

THE ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2006

Registered Charity No. 207100

THE ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

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THE ROCHESTER BRIDGE TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

Court members

| | |
|--------------------------------------|---|
| Rodney Brian Chambers, Esq.+ | Medway Council |
| Frank Gibson, Esq., OBE | Kent County Council |
| Paul Godwin, Esq. | Medway Council (until 31 st May 2005) |
| Anthony Ronald Goulden, Esq. | Medway Council (from 1 st June 2005) |
| Paul Edward James Harriott, Esq. | Appointed Member |
| Alan Leslie Jarrett, Esq. | Medway Council (from 1 st June 2005) |
| Mrs. Anne Frances Helen Logan | Appointed Member |
| Paul Evan Oldham, Esq. | Maidstone Borough Council |
| Russell John Race, Esq., DL | Appointed Member |
| John Christopher Shaw, Esq. | Appointed Member |
| Michael Victor Snelling, Esq. | Kent County Council (from 1 st June 2005) |
| John Alexander Spence, Esq., OBE, DL | Appointed Member |
| Richard George Thornby, Esq. * | Appointed Member |
| Mrs. Allison Joan Wainman, OBE | Kent County Council (until 31 st May 2005) |
| Mrs. Doris Vivien Wheller | Medway Council (until 31 st May 2005) |

* Senior Warden

+ Junior Warden

Principal officers and advisers:

| | |
|---------------------------------|--|
| Michael Lewis, DL | Bridge Clerk (until 31 December 2005) |
| Mrs Sue Threader BEng CEng MICE | Bridge Clerk (from 1 January 2006) |
| Frank Bentley | Finance Officer (until 12 May 2006) |
| Michael Bird FCA | Finance Officer (from 15 May 2006) |
| 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

FOR THE YEAR ENDED 31ST MARCH 2006

The Court presents its Annual Report and the financial statements of the Trust for the year ended 31st March 2006.

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 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". 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. Consideration is being given to a formal induction and training programme which would be available to all Members. These plans are part of the general enhancement of administrative procedures, and in response to a Charity Commission Review in August 2005. It is anticipated that the revised arrangements will be in place by the end of 2006/07.

The former Bridge Clerk, Michael Lewis, retired during the year after many years' service to the Trust. Mrs Sue Threader was appointed as the new Bridge Clerk from 1st January 2006 – the first chartered civil engineer to hold the post in the Trust's history. Frank Bentley retired as Finance Officer on 12th May 2006 and has been replaced by Michael Bird, formerly the Finance Director of the London Zoological Society. Both principal officers are employed on a part-time basis. A part-time secretary, finance assistant and caretaker support the administration of the Trust.

The day to day care and maintenance of the Bridges is the responsibility of the Bridge Caretaker and his assistant. In August 2005, a further junior assistant was appointed who will be provided with multi-skill training, including support to attend courses on a day release basis. All three bridge caretaking staff are full-time employees.

The Trust has appointed advisers to give professional advice on the management and control of its assets.

Risk management

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

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 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.

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2006

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.
- 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.

ACHIEVEMENTS AND PERFORMANCE

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. A major refurbishment of the Old Bridge is underway – including the removal of lead paint, renovation and replacement of corroded elements of the structure, waterproofing and replacement of the surfacing, and restoration of decorative ironwork.

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.

FINANCIAL REVIEW

The income and expenditure of the Trust are detailed in the Statement of Financial Activities on page 5.

Income for the year increased from £2,254,572 to £2,283,554, due mainly to an increase in dividend income. This was offset by lower rental income, as a provision was made for non payment of rent in respect of Buckmore Park. Interest income was reduced as funds previously earmarked for earlier years' payment to Medway Council for the maintenance and operation of the Medway Tunnel were released when the Council submitted the necessary application documents.

Expenditure on properties totalled £322,425, similar to 2005.

After taking account of transfers to other funds but excluding profits and revaluations of investment assets and properties, there was a deficit on the General Fund of £314,676.

Investment performance

Significant gains both realised and unrealised were generated on investments amounting to £9,263,377. 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 £497,572 was made on property sales. Investments and investment properties at 31st March 2006 totalled £60,464,064 (2005 £50,226,609).

