivalent) people throughout the country. The Vehicle Inspectorate is an equal opportunity employer. Consequently, all staff, irrespective of their status, orientation or origin, will be treated equally and judged solely on the basis of their ability, qualifications and fitness for the work.

Staff involvement is actively encouraged within the Vehicle Inspectorate as part of the day-to-day process of line management supplemented with the wide dissemination of information through computerised networks and other means, including an in-house magazine entitled VISBIZ.

Formal and informal negotiations and consultations are conducted with trade unions, at both local and national Whitley Councils.

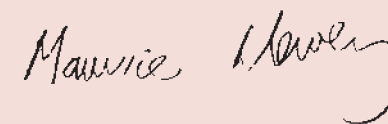
Training and health and safety

One of management's main priorities is to invest positively in training and individual development. The Vehicle Inspectorate achieved formal accreditation for Investors in People in November 1999 and continues to work towards re-accreditation during 2002. A full programme of training courses is run both at the Bristol Training Centre and at local venues.

The health and safety at work of all employees continues to be a priority and safety policies and procedures remain under constant review to achieve further improvements.

Auditors

The accounts of the Vehicle Inspectorate Trading Fund are audited by the Comptroller and Auditor General in accordance with Section 4(6) of the Government Trading Funds Act 1973.



M Newey
Chief Executive and Accounting Officer
20 June 2002

Statement of Vehicle Inspectorate's and Chief Executive's responsibilities

Under Section 4(6) of the Government Trading Funds Act 1973, as amended, the Treasury has directed the Vehicle Inspectorate Trading Fund to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction at Annex A on page 49 to these financial statements. The accounts are prepared on an accruals basis and must give a true and fair view of the Trading Fund's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Vehicle Inspectorate is required to:

- observe the Accounts Direction issued by the Treasury, 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 have been followed, and to disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Vehicle Inspectorate will continue in operation.

The Treasury has appointed the Chief Executive of the Vehicle Inspectorate as the Accounting Officer for the Vehicle Inspectorate. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting* (The Stationery Office Limited).

Statement on internal control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Vehicle Inspectorate's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Government Accounting*.

The system of internal control is designed to manage rather than eliminate all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on a process introduced during the year which is designed to identify the principal risks facing the Vehicle Inspectorate, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. Procedures have been put in place to implement the HM Treasury guidance in full by 31 March 2003. This takes account of the time needed to fully embed the processes and improve their robustness.

We held a series of risk management workshops, during the year, which were attended by representatives of all grades of staff throughout the Vehicle Inspectorate, during which we identified the Vehicle Inspectorate's risks and set about determining a control strategy for each of the significant risks. As a result of these workshops, a risk management policy document is being sent to all staff setting out the Vehicle Inspectorate's attitude to risk to the achievement of the Vehicle Inspectorate's objectives.

The Management Board and the Audit and Risk Management Committee have amended their agendas so that risk management and internal control were considered on a regular basis during the year. There will be a full risk and control assessment process in place before reporting on the year ending 31 March 2003. Risk management has been incorporated more fully into the corporate planning and decision-making processes of the Vehicle Inspectorate.

The Management Board will receive periodic reports concerning internal control and we will require regular reports from managers on the steps that they are taking to manage risks in their areas of responsibility including progress reports on key projects.

In addition to the actions mentioned above, in the coming year the Vehicle Inspectorate plans to:

- introduce a process which will identify and keep up to date the record of risks facing the organisation;
- introduce a programme of risk awareness training;
- establish a system of key risk indicators; and
- develop and maintain an organisation-wide risk register.

The Vehicle Inspectorate has an internal audit unit, which operates to standards defined in the *Government Internal Audit Manual*. They submit regular reports which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Vehicle Inspectorate's systems of internal control together with recommendations for improvement.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Vehicle Inspectorate who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their management letter and other reports.



M Newey
Chief Executive and Accounting Officer
20 June 2002

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

I certify that I have audited the financial statements on pages 31 to 48 under the Government Trading Funds Act 1973. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 35 and 36.

Respective responsibilities of the Vehicle Inspectorate, the Chief Executive and Auditor

As described on page 28 the Vehicle Inspectorate and Chief Executive are responsible for the preparation of the financial statements in accordance with the Government Trading Funds Act 1973 and Treasury Directions made thereunder, and for ensuring the regularity of financial transactions. The Vehicle Inspectorate and the Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Government Trading Funds Act 1973 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 Vehicle Inspectorate 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 Annual Report 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 page 29 reflects the Vehicle Inspectorate's compliance with Treasury's guidance 'Corporate governance: statement on internal control'. I report if it does not meet the requirements specified by Treasury, or if the Statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Vehicle Inspectorate and its Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Vehicle Inspectorate's circumstances, consistently applied and adequately disclosed.

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

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Vehicle Inspectorate at 31 March 2002 and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Government Trading Funds Act 1973 and directions made thereunder by Treasury; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General
4 July 2002

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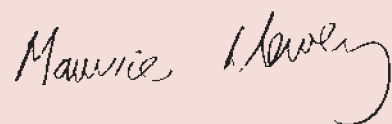
Income and expenditure account for the year ended 31 March 2002

	Notes	2002 £'000	2002 £'000	2001 £'000	2001 £'000
Income from operations					
Income from activities	2	83,284		71,003	
Other operating income		7,340		5,624	
Total income from operations			90,624		76,627
Expenditure					
Staff costs	4/5	(49,446)		(43,249)	
Early retirement scheme costs	13	(24)		(150)	
Depreciation	7	(8,448)		(7,245)	
Other operating charges		(30,011)		(23,970)	
			(87,929)		(74,614)
Operating surplus	3		2,695		2,013
Interest receivable and similar income			419		399
Net surplus on ordinary activities			3,114		2,412
Surplus on disposal of fixed assets	7		3,660		0
Interest payable	6a		(2,153)		(2,111)
Dividend payable	6b		(726)		(850)
Retained surplus/(deficit) for the year			3,895		(549)
Retained surplus brought forward			11,284		11,833
Retained surplus carried forward			15,179		11,284

The income and operating surplus shown above are derived entirely from continuing activities. The notes on pages 35 to 48 form part of these accounts.

