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THE ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2005

Registered Charity No. 207100

THE ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2005

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THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2005

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 of 16th November 2000.

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". In respect of the accounting year they were:-

Name	Nominated by/ Appointed Member
Rodney Brian Chambers, Esq.++	Medway Council
Frank Gibson, Esq., OBE	Kent County Council
Paul Godwin	Medway Council
Paul Edward James Harriott, Esq.	Appointed Member
Mrs. Anne Frances Helen Logan	Appointed Member
John Anthony McBride, Esq.	Appointed Member (until 31st May 2004)
Paul Evan Oldham, Esq.	Maidstone Borough Council
Russell John Race, Esq., DL	Appointed Member (from 1st June 2004)
John Christopher Shaw, Esq.	Appointed Member
John Alexander Spence, Esq. DL*	Appointed Member
Richard George Thornby, Esq. +**	Appointed Member
Mrs. Allison Joan Wainman, OBE	Kent County Council
Mrs. Doris Vivien Wheller	Medway Council

* Senior Warden until 31 May 2005

** Senior Warden from 1 June 2005

+ Junior Warden until 31 May 2005

++ Junior Warden from 1 June 2005

The principal officers and advisers have been:

Michael Lewis, DL	Bridge Clerk
Frank Bentley	Finance Officer
Investment Manager	J P Morgan Fleming Asset Management (UK) Limited
Surveyor	Cluttons
Bridge Engineer	Mott MacDonald Ltd
Solicitors	Allen & Overy Hill Taylor Dickinson Argles Stoneham Burstows
Parliamentary Agents	Bircham Dyson Bell
Bankers	Lloyds TSB plc
Auditors	haysmacintyre
Archivist	Dr James Gibson

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2005

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.
- 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.

In relation to object 1 the Trust has continued to maintain the bridges and to make provision for their ultimate replacement now estimated in 2040 and 2090. The Trust is willing (subject to certain safeguards) to contribute towards the maintenance of the Medway Tunnel up to £450,000 per annum (index linked from 1st May 1996), has reserved funds accordingly and established a sinking fund for its replacement, estimated to be in 2120.

The policy towards minor grants is that they should not exceed in total £100,000 per annum with the exact amount to be determined each year, currently £50,000. Applications for these, which will be considered once a year at the end of July, should be of a capital nature to bodies within the historic county of Kent whose purpose is charitable.

The Trust employs two full time workers on its Bridge and four part time workers in its administration. The principal officers are retired professionals. Apart from internal administration, the Trust relies upon its advisers for the management and control of its assets.

Financial review

The income and expenditure of the Trust are detailed in the Statement of Financial Activities on page 6.

Income for the year increased by £363,996 to £2,254,572, due mainly to an increase in all categories of investment income.

Expenditure on properties totalled £276,800, an increase of 12% on 2004.

After taking account of transfers to other funds and excluding profits and revaluations of investment assets and properties, there was a surplus on the General Fund of £262,549.

Significant gains both realised and unrealised were generated on investments amounting to £3,399,283. The Trust's policy is to invest for long term growth in view of the long timescale for replacement of its assets. As such no significant changes were made to investment policy. During the year a profit of £552,816 was made on property sales. Funds at 31st March 2005 totalled £53,799,517 (2004 £48,670,528).

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2005

Reserves policy

The Trust has adopted a reserves policy. The Trust holds the following unrestricted reserves at 31st March 2005:

General Fund	£34,807,119
Designated Funds	£6,697,800

The General Fund reserve acts as an expendable endowment to generate income to meet the primary objectives of the Trust, namely to provide and maintain Rochester Bridge, the Medway Tunnel and other crossings of the Medway.

The Designated Funds reserve, prior to 1st April 2001, was predominately an Accumulated Income Fund used to make grants to charitable bodies in accordance with the third objective of the Trust. There is a forward commitment of £6,500 and a need to provide resources to fund the annual provision of up to £100,000 for minor grants. Should the income of the General Fund prove insufficient in any year it will be topped up from the Accumulated Income Fund. Subject thereto, the purpose of the Fund is to provide sufficient resources to enable the Trust to assume full responsibility for the operation of the Medway Tunnel, assuming it exercises its option to terminate the current lease to Medway Council on or after 31st May 2021, after providing for minor grants.

Investment power, policy and performance

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 and mortgages and in property other than land and mortgages. 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.