Reserves policy

The Trust holds the following reserves at 31st March 2006:

| | |
|------------------|-------------|
| General Fund | £38,474,998 |
| Designated Funds | £8,768,529 |
| Restricted Fund | £16,877,648 |

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2006

Reserves policy (continued)

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.

The Restricted Fund exists to provide for the extraordinary repair, improvement, rebuilding or replacement of the Bridges and Tunnel. The Fund is maintained by an annual transfer from the General Fund.

FUTURE PLANS

Since the year end, the Trust has sold the Buckmore Park property for a sum of approximately £4,500,000 after taking account of sales costs.

In the coming year, the Trust plans to:

- complete the refurbishment of the Old Bridge under a contract which began at the end of 2005/06
- continue to monitor the management of the Medway Tunnel, seeking to use its influence to improve the quality of service to the public, and to protect the integrity of the infrastructure
- progress the modernisation of administrative arrangements, including the installation of enhanced IT and electronic communication systems
- complete the actions recommended by the Charity Commission Review report

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.



R.G. THORNBY

Senior Warden

31st July 2006

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 2006 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under 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 appointed as 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 International Standards on Auditing (UK and Ireland).

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 and whether the information given in the Annual Report is consistent with the financial statements. We also report to you, in our opinion, if the charity has not kept proper accounting records and if we have not received all the information and explanations we require for our audit.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

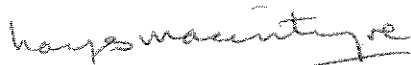
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31st March 2006 and of its incoming resources and application of resources in the year then ended;
- have been properly prepared in accordance with the Charities Act 1993; and
- the information contained in the Annual Report is consistent with the financial statements.



Hays Macintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

31st July 2006

THE ROCHESTER BRIDGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2006

| | Note | Designated Funds £ | Restricted Fund £ | General Fund £ | 2006 Total £ | 2005 Total £ |
|---|------|--------------------------|-------------------------|----------------------|--------------------|--------------------|
| Incoming Resources | | | | | | |
| Activities for generating funds: | | | | | | |
| Rents receivable | | - | - | 1,062,434 | 1,062,434 | 1,200,815 |
| Dividends receivable | | 191,857 | 339,575 | 541,253 | 1,072,685 | 845,937 |
| Bank and other interest | | - | - | 148,435 | 148,435 | 207,820 |
| Total incoming resources | 1(c) | <u>191,857</u> | <u>339,575</u> | <u>1,752,122</u> | <u>2,283,554</u> | <u>2,254,572</u> |
| Cost of generating funds | | | | | | |
| Investment management | | 4,304 | 11,763 | 24,568 | 40,635 | 91,914 |
| Expenditure on investment properties | 2 | - | - | 322,425 | 322,425 | 316,285 |
| Charitable Activities | | | | | | |
| Maintenance of bridges | 3 | - | - | 930,493 | 930,493 | 224,931 |
| Medway Tunnel | 4 | - | - | 344,454 | 344,454 | 337,644 |
| Grants payable | 5 | 64,980 | - | 200 | 65,180 | 88,978 |
| | | <u>69,284</u> | <u>11,763</u> | <u>1,622,140</u> | <u>1,703,187</u> | <u>1,059,752</u> |
| Governance costs | | - | - | 19,658 | 19,658 | 17,930 |
| Total resources expended | | <u>69,284</u> | <u>11,763</u> | <u>1,641,798</u> | <u>1,722,845</u> | <u>1,077,682</u> |
| Net incoming resources before transfers and investment gains | | <u>122,573</u> | <u>327,812</u> | <u>110,324</u> | <u>560,709</u> | <u>1,176,890</u> |
| Transfers between funds | 14 | - | 425,000 | (425,000) | - | - |
| Gains on investment assets | 11b | 1,948,156 | 3,830,238 | 3,484,983 | 9,263,377 | 3,399,283 |
| Profit on property sales | | - | - | 497,572 | 497,572 | 552,816 |
| Net movement in funds for the year | | <u>2,070,729</u> | <u>4,583,050</u> | <u>3,667,879</u> | <u>10,321,658</u> | <u>5,128,989</u> |
| Total funds at 1st April 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> |
| Total funds at 31st March 2006 | | <u>£8,768,529</u> | <u>£16,877,648</u> | <u>£38,474,998</u> | <u>£64,121,175</u> | <u>£53,799,517</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 7 - 13 form part of these financial statements.