Balance sheet as at 31 March 2002

	Notes	2002 £'000	2002 £'000	31 March 2001 £'000	31 March 2001 £'000
Fixed assets					
Tangible assets	7	52,731		50,490	
			52,731		50,490
Current assets					
Debtors	8	1,862		2,906	
Cash in hand and at bank	12	8,582		3,874	
		10,444		6,780	
Current liabilities					
Creditors falling due within one year	9a	(13,840)		(10,287)	
Net current liabilities			(3,396)		(3,507)
Total assets less current liabilities			49,335		46,983
Financed by:					
Creditors falling due after one year	9b		403		516
Provision for liabilities and charges	13		629		1,024
Capital and reserves					
Public Dividend Capital	14	20,331		20,331	
Loans from the Secretary of State	15	18,712		19,107	
Revaluation Reserve		(5,919)		(5,279)	
Income and expenditure account		15,179		11,284	
		48,303		45,443	
		49,335		46,983	



M R Newey
Chief Executive and Accounting Officer
20 June 2002

The notes on pages 35 to 48 form part of these accounts.

Cash flow statement for the year ended 31 March 2002

	Notes	31 March 2002 £'000	31 March 2001 £'000
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating surplus		2,695	1,662
Depreciation		8,448	7,245
Prior year income received in year		0	351
Net movement in early retirement provision	13	(395)	(193)
(Profit) on sale of fixed assets	7	0	(110)
Decrease/(increase) in debtors before interest	8	1,047	(1,219)
Increase in creditors	9a	1,144	1,111
Net cash inflow from operating activities		12,939	8,847
Cash flow statement			
Net cash inflow from operating activities		12,939	8,847
Returns on investments and servicing of finance	11a	(1,737)	(1,719)
Capital expenditure	11b	(6,480)	(6,594)
Dividend paid		(850)	(1,144)
Net cash inflow/(outflow) before financing		3,872	(610)
Financing	11c	836	2,845
Increase in cash	12	4,708	2,235
Reconciliation of net cash flow to movement in net (debt)/funds (note 12)			
Increase in cash in the year		4,708	2,235
Repayment of loan from Secretary of State		62	61
Payment of lease		102	94
New loan from Secretary of State issued in year		(1,000)	(3,000)
Change in net funds		3,872	(610)
Net (debt) at 1 April		(1,667)	(1,057)
Net funds/(debt) at 31 March		2,205	(1,667)

The notes on pages 35 to 48 form part of these accounts.

Statement of total recognised gains and losses

	2002	2001
	£'000	£'000
Surplus/(deficit) for the financial year	3,895	(549)
Unrealised (deficit) on revaluation of assets	(640)	(6,885)
Total recognised gains and losses relating to the year	3,255	(7,434)

Reconciliation of movements in capital and reserves (Government Funds)

	Public Dividend Capital £'000	Loans from Secretary of State £'000	Revaluation Reserve £'000	Income and expenditure account £'000	Total £'000
Government Funds at 1 April 2001	20,331	19,107	(5,279)	11,284	45,443
Transfer from income and expenditure statement for the year	0	0	0	3,895	3,895
(Deficit) on revaluation of fixed assets	0	0	(640)	0	(640)
New loan vested in year	0	1,000	0	0	1,000
Transfer of loan due within one year to creditor	0	(1,395)	0	0	(1,395)
Movement in year	0	(395)	(640)	3,895	2,860
Government Funds at 31 March 2002	20,331	18,712	(5,919)	15,179	48,303

The notes on pages 35 to 48 form part of these accounts.

Notes to the accounts

1. Accounting policies

a. Historical cost convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of tangible fixed assets, in a form directed by the Treasury in accordance with Section 4(6) of the Government Trading Funds Act 1973 as amended. They comply with the accounting and disclosure requirements of the Companies Act 1985 as amended, and the accounting standards issued or adopted by the Accounting Standards Board, so far as those requirements are appropriate.

b. Fixed assets

Land and buildings are included at cost to the Trading Fund at the date of acquisition. These are revalued over a five-year period with approximately one fifth of the estate being valued and assessed for impairment by an independent valuer each year on a market value for existing use basis. All other assets are revalued annually using indices published by the Office for National Statistics.

The valuations are described in note 7. Surpluses and deficits arising on revaluation are taken to the Revaluation Reserve; permanent diminution in the value of fixed assets is charged to the income and expenditure account.

Title to the freehold land and buildings is held by the Department for Transport, in the name of the Secretary of State. The control and management of the freehold land and buildings is vested in the Vehicle Inspectorate as if legal transfer has been effected.

Profit or loss on disposal of all categories of fixed asset is calculated on the revalued amount.

The minimum level for capitalisation as a tangible fixed asset is £500. Assets purchased in the year, which are in the course of construction, are classified as such (see note 7).

c. Depreciation

Properties

A full year's depreciation is charged in the first year that properties are commissioned and on any revaluation. The depreciation charge is calculated to write down properties by equal instalments over their estimated useful lives as follows:

Freehold land is not depreciated.