Investment performance in relation to stock exchange securities is measured against the benchmark of the WM Income Constrained Monitor for the General fund and the WM Unconstrained Monitor for the other two funds. The funds benefited from the recovery in the stock market during the year and performance was better than the benchmarks. a fact confirmed by reports from independent assessors of the Investment Managers performance.

Risk management

The Trustees have undertaken a review of the major risks which could face the Trust and are satisfied that the measures in place will minimise the effect of these risks.

R.G.THORNBY

Senior Warden

25 July 2005
Charity no: 207100

THE ROCHESTER BRIDGE TRUST

STATEMENT OF RESPONSIBILITIES OF THE COURT MEMBERS

The Court is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming and outgoing resources of the Trust for that period. In preparing those financial statements, the Court is required to;

- select suitable accounting policies and then apply them consistently,
- 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.

The Court is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable it to ensure that the financial statements comply with the Trust and Charity laws. The Court is responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE COURT MEMBERS OF THE ROCHESTER BRIDGE TRUST

We have audited the financial statements of The Rochester Bridge Trust for the year ended 31st March 2005 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. 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 therein.

This report is made solely to the Charity's members, as a body, in accordance with the regulations made under the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the court members and auditors

As described in the Statement of Responsibilities of the Court Members, the court members are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

We have been as appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or apparent material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our 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 and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the court in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31st March 2005 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

haysmacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

THE ROCHESTER BRIDGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2005

	Note	Designated Funds £	Restricted Fund £	General Fund £	2005 Total £	2004 Total £
Incoming Resources						
Activities for generating funds:						
Rents receivable		-	-	1,200,815	1,200,815	1,123,812
Dividends receivable		151,464	248,141	446,332	845,937	701,757
Bank and other interest		-	-	207,820	207,820	65,007
Total incoming resources	1(c)	<u>151,464</u>	<u>248,141</u>	<u>1,854,967</u>	<u>2,254,572</u>	<u>1,890,576</u>
Less cost of generating funds:						
Investment managers fees		<u>18,631</u>	<u>32,067</u>	<u>41,217</u>	<u>91,915</u>	<u>37,939</u>
Net incoming resources available for charitable application		<u>132,833</u>	<u>216,074</u>	<u>1,813,750</u>	<u>2,162,657</u>	<u>1,852,637</u>
Charitable Expenditure						
Cost of activities in furtherance of the objects of the charity:						
Expenditure on properties	2	-	-	276,800	276,800	245,939
Maintenance of bridges	3	-	-	123,422	123,422	89,218
Medway Tunnel	4	-	-	312,354	312,354	297,300
Grants payable	5	81,246	-	100	81,346	187,171
		<u>81,246</u>	<u>-</u>	<u>712,676</u>	<u>793,922</u>	<u>819,628</u>
Other Expenditure						
Establishment charges	6	-	-	191,845	191,845	189,637
Total charitable expenditure		<u>81,246</u>	<u>-</u>	<u>904,521</u>	<u>985,767</u>	<u>1,009,265</u>
Total resources expended		<u>99,877</u>	<u>32,067</u>	<u>945,738</u>	<u>1,077,682</u>	<u>1,047,204</u>
Net incoming resources before transfers		<u>51,587</u>	<u>216,074</u>	<u>909,229</u>	<u>1,176,890</u>	<u>843,372</u>
Transfers between funds	14	221,680	425,000	(646,680)	-	-
Profits on investment assets	11b	694,719	1,338,356	1,366,208	3,399,283	6,194,242
Profit on property sales		-	-	552,816	552,816	179,157
Revaluation of properties	11a	-	-	-	-	5,490,117
Net movement in funds for the year		<u>967,986</u>	<u>1,979,430</u>	<u>2,181,573</u>	<u>5,128,989</u>	<u>12,706,888</u>
Total funds at 1st April 2004		<u>5,729,814</u>	<u>10,315,168</u>	<u>32,625,546</u>	<u>48,670,528</u>	<u>35,963,640</u>
Total funds at 31st March 2005		<u>£6,697,800</u>	<u>£12,294,598</u>	<u>£34,807,119</u>	<u>£53,799,517</u>	<u>£48,670,528</u>

All transactions are derived from continuing activities.

All recognised gains and losses are included in the statement of financial activities

The notes on pages 8 - 13 form part of these financial statements.