THE ROCHESTER BRIDGE TRUST

BALANCE SHEET

AT 31ST MARCH 2006

| | Note | 2006 £ | 2005 £ |
|---|-------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 75,000 | 75,000 |
| Investment properties | 11(a) | 16,626,000 | 16,726,000 |
| Investments | 11(b) | 43,838,064 | 33,500,609 |
| | | <u>60,539,064</u> | <u>50,301,609</u> |
| Current assets | | | |
| Debtors | 12 | 183,593 | 202,122 |
| Short term deposits | | 2,981,891 | 4,484,442 |
| Cash at bank and in hand | | 595,267 | 565,840 |
| | | <u>3,760,751</u> | <u>5,252,404</u> |
| Creditors: amounts falling due within one year | 13 | <u>(178,640)</u> | <u>(1,754,496)</u> |
| Net current assets | | <u>3,582,111</u> | <u>3,497,908</u> |
| Total assets less current liabilities | | <u>£64,121,175</u> | <u>£53,799,517</u> |
| Funds | | | |
| Designated funds | 14,15 | 8,768,529 | 6,697,800 |
| Restricted fund | 14,15 | 16,877,648 | 12,294,598 |
| General fund | 14,15 | 38,474,998 | 34,807,119 |
| Total fund balances | | <u>£64,121,175</u> | <u>£53,799,517</u> |

Approved by the Court of Wardens and Assistants on 31st July 2006 and signed on their behalf by:



The notes on pages 7 to 13 form part of these financial statements.

THE ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006

I. 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 2005), which was issued in March 2005 and applicable accounting standards, except where noted below.

Following the adoption of SORP 2005 this year, the presentation of certain income and expenditure has been revised and comparative amounts have been restated. There has been no effect on the result for either year.

(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 is 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.

Support costs comprise costs for the running of the charity and are apportioned between charitable activities on the basis of time spent by staff.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2006

1. ACCOUNTING POLICIES (continued)

(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.

Expenditure on furnishings is written off to the statement of financial activities when incurred. 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

| | 2006 £ | 2005 £ |
|-----------------------------|-----------------|-----------------|
| Professional and other fees | 200,579 | 141,491 |
| Repairs | 29,418 | 76,668 |
| VAT irrecoverable | 39,718 | 43,759 |
| Insurance | 7,737 | 13,273 |
| General and other rates | 3,885 | 1,609 |
| Support costs | 41,088 | 39,485 |
| | <u>£322,425</u> | <u>£316,285</u> |

The increase in professional fees for 2006 is mainly a result of the considerable activities associated with legal action and work towards the sale of the freehold of Buckmore Park.

3. MAINTENANCE OF BRIDGES

| | | |
|-------------------|-----------------|-----------------|
| Repairs | 471,342 | 23,110 |
| VAT irrecoverable | 113,187 | 15,872 |
| Professional fees | 162,881 | 43,910 |
| Insurance | 29,234 | 28,515 |
| Lighting | 8,290 | 8,939 |
| Cleaning | 3,076 | 3,076 |
| Support costs | 142,483 | 101,509 |
| | <u>£930,493</u> | <u>£224,931</u> |

The increase in expenditure on repairs and professional fees is in respect of the major refurbishment contract for the Old Bridge which began at the end of 2005.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2006

| 4. MEDWAY TUNNEL | | | 2006 £ | 2005 £ | | |
|---------------------------|-----------------|-----------------|-----------------|-----------------------|---------------|-----------------|
| Grant to Medway Council | | | 310,668 | 293,303 | | |
| Professional fees | | | 6,201 | 16,213 | | |
| VAT irrecoverable | | | 1,088 | 2,838 | | |
| Support costs | | | 26,497 | 25,290 | | |
| | | | <u>£344,454</u> | <u>£337,644</u> | | |
| | | | | | | |
| 5. GRANTS PAYABLE | | | | | | |
| Bridge Wardens' College | | | - | 45,055 | | |
| Miscellaneous Grants | | | 55,853 | 36,291 | | |
| Support costs | | | 9,327 | 7,632 | | |
| | | | <u>£65,180</u> | <u>£88,978</u> | | |
| | | | | | | |
| 6. SUPPORT COSTS | Governance £ | Bridges £ | Properties £ | Medway Tunnel £ | Grants £ | Total £ |
| Wages and salaries | 5,844 | 81,255 | 16,043 | 7,102 | 5,313 | 115,557 |
| Pension costs | - | 22,961 | - | - | - | 22,961 |
| Insurance | 1,711 | 7,330 | 7,329 | 7,351 | - | 23,721 |
| Office and administration | 12,103 | 30,937 | 17,716 | 12,044 | 4,014 | 76,814 |
| | <u>£19,658</u> | <u>£142,483</u> | <u>£41,088</u> | <u>£26,497</u> | <u>£9,327</u> | <u>£239,053</u> |