Freehold buildings 17–40 years

Leasehold property is fully written down over the term of the lease with the exception of the new facility at Chadderton where the lease is 999 years and the leasehold property is written down over 60 years.

Other Categories

Depreciation is charged from the month of implementation and is calculated to write down the assets on a straight line basis over their estimated useful lives, as follows:

Plant, equipment and vehicles	5–10 years
Computer hardware	5 years
Bespoke computer software	2–10 years

Assets in the course of construction are not depreciated until commissioned.

d. Leasing

Assets held under finance leases are capitalised at the fair value of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after more than one year.

The interest element of the rental obligations is charged to the income and expenditure account over the period of the lease.

e. Research and development

Expenditure incurred on pure and applied research is treated as an operating charge in the year in which it is incurred.

Expenditure incurred on the development of new products or services which have been undertaken with a reasonable expectation of future benefits arising from the work, either from increased revenue or reduced costs, and the costs of which are reasonably regarded as being recoverable, are deferred to be matched against future revenues.

f. Pension scheme and early retirement scheme

Employees are covered by the provisions of the Principal Civil Service Pension Scheme in respect of their pensions. Payment is made by the Vehicle Inspectorate into the Consolidated Fund of such sums to cover the accruing liabilities of the Treasury in respect of Superannuation benefits for persons who have been employed in the funded operations and in respect of the administrative expenses attributable to the liabilities and their discharge. These are calculated at contribution rates advised by the Treasury.

The Vehicle Inspectorate operated an Early Retirement Scheme which continues to pay retirement benefits to certain qualifying employees. These benefits conform to the rules of the Principal Civil Service Pension Scheme. The Vehicle Inspectorate bears the cost of these benefits until the normal retiring age of the employees retired under the Early Retirement Scheme.

The total pension liability up to normal retiring age in respect of each employee has been charged to the income and expenditure account in the year in which the employee took early retirement and a provision for the future pension payments has been created. Funds are released from that provision annually to fund pensions and related benefits payments to the retired employee until normal retiring age.

g. Value Added Tax

The Vehicle Inspectorate is not separately registered for Value Added Tax (VAT). VAT is accounted for centrally by the Department for Transport (DfT). The Vehicle Inspectorate through the DfT registration under specific Treasury Direction recovers input VAT on certain contracted-out services. Income and expenditure are shown net of recoverable VAT. Irrecoverable VAT is charged to the relevant expenditure category or, if appropriate, capitalised with additions to fixed assets.

h. Income recognition

Income is recognised at the time when the relevant activity is performed for all testing and enforcement activities, and at the point of sale for all other activities, goods and services. Fees received in advance for which tests have yet to be performed at the balance sheet date are shown as creditors.

2. Income and surplus/(deficit) on activities

The following information is produced for Fees and Charges purposes and does not constitute segmental reporting under Statement of Standard Accounting Practice 25. Income represents the revenue received for services provided by the Vehicle Inspectorate. All activities were carried out in the United Kingdom, with Single Vehicle Approval (SVA) work also undertaken in Cyprus and Ireland.

The income and surplus/(deficit) generated from the main activities of the Vehicle Inspectorate are:

Activity	2001/02		2000/01	
	Income £'000	Surplus/ (deficit) £'000	Income £'000	Surplus/ (deficit) £'000
HGV plating and testing	27,808	(4,388)	26,050	(3,551)
PSV testing	4,201	(418)	4,004	(201)
Administration of MOT testing scheme and standards control	24,152	9,188	16,943	4,695
LGV testing	591	(175)	696	(79)
DfT-funded work	20,197	(721)	19,211	(532)
COIF (Certificate of Fitness)	1,085	(176)	905	(190)
Single Vehicle Approval	4,983	722	2,335	(1,911)
Other schemes	267	(258)	274	(212)
Total	83,284	3,774	70,418	(1,981)

The surplus/(deficit) is stated after charging £349,000 (2000/01 £621,000) being the amortisation of early retirement costs. Additionally the MOT scheme bears the cost of the MOT computerisation project. DfT-funded work encompasses the HGV, PSV, LGV operator licensing and enforcement work and accidents defects and recall schemes shown in previous years.

During 2000/01 the Department of Transport, Local Government and the Regions agreed to pay the Vehicle Inspectorate £585,000 in recognition of work completed in prior years but not paid for. This was included in the 2000/01 income from activities figure reported in the income and expenditure account.

3. Operating surplus

The operating surplus is stated after charging/(crediting):

	2001/02 £'000	2000/01 £'000
Depreciation	8,448	7,245
Hire of plant and machinery	231	193
Rent	736	407
Rates	1,610	1,487
Maintenance and estate running costs	4,917	4,076
Postage and stationery	2,875	2,423
Travel and subsistence	5,213	4,493
Audit fee	39	37
Rental income	(400)	(900)

4. Directing Board and Advisory Board

a. The salary and pension entitlement of the Vehicle Inspectorate's Directing Board members were as follows:

	Age	Salary including performance pay £'000	Real increase in pension at 60 £'000	Total accrued pension at 60 at 31/3/2002 £'000
Mr Maurice Newey – Chief Executive	57	100–110	0–2.5	5–10
Mr Jeffrey Belt – Director	55	70–75	2.5–5.0	15–20
Mr Hugh Edwards – Director	54	70–75	5.0–7.5	25–30
Mrs Judith Smith – Director (to 6 July 2001)	35	15–20	0–2.5	0–5
Mr Martin Jones – Director (from 1 November 2001)	42	25–30	0–2.5	0–5
Mr Robert Tatchell – Director	48	70–75	5.0–7.5	25–30

Salary includes gross salary (including employer superannuation and National Insurance contributions), performance pay or bonuses and allowances to the extent that they are subject to UK taxation.