THE ROCHESTER BRIDGE TRUST

BALANCE SHEET

AT 31ST MARCH 2005

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	10	75,000	75,000
Investment properties	11(a)	16,726,000	19,333,000
Investments	11(b)	32,577,437	26,843,441
		<u>49,378,437</u>	<u>46,251,441</u>
Current assets			
Debtors	12	202,122	161,114
Short term deposits		4,484,442	2,901,406
Cash at bank and in hand		1,489,012	752,163
		<u>6,175,576</u>	<u>3,814,683</u>
Creditors: amounts falling due within one year	13	<u>(1,754,496)</u>	<u>(1,395,596)</u>
Net current assets		<u>4,421,080</u>	<u>2,419,087</u>
Total assets less current liabilities		<u>£53,799,517</u>	<u>£48,670,528</u>
Funds			
Designated funds	14,15	6,697,800	5,729,814
Restricted fund	14,15	12,294,598	10,315,168
General fund	14,15	34,807,119	32,625,546
Total fund balances		<u>£53,799,517</u>	<u>£48,670,528</u>

Approved by the Court of Wardens and Assistants on 25 July 2005 and signed on their behalf by:

R.G. THORNBY

The notes on pages 8 to 13 form part of these financial statements.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2005

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed assets, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and applicable accounting standards, except where noted below.

(b) Fund accounting

Restricted funds are those where there are legally binding restrictions on the use of the funds. The cost of raising and administering such funds are charged against the specific funds. Details of the funds and the use to which they can be put are given in note 14.

Designated funds comprise unrestricted funds that have been set aside by the Court for particular purposes. Designated funds are used to fund major grant commitments and the annual provisions of other grants. They are also to be used to provide sufficient income to enable the trust to assume full responsibility for the Medway Tunnel on the expiry of the existing leases. The aim and use of each designated fund is set out in note 14.

The General Fund is an unrestricted fund which is available to use at the discretion of the Court in furtherance of the general objectives of the trust and which has not been designated for other purposes. The General Fund represents the capital of the Trust which must be retained in the Trust and income arising from the General Fund's investments can be used by the Court to finance the Trust's expenditure.

Investment income and gains are allocated to the appropriate fund.

(c) Income and expenditure recognition

Income

Rental income is accounted for in the period in which the charity is entitled to receipt.

Dividend income and the associated transitional relief are accounted for in the statement of financial activities.

Bank and other interest are included in the statement of financial activities when received.

Expenditure

Expenditure is included on an accruals basis.

Cost of generating funds comprise the costs directly attributable to managing the investment portfolio and raising income.

Grants payable are charged in the year when the offer is conveyed to the recipient.

Expenditure on properties is expenditure in relation to the maintaining of the investment properties.

The maintenance of Bridges and Medway Tunnel are detailed in note 3 and 4.

Establishment costs comprise costs for the running of the charity.

(d) Tangible fixed assets

Freehold land and buildings are included in the financial statements at the Court's best estimate of their open market value.

Depreciation is not charged on the historic freehold buildings occupied by the Trust which is not in accordance with the charities' SORP or FRS15. However in the opinion of the Court, the buildings have a life in excess of 50 years and consequently any depreciation charge and resultant accumulated depreciation, would be immaterial.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2005

1. ACCOUNTING POLICIES (continued)

(d) Tangible fixed assets (continued)

Expenditure on furnishings are written off to the statement of financial activities when incurred which is not in accordance with the charities' SORP or FRS 15, but this departure is immaterial.

Motor vehicles used by the trust are depreciated on a straight line basis over 7 years.

(e) Investments

Quoted investments are included in the financial statements at market value at the balance sheet date.

Investment properties are included in the financial statements at the Court's best estimate of their open market value. These estimates are carried out every 3 years. Further details are shown in note 11.

Realised and unrealised gains and losses on revaluation and disposals occurring in the year are reported in the statement of financial activities.

(f) Pension scheme

The Trust contributes to the Kent County Council defined benefit scheme. As this scheme is a multi-employer scheme, pension contributions have been accounted for as a defined contribution scheme and contributions are included in the statement of financial activities as they are incurred.

