

THE ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2011

Registered Charity No. 207100

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THE ROCHESTER BRIDGE TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

Court members

Rodney Brian Chambers, Esq.
Russell Graham Cooper Esq.
Frank Gibson, Esq., OBE
Anthony Ronald Goulden, Esq.
Paul Edward James Harriott, Esq.
Alan Leslie Jarrett, Esq.
Anne Frances Helen Logan*
Paul Evan Oldham, Esq.
Russell John Race, Esq., DL⁺
Michael Victor Snelling, Esq.
John Alexander Spence, Esq., OBE, DL
Richard George Thornby, Esq.

* Senior Warden

+ Junior Warden

Principal officers and advisers:

Mrs Sue Threader BEng CEng MICE
Michael Bird FCA

Investment Manager

Surveyors

Bridge Engineer

Solicitors

Bankers

Auditors

Medway Council
Appointed Member
Kent County Council
Medway Council
Appointed Member
Medway Council
Appointed Member
Maidstone Borough Council
Appointed Member
Kent County Council
Appointed Member
Appointed Member

Bridge Clerk
Chief Finance Officer

J P Morgan Asset Management (UK) Limited

Smiths Gore

Mott MacDonald Ltd
(to 31st December 2010)
Opus International (UK) Limited
(from 1st January 2011)

asblaw

Lloyds TSB plc

haysmacintyre

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2011

The Court presents its Annual Report and the financial statements of the Trust for the year ended 31st March 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Rochester Bridge Trust is an ancient institution originally created as a commonalty by letters patent in 1399 and incorporated by statute in 1409. It has since been regulated by various Acts of Parliament, (the statutes still extant being the Rochester Bridge Acts of 1908 and 1965 and the Medway Tunnel Act 1990), and Schemes of the Charity Commission, currently one of 1st June 1999 as amended by The Charities (The Rochester Bridge Trust) Order 2000, a Charity Commission Order dated 20 June 2006, a Resolution dated 31 July 2006 and a Resolution dated 29 October 2007.

The Trust operates from the Bridge Chamber, 5 Esplanade, Rochester, Kent, and is administered and managed by a Court of members, styled "The Wardens and Assistants of Rochester Bridge in the county of Kent", incorporated under that name by the Rochester Bridge Act 1908.

The Court has twelve members, holding office for various terms of years, six nominated by local authorities, known as "Nominated Members" and six co-opted, known as "Appointed Members". Details of those members who served during the year are shown under Reference and Administrative Information.

All Court Members receive a Members' Information Pack upon appointment. An induction programme has been introduced.

The Bridge Clerk (Chief Executive) is Mrs. S.E.P. Threader, a Chartered civil engineer with extensive public and private sector experience. The Chief Finance Officer is Mr. M.T. Bird, a qualified accountant with expertise in charity sector management. A secretary, finance assistant, archivist and caretaker support the administration of the Trust, all on part time contracts.

The day to day care and maintenance of the Bridges is the responsibility of the Bridge Maintenance Manager Mr. Hughes. The Bridge Maintenance Manager is supported by a Bridge Technician and a trainee. The Trust has appointed advisers to give professional advice on the management and control of its assets.

Risk management

The Court manages the risks to the Trust in accordance with its Risk Management Policy.

The Bridge Clerk keeps the Risk Register under review and consults the Trust's professional advisers on risk regularly. Actions identified during the risk review process are managed as part of the usual work of the Trust under the supervision of the Bridge Clerk.

The Court considers the full Risk Register at least every two years (most recently in August 2011) and identifies any major risks to the Trust. These are reviewed every six months. Appropriate controls are maintained and remedial actions identified.

The controls in place include extensive use of external professional advice on all matters where there may be material risk to the Charity. Advisers are retained for engineering, investment and property management and legal advice and specialists are appointed as required. Fire, intruder and lone worker alarms are in place and control is exercised over health and safety at work.

Informal arrangements are in place for handling emergencies and disaster recovery but these will be reviewed and formalised over the next two years.

Insurance cover is in place for most residual risks. A new insurance brokerage contract was put in place in May 2010.

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2011

Investment powers and policy

The investment powers of the Trust are contained in the Schedule to the 1999 scheme and in the Trustee Act 2000 enabling the Trust to invest in land, mortgages and other property. The policy of the Trust is to split the investment of the General Fund approximately equally between the two with the objective of achieving sufficient annual income to meet annual expenditure. The Bridge and Tunnel Reserve Fund (the Restricted Fund) and Designated Funds are invested in stock exchange securities with the objective of long term growth. The Trust's Investment Policy has been the subject of fundamental review during the year. A new policy was adopted in May 2010. Estate management strategies for the Kent and Conington Estate have been adopted.

Investment performance in relation to stock exchange securities was previously measured against the benchmark of the WM Total Charity Universe Median (excluding property) for all funds but the General fund is now measured against a composite benchmark made up of 35% FTSE All Share Index, 35% MSCI World (excluding UK) Index and 30% FTSE all Stock Index. The funds have benefited from the improvement in the stock market during the year but performance fell below the benchmarks as the Investment Manager's strategy was to remain in equities for the longer term prospects.