Pension benefits are provided through the Principal Civil Service Pension Scheme. This is a statutory scheme that provides benefits on a final salary basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1½% of pensionable earnings.

Mrs Smith resigned from the Vehicle Inspectorate with effect from 6 July 2001, and has been replaced by Mr Jones who took up office from 1 November 2001.

Mrs Elizabeth Bertoya, as non-executive director, attends the Inspectorates Directing Board meetings each quarter and also attends the Audit and Risk Management Committee. Mrs Bertoya is paid by the Inspectorate for attendance and preparation for the above meetings at the rate of £250 per day.

b. Along with the members of the Vehicle Inspectorate's Directing Board named above, the following officers constituted the Vehicle Inspectorate's Advisory Board at 31 March 2002.

Mr John Plowman – Chairman – Director – Driver, Vehicle Operator Group
 Mr Brian Wadsworth – Director – Logistics, Maritime and General
 Mr Richard Jones – Divisional Manager – Licensing, Roadworthiness and Insurance Division
 Mr Malcolm Blake-Lawson – Branch Head of Enforcement – Road Freight Operations Policy
 Mr Jim Milner – Branch Head – Driver, Vehicle and Operator Agency Business and Finance Sponsorship
 Mrs Elizabeth Bertoya – non-executive appointee
 Mr Harry Wills – non-executive appointee.

During the year Mr Rickett left the Vehicle Inspectorate's Advisory Board. Mr Plowman has taken the role as Chairman, effective from June 2001.

5. Staff costs

a. Employment costs, including remuneration paid to the Directing Board members, were:

	2001/02 £'000	2000/01 £'000
Wages and salaries	41,573	36,300
Social Security costs	2,824	2,506
Other pension costs	5,049	4,443
Total staff costs	49,446	43,249

The employees of the Vehicle Inspectorate are civil servants to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. During 2001/02 contributions of £5,049,000 (2000/01 £4,443,000) were paid to the Paymaster General at rates determined from time to time by the Government Actuary and advised by the Treasury. These rates were in the range of 12% to 18.5%.

b. The average monthly number of employees during the year was as follows:

VI Pay Band	Broad category of staff in Band	2001/02 Number	2000/01 Number
1	Handypersons	36	28
2	Testers, Assistant Administrative Officers	303	363
3	Vehicle Inspectors, Administrative Officers, Apprentices	646	553
4/5	Vehicle and Traffic Examiners, Executive Officers	738	685
6	Senior Vehicle Examiners, Senior Traffic Examiners, Higher Executive Officers	220	187
7	Area and Regional Managers, Senior Executive Officers	63	59
8/9	Senior Management	25	22
10	Directors	4	4
	Senior Civil Servants	1	1
	Average number of employees	<u>2,036</u>	<u>1,902</u>

6. Interest and dividend payable

a. Interest payable

	2001/02 £'000	2000/01 £'000
On original vesting loan	1,478	1,478
On loan issued in 1996/97	75	80
On loan issued in 1999/2000	64	64
On loan issued in 2000/01	186	177
On loan issued in 2001/02	47	0
In lieu of dividend of Public Dividend Capital in respect of current year	252	252
On Finance Lease	51	60
Interest payable	<u>2,153</u>	<u>2,111</u>

During the year the second tranche of an additional loan was vested in the Vehicle Inspectorate for the purposes of providing a new testing facility in the North West of England.

When the Vehicle Inspectorate Trading Fund was established, the opening balance sheet had more Public Dividend Capital than long-term loan. The normal gearing for a Trading Fund opening balance sheet is equal proportion of Public Dividend Capital and long-term loan. The Vehicle Inspectorate therefore agreed to pay the Treasury £252,000 each year to cover interest foregone on the loan.

Finance lease

During 1999/2000 the Vehicle Inspectorate entered into a long-term leasing arrangement for new telephone exchanges that have been installed throughout the Vehicle Inspectorate.

b. Dividend payable

The Vehicle Inspectorate's average rate of return on capital to March 2002 was 8.3% (to March 2001– 8.9%), against the further financial target of an average 6%, as stated in Annex B on page 50 of the Annual Report. A dividend is therefore payable from this target. This dividend is limited to the annual average target of 6%.

	2001/02 £'000	2000/01 £'000
Calculated level of return on average assets at 6%	2,889	2,963
Interest paid to the Secretary of State	(2,102)	(2,051)
Loan capital repayment	(61)	(62)
Dividend payable	<u>726</u>	<u>850</u>

The calculated level of return to the Treasury is £2,889,000 based on the target average return of 6%. After deducting interest paid on long-term loans of £2,102,000 and the capital repayment in year of £61,000, a dividend of £726,000 is payable.