2. EXPENDITURE ON PROPERTIES

	2005	2004
	£	£
Professional and other fees	141,491	128,596
Repairs	76,668	64,065
VAT irrecoverable	43,759	44,082
Insurance	13,273	9,106
General and other rates	1,609	90
	<u>£276,800</u>	<u>£245,939</u>

3. MAINTENANCE OF BRIDGES

Repairs	23,110	(1,248)
VAT irrecoverable	15,872	9,721
Professional fees	43,910	28,475
Insurance	28,515	37,010
Lighting	8,939	12,184
Cleaning	3,076	3,076
	<u>£123,422</u>	<u>£89,218</u>

4. MEDWAY TUNNEL

Grant to Medway Council	293,303	279,468
Professional fees	16,213	15,176
VAT irrecoverable	2,838	2,656
	<u>£312,354</u>	<u>£297,300</u>

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2005

5. GRANTS PAYABLE	2005	2004
	£	£
Bridge Wardens' College	45,055	150,096
Miscellaneous Grants	36,291	25,875
New College of Cobham	-	11,200
	<u>£81,346</u>	<u>£187,171</u>

6. ESTABLISHMENT CHARGES	2005	2004
	£	£
Net salaries, wages, superannuation and national insurance	92,414	101,452
Professional and other fees	7,098	6,928
VAT irrecoverable	10,676	10,219
Bridge Chamber – general	26,780	21,709
Insurances	32,080	25,527
Workshop and truck expenses	5,340	10,501
Pensions	2,846	6,330
Printing, stationery etc	10,088	2,194
Meeting expenses	4,680	4,958
Sundry income	(157)	(181)
	<u>£191,845</u>	<u>£189,637</u>

Net salaries exclude recharges to other parties. Pensions represent payments to two former employees.

7. EMOLUMENTS OF EMPLOYEES		
Gross salaries and wages	96,729	94,228
Gross employer national insurance	7,207	7,107
Gross superannuation	7,841	9,432
	<u>£ 111,777</u>	<u>£110,767</u>

The Trust is a participant of the Kent County Council defined benefit multi-employer pension scheme.

	No.	No.
Average number of employees	<u>6</u>	<u>6</u>

No employee earned £50,000 or more.

8. EMOLUMENTS OF THE COURT

No member of the Court received any remuneration from the Trust or had any expenses reimbursed during the year.

9. AUDITORS' REMUNERATION	2005	2004
	£	£
The remuneration payable to the auditors in respect of the audit	<u>£5,008</u>	<u>£5,008</u>

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2005

10. TANGIBLE FIXED ASSETS	Freehold land and buildings £	Motor Vehicles £	Total £
VALUATION/COST			
At 1st April 2004 and 31st March 2005	75,000	10,263	85,263
DEPRECIATION			
At 1st April 2004 and 31st March 2005	-	10,263	10,263
NET BOOK VALUE			
At 31st March 2005	£75,000	£ -	£75,000
At 1st April 2004	£75,000	£ -	£75,000

The net book value of tangible fixed assets represents fixed assets used for general management and administration of the Trust. The freehold land and buildings were last valued at 31 March 2004 by the Court after informal consultation with professional valuers, at their estimated open market value.

11. INVESTMENTS	2005 £	2004 £
(a) Investment properties		
Valuation		
At 1st April 2004	19,333,000	12,881,000
Acquisitions in the year	-	1,617,640
Disposals in year at valuation	(2,607,000)	(655,757)
Revaluation	-	5,490,117
At 31st March 2005	£16,726,000	£19,333,000

Investment properties were last revalued at 31st March 2004 by the Court, after informal consultation with professional valuers, at their estimated open market value. There were no changes over the previous year. It is not possible to give the historical cost of investment properties as some were acquired over 600 years ago.

(b) Quoted investments	2005 £	2004 £
Market value at 1st April 2004	26,843,441	20,922,226
Additions	11,866,068	12,828,926
Disposals at market value	(8,703,887)	(13,263,413)
Unrealised gains on revaluation	2,571,815	6,355,702
Market value at 31st March 2005	£32,577,437	£26,843,441
Cost at 31st March 2005	£28,787,536	£25,469,820
Realised gain/(loss)	£827,468	£(161,460)

The portfolio structure as at 31st March 2005 was made up of listed equities with a market value of £29,612,520 (2004: £24,399,059) and fixed interest income investments with a market value of £2,964,916 (2004: £2,444,382). Individual investments which represent over 5% of the portfolio market value are as follows:

JP Morgan UK Dynamic Income	£3,684,557
JP Morgan Fledgling Bond	£2,483,646
JP Morgan Inst. Continental Europe Income	£2,469,344