Net salaries exclude recharges to other parties. Pension costs includes payments to one former employee.

7. EMOLUMENTS OF EMPLOYEES

| | | |
|-----------------------------|-----------------|-----------------|
| Salaries and wages | 107,591 | 96,729 |
| Employer national insurance | 7,966 | 7,207 |
| Superannuation | 22,961 | 7,841 |
| | <u>£138,518</u> | <u>£111,777</u> |

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

| | No. | No. |
|-----------------------------|----------|----------|
| Average number of employees | <u>7</u> | <u>6</u> |

No employee earned £60,000 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.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2006

| 9. AUDITORS' REMUNERATION | 2006 £ | 2005 £ |
|--------------------------------------|--------------|--------------|
| Remuneration payable to the auditors | | |
| - in respect of the audit | 5,168 | 5,008 |
| - other advice | 1,825 | - |
| | <u>6,993</u> | <u>5,008</u> |

| 10. TANGIBLE FIXED ASSETS | Freehold land and buildings £ | Motor Vehicles £ | Total £ |
|---------------------------------------|-------------------------------------|------------------------|----------------|
| VALUATION/COST | | | |
| At 1st April 2005 and 31st March 2006 | 75,000 | 10,263 | 85,263 |
| | <u>75,000</u> | <u>10,263</u> | <u>85,263</u> |
| DEPRECIATION | | | |
| At 1st April 2005 and 31st March 2006 | - | 10,263 | 10,263 |
| | <u>-</u> | <u>10,263</u> | <u>10,263</u> |
| NET BOOK VALUE | | | |
| At 31st March 2006 | £75,000 | £ - | £75,000 |
| | <u>£75,000</u> | <u>£ -</u> | <u>£75,000</u> |
| At 1st April 2005 | £75,000 | £ - | £75,000 |
| | <u>£75,000</u> | <u>£ -</u> | <u>£75,000</u> |

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 | 2006 £ | 2005 £ |
|----------------------------------|--------------------|--------------------|
| (a) Investment properties | | |
| Valuation | | |
| At 1st April 2005 | 16,726,000 | 19,333,000 |
| Disposals in year at valuation | (100,000) | (2,607,000) |
| | <u>16,626,000</u> | <u>16,726,000</u> |
| At 31st March 2006 | <u>£16,626,000</u> | <u>£16,726,000</u> |

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 | 2006 £ | 2005 £ |
|--|--------------------|--------------------|
| Market value of investments at 1st April 2005 | 32,577,437 | 26,843,441 |
| Additions | 15,682,655 | 11,866,068 |
| Disposals at net book value | (12,698,475) | (8,703,887) |
| Unrealised gains on revaluation | 7,296,063 | 2,571,815 |
| | <u>42,857,680</u> | <u>32,577,437</u> |
| Market value of investments at 31st March 2006 | 980,384 | 923,172 |
| Cash held by investment managers | <u>43,838,064</u> | <u>33,500,609</u> |
| | <u>£43,838,064</u> | <u>£33,500,609</u> |
| Historic cost at 31st March 2006 | £32,797,229 | £28,787,536 |
| | <u>£1,967,314</u> | <u>£827,468</u> |
| Realised gains on disposals | <u>£1,967,314</u> | <u>£827,468</u> |

THE ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2006

| | | | |
|--|--|--------------------|--------------------|
| 11. INVESTMENTS (continued) | | 2006 | 2005 |
| | | £ | £ |
| The portfolio structure is made up as follows: | | | |
| UK Equities | | 30,930,067 | 23,292,834 |
| Overseas Equities | | 8,909,109 | 6,319,687 |
| UK Fixed Income | | 3,018,504 | 2,964,916 |
| Cash | | 980,384 | 923,172 |
| | | <u>£43,838,064</u> | <u>£33,500,609</u> |