7. Tangible fixed assets

	Freehold land and buildings £'000	Long leasehold land and buildings (>50 yrs) £'000	Short leasehold land and buildings £'000	Plant equipment and vehicles £'000	Leased equipment £'000	Computer equipment £'000	Assets in course of construction £'000	Total £'000
Cost or valuation								
At 1 April 2001	44,974	1,746	516	14,576	798	22,445	2,440	87,495
Additions	784	11	361	1,354	0	1,246	8,601	12,357
Disposals	(1,039)	0	0	0	0	0	0	(1,039)
Reclassification	1,701	7,373	89	24	0	179	(9,366)	0
Revaluation	2,762	116	644	(236)	0	(1,541)	0	1,745
At 31 March 2002	<u>49,182</u>	<u>9,246</u>	<u>1,610</u>	<u>15,718</u>	<u>798</u>	<u>22,329</u>	<u>1,675</u>	<u>100,558</u>
Accumulated depreciation								
At 1 April 2001	18,691	225	105	9,424	171	8,389	0	37,005
Charge for year	2,181	147	59	1,048	114	4,899	0	8,448
Disposals	(11)	0	0	0	0	0	0	(11)
Reclassification	0	0	0	0	0	0	0	0
Revaluation depreciation	2,774	23	157	(145)	0	(424)	0	2,385
At 31 March 2002	<u>23,635</u>	<u>395</u>	<u>321</u>	<u>10,327</u>	<u>285</u>	<u>12,864</u>	<u>0</u>	<u>47,827</u>
Net Book Value								
At 31 March 2002	<u>25,547</u>	<u>8,851</u>	<u>1,289</u>	<u>5,391</u>	<u>513</u>	<u>9,465</u>	<u>1,675</u>	<u>52,731</u>
At 1 April 2001	<u>26,283</u>	<u>1,521</u>	<u>411</u>	<u>5,152</u>	<u>627</u>	<u>14,056</u>	<u>2,440</u>	<u>50,490</u>

20% of the Vehicle Inspectorate's land and buildings were valued during 2001/02 by Powis Hughes and Associates, Chartered Surveyors. Plant, vehicles and computing assets were revalued by using appropriate indices.

All properties were occupied by the Vehicle Inspectorate and the basis of valuation was open market for existing use. It is the view of the valuer that where diminution in values have occurred they are not of a permanent nature. The net deficit of £640,000 on the revaluation of assets has therefore been charged directly to the revaluation reserve.

Assets in the category of Freehold land and buildings with a Net Book Value of £1,028,000 were sold for £4,865,000. Plant, equipment and vehicles with a Net Book Value of nil were sold for £2,000 in year. This has been treated as an exceptional item on the income and expenditure account.

8. Debtors

	31 March 2002 £'000	31 March 2001 £'000
Trade debtors	170	1,774
Other debtors	1,303	794
Loans to staff	247	265
Prepayments	109	43
Sub total (cash flow movement)	<u>1,829</u>	<u>2,876</u>
Accrued interest	33	30
Total debtors	<u>1,862</u>	<u>2,906</u>

9. Creditors

a. Amounts falling due within one year:

	31 March 2002 £'000	31 March 2001 £'000
Fees in advance	4,863	4,451
Other creditors	3,800	4,151
Accruals and deferred income	1,693	610
Sub total (cash flow movement)	<u>10,356</u>	<u>9,212</u>
Capital accruals	1,251	61
Long-term loan due within one year	1,395	62
Finance lease due within one year	112	102
Dividend payable	726	850
Total creditors	<u>13,840</u>	<u>9,762</u>

b. Amounts falling due after more than one year:

	31 March 2002 £'000	31 March 2001 £'000
Finance lease due after one year	403	516
Total creditors falling due after one year	<u>403</u>	<u>516</u>

The finance lease is secured on the assets acquired under the finance lease.

10. Average return on capital

The average return on net assets over the period 1 April 1998 to 31 March 2002 was 8.3%. This compares with the target, as stated in Annex B on page 50 of the Annual Report of an average of 6% over the period 1 April 1998 to 31 March 2003.

11. Notes to the cash flow statement

	2002 £'000	2001 £'000
a. Return on investments and servicing of finance		
Interest receivable in year	419	399
Interest accrued at 1 April	30	23
Interest accrued at 31 March	(33)	(30)
	<u>416</u>	<u>392</u>
Interest received in year	416	392
Interest paid in year	(2,153)	(2,111)
	<u>(1,737)</u>	<u>(1,719)</u>
Net interest paid	(1,737)	(1,719)
b. Capital expenditure		
Payments to acquire tangible fixed assets	(12,357)	(6,427)
Capital creditors at 1 April	(61)	(362)
Capital creditors at 31 March	1,251	61
	<u>(11,167)</u>	<u>(6,728)</u>
Payments to acquire fixed assets	(11,167)	(6,728)
Receipts from sale of fixed assets	4,687	134
	<u>(6,480)</u>	<u>(6,594)</u>
Net payments to acquire fixed assets	(6,480)	(6,594)
c. Financing		
Repayment of loan from Secretary of State	(62)	(61)
New loan from Secretary of State	1,000	3,000
Capital repayment of finance lease	(102)	(94)
	<u>836</u>	<u>2,845</u>
Net financing	836	2,845

12. Analysis of changes in net (debt)/funds

	At 1 April 2001 £'000	Cash flow £'000	Other changes £'000	At 31 March 2002 £'000
Cash in hand, and at bank	3,874	4,708	0	8,582
Loan due within one year	(62)	62	(1,395)	(1,395)
Loans due after one year	(4,861)	(1,000)	1,395	(4,466)
Finance lease due within one year	(102)	102	(112)	(112)
Finance lease due after one year	(516)	0	113	(403)
Rounding adjustment	0	0	(1)	(1)
	<u>(1,667)</u>	<u>3,872</u>	<u>0</u>	<u>2,205</u>
Total	(1,667)	3,872	0	2,205

The net funds/(debt) position shown above excludes the vesting loan of £14,246,000 as this is a maturity loan with no capital repayments. The terms of the loan are not due to be re-negotiated until the year 2006.

13. Provision for liabilities and charges

	Early retirement total costs £'000
At 1 April 2001	1,024
Provision in year	24
Payments during the year	(419)
	<u>629</u>
At 31 March 2002	629

Under the Vehicle Inspectorate's early retirement scheme an additional provision of £24,000 was made in year (£150,000 in 2000/01) for retirements and inflationary pension increases. A total of £419,000 (£343,000 in 2000/01) was transferred from the provision to fund pensions and related benefits payment.