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2005

12.	DEBTORS: Amounts falling due within one year		2005	2004	
			£	£	
	Rents receivable		88,158	80,641	
	Other debtors		53,653	14,270	
	Prepayments and accrued income		60,311	66,203	
			<u>£202,122</u>	<u>£161,114</u>	
13.	CREDITORS: Amounts falling due within one year				
	Income received in advance		1,867	1,367	
	Amounts due including grants allocated but unpaid		1,696,455	1,356,027	
	Other creditors		56,174	38,202	
			<u>£1,754,496</u>	<u>£1,395,596</u>	
14.	FUNDS	Designated Funds	Restricted Fund	General Fund	Total
		£	£	£	£
	Balance at 1st April 2004	5,729,814	10,315,168	32,625,546	48,670,528
	Net incoming resources before transfers	51,587	216,074	909,229	1,176,890
	Transfers	221,680	425,000	(648,680)	-
	Gains on investments	694,719	1,338,356	1,366,208	3,399,283
	Profit on property sales	-	-	552,866	552,866
	Balance at 31st March 2005	<u>£6,697,800</u>	<u>£12,294,598</u>	<u>£34,807,119</u>	<u>£53,799,517</u>

DESIGNATED FUNDS

There are two designated funds as follows:

Major Grants Fund - This has the sole purpose of meeting the commitment in respect of major grants. The balance of this fund as at 31 March 2005 was £Nil (2004: £76,324).

Tunnel Fund - This fund has been set up to provide sufficient resources to enable the Trust to assume full responsibility for the operation of the Medway Tunnel. This is assuming it exercises its option to terminate the current lease to Medway Council on or after 31st May 2021, after providing for minor grants. The Trust has an authorised allocation of up to £50,000 per annum for minor grants. The annual income accruing to the Tunnel Fund shall be applied in the following order:

- i) to meet any deficit for the year on the General Fund
- ii) to meet the cost of approved minor charitable grants for the year
- iii) retention in the Tunnel Fund

The balance of the Tunnel Fund as at 31 March 2005 was £6,697,800 (2004: £5,653,490).

RESTRICTED FUND – Bridges and Tunnel Reserve Fund

A Charity Commission scheme of 15th June 1995 approved the establishment of The Bridge and Tunnel Reserve Fund for the purpose of providing for the extraordinary repair, improvement, rebuilding or replacement of the property of the Charity and also for future liabilities in respect of the Medway tunnel. The fund was established by transfer of funds previously held in the Bridge Reserve Fund and the Estate Repair Fund, which were wound up at this date. The fund is to be maintained out of the income of the charity by transfer of such annual sum sufficient for the purposes of the fund, during the year £425,000 was transferred (2004: £269,890).

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2005

15. ANALYSIS OF NET ASSETS BY FUND

	Designated Funds £	Restricted Fund £	General Fund £	Total £
Tangible fixed assets	-	-	75,000	75,000
Investment properties	-	-	16,726,000	16,726,000
Investments	5,910,743	11,661,631	15,005,063	32,577,437
Current assets	827,342	648,567	4,699,667	6,175,576
Current liabilities	(40,285)	(15,600)	(1,698,611)	(1,754,496)
Total net assets at 31st March 2005	<u>£6,697,800</u>	<u>£12,294,598</u>	<u>£34,807,119</u>	<u>£53,799,517</u>

16. COMMITMENTS

The Trustees have agreed to contribute up to £450,000 per annum (with inflationary escalations) towards the maintenance of the Medway Tunnel from 1st April 1996 of which £250,000 per annum is transferred to the Bridge & Tunnel Reserve Fund to provide for plant and machinery replacement and a contribution to future structural work. The balance is passed to Medway Council to cover insurance costs and a contribution towards day to day running expenses. Since the year end, the agreement with Medway Council has been completed and an interim payment of £1 million towards past year's grants has been made.

17. RELATED PARTIES

The Senior and Junior Wardens of The Rochester Bridge Trust are also Presidents of the New College of Cobham. The administration of these entities is run separately and independently. During the year ended 31st March 2005, the Trust awarded grants of £Nil (2004: £11,200) to the New College of Cobham.

J Spence, Esq. DL and JA McBride Esq., who are Court Members of The Rochester Bridge Trust, are also council members for The Bridge Wardens' College Limited. M Lewis, DL, the Bridge Clerk for the Rochester Bridge Trust, is company secretary for the company and the Wardens and Assistants of Rochester Bridge also have a 50% shareholding of this company. During the year the Bridge Trust granted the company £45,055 (2004: £150,096). The venture is in the process of being wound up.

RB Chambers Esq., P Godwin Esq., PEJ Harriott Esq. and Mrs DV Wheller, who are Court Members of The Rochester Bridge Trust, are also members of Medway Council to whom the Trust allocates money for grants towards the Medway Tunnel. During the year, the Trust allocated money for a grant of £293,303 (2004 £279,468) to Medway Council.