Individual investments which represent over 5% of the portfolio market value are as follows:

| | |
|---|------------|
| JP Morgan UK Dynamic Income | £5,447,481 |
| JP Morgan Fledgling Charity Bond | £2,660,256 |
| JP Morgan Inst. Continental Europe Income | £2,250,349 |

| | | | |
|---|--|-----------------|-------------------|
| 12. DEBTORS: Amounts falling due within one year | | 2006 | 2005 |
| | | £ | £ |
| Rents receivable | | 100,663 | 88,158 |
| Other debtors | | 16,288 | 53,653 |
| Prepayments and accrued income | | 66,642 | 60,311 |
| | | <u>£183,593</u> | <u>£202,122</u> |
| 13. CREDITORS: Amounts falling due within one year | | | |
| Amounts due including grants allocated but unpaid | | 125,883 | 1,696,455 |
| Other creditors | | 52,757 | 58,041 |
| | | <u>£178,640</u> | <u>£1,754,496</u> |

2005 creditors included a considerable sum for earlier years' grant payment to Medway Council for the maintenance and operation of the Medway Tunnel. These funds were released when the Council submitted the necessary application documents.

| | | | | |
|---|-------------------------|------------------------|---------------------|--------------------|
| 14. FUNDS | Designated Funds | Restricted Fund | General Fund | Total |
| | £ | £ | £ | £ |
| Balance at 1st April 2005 | 6,697,800 | 12,294,598 | 34,807,119 | 53,799,517 |
| Net incoming resources before transfers | 122,573 | 327,812 | 110,324 | 560,709 |
| Transfers | - | 425,000 | (425,000) | - |
| Gains on investments | 1,948,156 | 3,830,238 | 3,484,983 | 9,263,377 |
| Profit on property sales | - | - | 497,572 | 497,572 |
| Balance at 31st March 2006 | <u>£8,768,529</u> | <u>£16,877,648</u> | <u>£38,474,998</u> | <u>£64,121,175</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. It is currently the Court's policy not to make new major grants. The balance of this fund as at 31 March 2006 was £Nil (2005: £Nil).

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2006

14. FUNDS (continued)

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 £100,000 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 2006 was £8,768,529 (2005: £6,697,800).

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 (2005: £425,000) from the General Fund.

15. ANALYSIS OF NET ASSETS BY FUND

| | Designated Funds £ | Restricted Fund £ | General Fund £ | Total £ |
|-------------------------------------|--------------------------|----------------------|----------------------|--------------------|
| Tangible fixed assets | - | - | 75,000 | 75,000 |
| Investment properties | - | - | 16,626,000 | 16,626,000 |
| Investments | 8,416,285 | 16,473,939 | 18,947,840 | 43,838,064 |
| Current assets | 385,375 | 408,709 | 2,966,667 | 3,760,751 |
| Current liabilities | (33,131) | (5,000) | (140,509) | (178,640) |
| Total net assets at 31st March 2006 | <u>£8,768,529</u> | <u>£16,877,648</u> | <u>£38,474,998</u> | <u>£64,121,175</u> |

16. COMMITMENTS

Since 1st April 1996, the Trustees have contributed up to £450,000 per annum (with inflationary escalations) towards the maintenance of the Medway Tunnel of which £250,000 per annum was transferred each year to the Bridge & Tunnel Reserve Fund to provide for plant and machinery replacement and a contribution to future structural work. The balance allowed Medway Council to cover insurance costs and day to day running expenses. During the year the agreement with Medway Council was completed and full payment was made towards last year's outstanding creditor of £1,566,838.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2006

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 2006, the Trust awarded grants of £Nil (2005: £Nil) to the New College of Cobham.

RB Chambers Esq., PEJ Harriott Esq., AL Jarrett Esq. (from 1 June), and AR Goulden Esq. (from 1st June), who are Court Members of The Rochester Bridge Trust; and P Godwin Esq., and Mrs DV Wheller (both to 31st May) who were former Court Members, 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 £310,668 (2005 £293,303) to Medway Council.

18. POST BALANCE SHEET EVENT

Since the year end, the Trust has sold the freehold of the Buckmore Park property for about £4,500,000 after taking account of the costs of sale.