14. Public Dividend Capital

	2002	2001
	£'000	£'000
As at 1 April	20,331	20,331
As at 31 March	20,331	20,331

Public Dividend Capital of £19,100,000 was issued to the Vehicle Inspectorate when it became a Trading Fund on 1 April 1991. This represented 57% of the value of the assets vested in the Vehicle Inspectorate at that date. In 1996/97 an additional Public Dividend Capital of £1,231,000 was issued to the Vehicle Inspectorate. This represents 50% of the valuation placed on seven properties vested in the Vehicle Inspectorate on 1 April 1996, under the recommendations of the Efficiency Scrutiny of the Management of the Government's Civil Estate. The total Public Dividend Capital issued to the Vehicle Inspectorate at 31 March 2002 is £20,331,000.

15. Loans from the Secretary of State

	Long-term repayment due	
	within one year (included in creditors) £'000	after one year (included in capital and reserves) £'000
Loans outstanding at 31 March 2002 comprise:		
Original vesting loan		
15-year maturity loan @ 10.375%	0	14,246
Additional loan issued in 1996/97		
20-year repayment loan @ 8.25% interest	61	800
Further loan issued in 1999/2000		
5-year repayment loan @ 6.375% interest	334	666
Loan issued in 2000/01		
5-year repayment loan @ 6.25% interest	667	1,333
Loan issued in 2000/01		
5-year repayment loan @ 6.125% interest	333	667
Loan issued in 2001/02		
5-year repayment loan @ 5.5% interest	0	1,000
Total of maturity and repayable loans	1,395	18,712

A 15-year maturity loan of £14,246,000 at 10.375% was issued to the Vehicle Inspectorate from the Department of Transport when it became a Trading Fund on 1 April 1991. This represented 43% of the value of the assets vested in the Vehicle Inspectorate at that date.

In 1996/97 a 20-year repayment loan of £1,230,000 at 8.25% was issued to the Vehicle Inspectorate. This represents 50% of the valuation placed on seven properties vested in the Vehicle Inspectorate on 1 April 1996, under the recommendations of the Efficiency Scrutiny of the Management of the Government's Civil Estate.

In 1999/2000 a 5-year repayment loan of £1,000,000 at 6.375% was issued to the Vehicle Inspectorate. This represents the first tranche of a loan to enable the Vehicle Inspectorate to provide the resources and facilities to undertake tests associated with the introduction of the Enhanced Single Vehicle Approval Scheme.

During 2000/01 a 5-year repayment loan of £2,000,000 at 6.25% was issued to the Vehicle Inspectorate being the second tranche of the loan to enable the Vehicle Inspectorate to provide the resources and facilities to undertake tests associated with the introduction of the Enhanced Single Vehicle Approval Scheme. Also in 2000/01 a 5-year repayment loan of £1,000,000 at 6.125% was issued to the Vehicle Inspectorate. This represents the first tranche of loans to enable the development of a new testing and training facility in the North West of England.

During 2001/02 a 5-year repayment loan of £1,000,000 at 5.5% was issued to the Vehicle Inspectorate being the second tranche of the loan to enable the development of a new testing and training facility in the North West of England.

All loans are unsecured.

16. Capital commitments

	At 31 March 2002	At 31 March 2001
	£'000	£'000
Contracted	0	508

There were no capital commitments at the end of the 2001/02 financial year.

17. Related party disclosures

The Department for Transport is regarded as a related party. During the year the Vehicle Inspectorate has had various transactions with the Department and with other entities for which the Department is regarded as the parent Department, namely the Driving Standards Agency and the Driver and Vehicle Licensing Agency.

In addition the Vehicle Inspectorate has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with the Treasury Solicitors Department.

None of the Directing Board members, key managerial staff or other related parties has undertaken any material transactions with the Vehicle Inspectorate during the year.

18. Private Finance Initiative

In February 2000 a contract, under the Private Finance Initiative, was entered into with Seimens Business Services, for the provision of a computerised service for MOT testing and administration. This has not been recognised in the balance sheet. Payments to Seimens Business Services for the delivery of this service will commence during 2003/04 when the national roll-out of the computerised system commences. However, under the terms of the contract termination costs are payable to Seimens Business Services should the Vehicle Inspectorate terminate the contract before the official termination date. These termination costs will vary dependent on the period of the contract that has expired. The level of these costs will grow substantially during the development and installation stages of the contract.

At the balance sheet date of 31 March 2002 Seimens Business Services had incurred significant costs in the design and development of the systems. Any termination cost that the Vehicle Inspectorate would be liable to pay to Seimens Business Services prior to the implementation of the systems would be decided by negotiation.

19. Contingent liabilities

There are no contingent liabilities as at 31 March 2002.

20. Post balance sheet events

There have been no events since the end of the financial year which would affect the understanding of these financial statements.

Annex A

Accounts Direction given by the Treasury

The Treasury in pursuance of Section 4(6) of the Government Trading Funds Act 1973, hereby gives the following Direction:

1. The Vehicle Inspectorate shall prepare accounts for the year ended 31 March 2002 in compliance with the accounting principles and disclosure requirements of the edition of *Trading Funds – Accounts Guidance* issued by HM Treasury ('the Guidance') which is in force for 2001/02.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, total recognised gains and losses, and cash flows of the Vehicle Inspectorate, and of the state of affairs as at 31 March 2002.
3. Compliance with the requirements of the Guidance will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the Guidance is inconsistent with the requirements to give a true and fair view, the requirements of the Guidance should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment, which should be consistent with both economic characteristics of the circumstances concerned and the spirit of the Guidance. Any material departure from the Guidance should be discussed in the first instance with the Treasury.