OBJECTS AND ACTIVITIES

The objects of the Trust are, in order of priority:-

- 1 The maintenance and improvement of the two A2 road bridges (known as Rochester Bridge) and the Medway Tunnel and the approaches thereto belonging to the Trust and of the banks and channel of the River Medway so far as the conditions thereof may affect the maintenance of Rochester Bridge and the Medway Tunnel. Note that the Medway Tunnel was financed and operated by Medway Council under a 999-year lease until 2009 when the Trust transferred the freehold to the Council. Under the terms of that transfer the Trust no longer has any responsibility for the structure. The Trust will shortly make an application to the Charity Commission for the charity's objects to be updated to remove explicit references to the Medway Tunnel.
- 2 The promotion of the following purposes connected with the River Medway by means of contributions to:
 - (a) the execution and maintenance of works (including the approaches thereto, whether or not belonging to the Trust) tending to facilitate passage over, under or across the River Medway; and/or
 - (b) the execution of works for the maintenance of the banks and channels of the River Medway so far as the condition thereof may affect passage over, under or across the River Medway.
3. The promotion of such other charitable purposes as may from time to time be determined in the United Kingdom and primarily in the County of Kent.

The Court is satisfied that its work, primarily to provide facilities for the general public to cross the River Medway with all the secondary benefits that this freedom of movement enables, clearly meets the "public benefit test" of the Charities Act 2006.

ACHIEVEMENTS AND PERFORMANCE

A contract was awarded to Jacksons Civil Engineering for the refurbishment of the upstream balustrade and footway of the Old Bridge. The contract began at the end of March 2010 and was completed in October 2010, ten weeks ahead of programme. Other planned works were deferred until this contract was complete.

In line with the Estate Strategy for the Conington estate the Trust attempted to sell Ivy Farmhouse but it was not possible to achieve a satisfactory price and the property is now being refurbished for letting in the medium term. Surveys were carried out of the condition of the runway at Conington Airfield.

An Estate Strategy for the Kent Estate was approved. Westmoor Farm Cottage in Rainham was sold with the benefit of planning permission for restoration and improvement. Permission was granted for the conversion of redundant farm buildings at Street Farm, Boxley for four residential units and an application was submitted for Phase 1 of a similar project at Abbey Farm, Leeds.

Mott MacDonald's contract as Bridge Engineer ended on 31st December 2010 after 59 years in the role. Following a competitive tendering process, Opus International Consultants (UK) Ltd was appointed.

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2011

ACHIEVEMENTS AND PERFORMANCE (continued)

The Trust has continued to invest in making more information about its work available to the public. Frequent coverage in the local press has been achieved as well as articles published in relevant technical press. Maxim PR & Marketing consultants were appointed from May 2010 to provide public relations support. Many talks have been given by the Bridge Clerk and Archivist to local groups about the work and history of the Trust.

A grant was made to the University of Kent for a Study of Urban Agricultural Rents 1577-1914, based on the records in the Trust's own archives. Smaller grants totalling £48,900 were made for 18 projects which met the Trust's policy criteria and commitments made to fund music and science projects for young people (see Future Plans section).

Mr Daniel Thorpe was appointed as trainee Assistant Bridge Technician.

The second Bridge Wardens' Art Prize was held with the judging panel chaired by Professor Alan Cumming of the Royal College of Art. The main prize was won by Isabelle Lush of Maidstone Girls' Grammar School.

FINANCIAL REVIEW

The income and expenditure of the Trust are detailed in the Statement of Financial Activities on page 7.

Income for the year was slightly reduced from £2,356,936 to £2,200,628 due to a lower dividend income. Interest income has continued to be very low reflecting low rates of interest available in the financial markets.

Expenditure on the bridges was higher than the previous year due to the major refurbishment works totalling £1,492,726 compared with £436,302 in 2010. The cost of the refurbishment works will be met from The Bridge and Tunnel Reserve Fund.

Expenditure on properties totalled £676,200 compared with £856,731 in 2010.

After taking account of transfers from and to other funds but excluding profits and revaluations of investment assets and properties, there was a deficiency on the General Fund of £464,259.

Investment performance

No significant changes were made to investment practice. Investments and investment properties at 31st March 2011 totalled £67,696,760 (2010 £65,840,525).

Reserves policy

Although the Trust approved a new reserve fund structure during the year this has not yet been fully implemented and for the time being the reserve funds are unchanged.

The Trust holds the following reserves at 31st March 2011:

General Fund	£45,456,778
Designated Funds	£8,899,089
Restricted Fund	£15,107,512

The General Fund reserve acts as an expendable endowment to generate income to meet the primary objectives of the Trust.

The Designated Funds reserve is an Accumulated Income Fund whose purpose is to provide sufficient resources to enable the Trust to deliver a programme of charitable grants. Should the income of the General Fund prove insufficient in any year it will be topped up from the Accumulated Income Fund.

The Restricted Fund exists to provide for the extraordinary repair, improvement, rebuilding or replacement of Crossings of the River Medway for which the the Trust is responsible. The Fund is maintained by an annual transfer from the General Fund.

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2011

FUTURE PLANS

In the coming year, the Trust plans to:

- repair the Strood Upstream Portico of the Old Bridge which was damaged in road traffic accident
- carry out detailed inspections of the Rochester Bridges and River Walls
- implement its new Investment Policy and start a review of Investment management advice
- implement the Estate Strategies, including the disposal of Goodnestone Court farmhouse and Street Farm buildings and the completion of major repairs and improvements to the Conington estate
- actively seek new investments in land and residential property
- support two major grant funded initiatives:
 - Orchestra One – an innovative youth music project themed around the River Medway
 - Growing Scientist – a partnership of Maidstone secondary schools aiming at promoting science as a career

STATEMENT OF RESPONSIBILITIES OF THE COURT MEMBERS

The Court Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the Court Members to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in business.

The Court Members are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Court of Wardens and Assistants



15 August 2011