David Loweth

Head of the Central Accountancy Team, Her Majesty's Treasury

18 February 2002

Annex B

Vehicle Inspectorate Trading Fund:

Setting of further financial objectives for the period 1 April 1998 to 31 March 2003

1. Section 4(1) of the Government Trading Funds Act 1973 provides that a trading fund established under that Act shall be under the control and management of the responsible Minister and in discharge of his functions in relation to the fund it shall be his duty:
 - a. to manage the funded operations so that the revenue of the fund:
 - i. consist principally of receipts in respect of goods or services provided in the course of the funded operations; and
 - ii. is not less than sufficient, taking one year with another, to meet outgoings which are properly chargeable to revenue account; and
 - b. to achieve such further financial objectives as the Treasury may from time to time, by Minute laid before the House of Commons, indicate as having been determined by the responsible Minister (with Treasury concurrence) to be desirable of achievement.
2. The trading fund for the Vehicle Inspectorate will be established on 1 April 1991 under the Vehicle Inspectorate Trading Fund Order 1998 (SI 1991 No.773).
3. The Secretary of State for the Environment, Transport and the Regions, being the responsible Minister, has determined (with Treasury concurrence) that a further financial objective desirable of achievement by the Vehicle Inspectorate Trading Fund for the period 1 April 1998 to 31 March 2003 shall be to achieve a return, averaged over the period as a whole, of 6% a year, in the form of a surplus on ordinary activities before interest expressed as a percentage of average capital employed. Capital employed shall equate to the total assets at current values from which shall be deducted the total of the current liabilities.
4. Let a copy of this minute be laid before the House of Commons pursuant to Section 4 (1)(b) of the Government Trading Funds Act 1973.
5. This minute supersedes that dated 24 May 1995.

(Treasury minute dated 8 June 2000)

Summary of 2001/02 key targets

<p>Key target 1: effectiveness To deliver against an effectiveness and quality improvement programme. Key measures are to achieve:</p> <ul style="list-style-type: none"> • Implement Performance Gain practice and performance measurement across all enforcement areas. • Develop and implement a traffic casework assurance measure. • Complete 1,700 random re-examinations of recently tested vehicles at MOT stations. • Consult the trade on a package of quality improvements for testing in Designated Premises. 	2001/02 Achieved 4 of 4 key measures	2000/01 Achieved 5 of 5 key measures
<p>Key target 2: throughput To deliver effective road safety and environmental standards activity as agreed with DTLR. Key measures are to:</p> <ul style="list-style-type: none"> • Achieve at least 6,697,770 PG outcome points. • Achieve an increase of 2% in education and advisory outcome points. • Carry out 104,924 emissions checks. • Carry out 1,400,000 HGV and 145,000 PSV tachograph chart checks. 	2001/02 Achieved 4 of 4 key measures	2000/01 Delivered 97% outputs of 3 of 3 MOA. Achieved 2 of 2 key measures
<p>Key target 3: customer focus To continue to improve customer focus across VI and DVO through the implementation of initiatives in line with the Modernising Government agenda. Key measures are to:</p> <ul style="list-style-type: none"> • Set up a further two regional consumer focus groups and specific groups for the SVA scheme and Designated Premises. • Deliver against the internal electronic services programme, in order to achieve the PSA target of 25% electronic service capability by 2002 and 100% by 2005. • Develop a new customer service measure in respect of test bookings. • Chair the DVO steering group for the introduction of digital tachographs. 	2001/02 Achieved 4 of 4 key measures	2000/01 Achieved 4 of 4 key measures
<p>Key target 4: financial (ROC) To break even year on year and achieve a 6% real rate of return on capital, over the period 1 April 1998 – 31 March 2003.</p>	2001/02 8.3%	2000/01 *8.9% *Cumulative average since 1 April 1998
<p>Key target 5: efficiency To increase value for money.</p> <ul style="list-style-type: none"> • Deliver +[2%] Performance Gain in enforcement. • Deliver +[2%] Aggregated Cost Efficiency (ACE) in vehicle testing. 	2001/02 Outturn +2%	2000/01 Target +1% Outturn +1%
<p>Key target 6: internal management To improve performance management across the business. Key measures are to:</p> <ul style="list-style-type: none"> • Implement a revised grading and pay structure. • Retain accreditation against the Investors in People National Standard following reassessment in 2001. • Deliver a diversity awareness programme for all staff. • Reduce the sick absence rate to an average of 7.4 working days per full-time equivalent by the end of 2001. 	2001/02 Achieved 3 of 4 key measures	2000/01 Achieved 4 of 4 key measures
<p>Key target 7: investment To secure the long-term development of the organisation. Key measures are to:</p> <ul style="list-style-type: none"> • Complete the development stage and commence trials and testing stage of MOT computerisation project by the end of March 2002. • Appoint a preferred supplier of IS and integrated business processes by March 2002. • Develop an action plan for a network/estates strategy taking into account DTLR and DVO estates strategies. 	2001/02 Achieved 1 of 3 key measures – with significant progress in 2 of 3	2000/01 Achieved 3 of 3 key measures

The future

We will further improve our effectiveness by changing the way we work and focusing on activities that produce the greatest road safety benefits. This will be reinforced by sharing information and intelligence with DVO partners, taking an active part in the development of joint DVO projects and leading cross agency work on compliance and enforcement. Delivery of our two major projects IS2003 and MOT computerisation will continue as planned paving the way for enhanced electronic capability.

Our objectives as before detail what we want to deliver in achieving our aim while our key targets have been revised to reflect changing priorities within the organisation and as a result of government initiatives.

Objectives for 2002/03

- To raise the compliance of the road haulage and passenger transport industries with roadworthiness, road traffic and environmental standards.
- To improve the roadworthiness and environmental standards of private motor vehicles.
- To offer modernised and customer-friendly services.
- To run an efficient, continually developing and valued business.

Key targets for 2002/03

Key target 1

To deliver against an effectiveness and quality improvement programme.

Key target 2

To deliver effective road safety and environmental standards activity as agreed with DfT.

Key target 3

To deliver initiatives across VI and DVO to provide a seamless service to customers.

Key target 4

To break even year on year and achieve a 6% real rate of return on capital, over the period 1 April 1998 – 31 March 2003.

Key target 5

To increase value for money.

Key target 6

To improve performance management across the business.

Key target 7

To secure the long-term development of the organisation.

Where to find out more

The VI website

VI's website contains a vast array of information about VI and its business including:

- test standards and fees for all vehicles;
- mandatory test requirements;
- details of all enforcement activity;
- news, including press releases and VI in the media;
- publications (manuals, videos and CD-ROMs);
- education and development information;
- employment opportunities and recruitment;
- links to all DVO agencies; and
- consumer focus including VI's complaint handling procedures.

Our website address is: www.via.gov.uk

Telephone enquiries

VI now offers a central number for all enquiries. Operators will be able help the caller with:

- MOT enquiries: for your general MOT and appeals questions (MOT hotline number 0845 600 5977 – local call rate);
- vehicle importing information;
- information on test standards;
- bookings;
- publications;
- smoky vehicle hotline: where you can report any commercial vehicles with excessively smoky exhausts;
- intelligence information: do you know of someone who is forced to break the law?
- general VI queries.

National number 0870 6060 440 (national call rate)

You can also send this information electronically to:

General enquiries enquiries@via.gov.uk

By post

VI has two main centres, in Bristol and Swansea. If you have any specific queries, you can contact us at the addresses below:

Headquarters and Training Centre
Vehicle Inspectorate
Berkeley House
Croydon Street
Bristol BS5 0DA
Headquarters: 0117 954 3200
Training Centre: 0117 954 3291

Operations and Distribution Centre
Vehicle Inspectorate
Welcombe House
91–92 The Strand
Swansea SA1 2DH
Tel: 01792 458888

Abbreviations and definitions

Abbreviation	Definition	Abbreviation	Definition
ACE	Aggregated Cost Efficiency index – a measure of efficiency	MOT	Statutory test for cars and motorcycles. (normally from three-years-old)
ACPO	Association of Chief Police Officers	MRBT	Mobile Roller Brake Tester
ADR	Certification of vehicles for use under international arrangements for the carriage of dangerous goods	NT	Nominated Tester – a qualified mechanic who has been nominated by an AE to carry out MOT tests
AE	Authorised Examiner – an individual, person in partnership or company meeting requirements (premises, equipment, personnel and good repute) to carry out MOT testing	PG	Performance Gain
ANPR	Automatic Number Plate Recognition	PLS	Prosecution and Legal Services
CfIT	Commission for Integrated Transport	PRP	Pass after Rectification Policy
CITA	Global Association of Vehicle Testing Bodies	PSV	Public Service Vehicle – a vehicle licensed to carry (normally nine or more) fare-paying passengers
COIF	Certification of Initial Fitness – the certification of PSVs as fit to carry passengers before use	PTO	Professional and Technology Officer
DETR	Department of the Environment, Transport and the Regions – to June 2001	RHA	Road Haulage Association
DfT	Department for Transport – from June 2002	RHF	Road Haulage Forum
DP	Designated Premises	RIPA	Regulation of Investigatory Powers Act
DSA	Driving Standards Agency	ROC	Return on capital
DTLR	Department of Transport, Local Government and the Regions – to June 2002	SBS	Siemens Business Services
DVLA	Driver, Vehicle Licensing Agency	SVA	Single Vehicle Approval
DVO	Driver, Vehicle Operator Group	TAN	Traffic Area Network
ESVA	Enhanced Single Vehicle Approval scheme	TANBS	Traffic Area Network Business System
FTA	Freight Transport Association	TAO	Traffic Area Office
GVTS	Goods Vehicle Test Station	TE	Traffic Examiner
H&S	Health and Safety	TEMPO 100	Scheme for approving certain PSVs (mostly coaches) so they can travel at higher speeds on some roads in Germany and France
HGV	Heavy Goods Vehicle – goods carrying over 3,500kg design gross weight	TIR	Certification of vehicles for use under international arrangements for goods sealed for Customs purposes
HRA	Human Rights Act	TRL	Transport Research Laboratory
ICT	Information Communications Technology	VCA	Vehicle Certification Agency
IIP	Investors in People – accreditation of personnel and business management	VE	Vehicle Examiner – VI employee responsible for front-line enforcement of safety and licensing provisions on HGVs and PSVs
IO	Intelligence Officer	VED	Vehicle Excise Duty
IS	Information Systems	VI	Vehicle Inspectorate or Vehicle Inspector
IT	Information Technology	VIC	Vehicle Identity Check
IU	Intelligence Unit	VITS	VI Training School
LACOTS	Local Authorities Co-ordinating body on Trading Standards	VLT	Roller brake testing equipment
LGV	Light Goods Vehicle	VSB	Vehicle Safety Branch
MOA	Memorandum of Agreement – written requirement agreed with the relevant policy directorate or agency of the DfT on the type or level of activity to be undertaken under a scheme.	VTS	Vehicle Testing Station
		WIMS	Weigh In Motion Sensors