

SIGNED

**THE ROCHESTER BRIDGE TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST MARCH 2007**

**Registered Charity No. 207100**

**THE ROCHESTER BRIDGE TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2007**

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# THE ROCHESTER BRIDGE TRUST

## REFERENCE AND ADMINISTRATIVE INFORMATION

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### 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.  
Mrs. Anne Frances Helen Logan  
Paul Evan Oldham, Esq.  
Russell John Race, Esq., DL  
John Christopher Shaw, Esq.  
Michael Victor Snelling, Esq.  
John Alexander Spence, Esq., OBE, DL  
Richard George Thornby, Esq. \*

Medway Council  
Appointed Member (from 29 January 2007)  
Kent County Council  
Medway Council  
Appointed Member  
Medway Council  
Appointed Member  
Maidstone Borough Council  
Appointed Member  
Appointed Member (deceased 4 August 2006)  
Kent County Council  
Appointed Member  
Appointed Member

\* Senior Warden  
+ Junior Warden

### Principal officers and advisers:

Mrs Sue Threader BEng CEng MICE  
Frank Bentley  
Michael Bird FCA

Bridge Clerk  
Finance Officer (until 12 May 2006)  
Chief Finance Officer (from 15 May 2006)

Investment Manager

J P Morgan Asset Management (UK) Limited

Surveyor

Cluttons

Bridge Engineer

Mott MacDonald Ltd

Solicitors

asblaw

Bankers

Lloyds TSB plc

Auditors

haysmacintyre

# THE ROCHESTER BRIDGE TRUST

## ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2007

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The Court presents its Annual Report and the financial statements of the Trust for the year ended 31st March 2007.

### 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. A formal induction programme has been introduced. A training programme is being developed which will be in place by the end of 2007/08.

Frank Bentley retired as Finance Officer on 12<sup>th</sup> May 2007 and has been replaced by Michael Bird, formerly the Finance Director of the Zoological Society of London. 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 two assistants. The Trust has appointed advisers to give professional advice on the management and control of its assets.

#### Risk management

A complete Risk Management Review was started in February 2007 with the assistance of Thomas Miller Risk Management Limited. A draft risk register has been produced and no significant uncontrolled risk have been identified. Nonetheless an action plan is in preparation to address some areas of uncertainty and identify additional controls. The Court is programmed to consider the outcome of this work and confirm a new risk management policy in October 2007.

In parallel to the Risk management Review a Governance Review is being conducted and will be considered by the Court in July 2007.

A statutory Fire Risk assessment was completed and all significant recommendations have been implemented. Condition reports were commissioned on the Trusts' collection of oil paintings, prints and watercolours as a result of which a restoration and preservation programme has been put in hand. Preparation of an Archive Disaster Recovery Plan is underway.

#### 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

FOR THE YEAR ENDED 31ST MARCH 2007

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#### 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 2060 and 2090. A major refurbishment of the Old Bridge was completed in the year, this work included 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 Medway Tunnel (owned by the Trust) is leased to Medway Council for a period of 999 years, and operated by the Council as the local highway authority. The Council is responsible for meeting the costs of maintenance, however, 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 2115. During the year a grant of £324,511 was made towards Medway Council's running costs and a contribution of £30,429 made from the repair and renewal fund held by the Trust for the Tunnel.

The Trust disposed of the freehold of Buckmore Park, the Bridge Woods, Little Monk Wood and Gorse Wood. A major land purchase was made at Goodnestone Court Farm near Faversham, an acquisition of agricultural land and buildings to extend the original endowment property at Langdon Manor.

New employment law advisors (The Legal Document Company) were appointed with new staff contracts and an employment handbook being issued.

To facilitate development of the Trust's land at Junction 8 of the M20, near Leeds, a partnership has been established with the Gallagher Group, formalised by an Option Agreement. The Gallagher Group is leading negotiations with planning and transport authorities, and liaising with private developers as potential contributors to the construction of a strategic road link.

New IT infrastructure was installed, including a wireless network linking the Bridge Chamber offices and workshops. This has enabled the development of new, illustrated presentations on the history and work of the Trust which are offered to interested organisations by the Archivist and Bridge Clerk.

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 are considered once a year, should be of a capital nature to bodies within the historic county of Kent whose purpose is charitable. During the year the Trust approved a grant of £50,000 per annum for 5 years towards the restoration of the South Transept of Rochester Cathedral. The grant policy was revised and Guidance to Applicants included on the website.

#### FINANCIAL REVIEW

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

Income for the year increased from £2,283,554 to £2,714,235, due mainly to an increase in dividend income. Interest income increased, reflecting funds held on short term deposit following the sale of Buckmore Park.

Expenditure on properties totalled £238,659, compared with £322,425 in 2006.

## THE ROCHESTER BRIDGE TRUST

### ANNUAL REPORT (continued)

#### FOR THE YEAR ENDED 31ST MARCH 2007

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#### FINANCIAL REVIEW (continued)

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 £1,818,771, mainly due to the high level of expenditure on the refurbishment of the old bridge.

#### Investment performance

Significant gains, both realised and unrealised, were again generated on investments amounting to £2,860,768. 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 £3,672,143 was made on property sales, primarily Buckmore Park. Investments and investment properties at 31st March 2007 totalled £64,501,458 (2006 £60,464,064).

#### Reserves policy

The Trust holds the following reserves at 31st March 2007:

General Fund	£41,395,645
Designated Funds	£9,257,497
Restricted Fund	£18,877,537

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, contribute to 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

In the coming year, the Trust plans to:

- resolve remaining issues under the major refurbishment contract for the Old Bridge and complete the snagging works
- programme the completion of restoration work to the Old Bridge, notably the refurbishment of the upstream parapet and some areas of under deck steel work
- review the long-term programme of cyclical maintenance to the Bridges
- 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
- implement the recommendations and complete the actions arising from the Risk Management and Corporate Governance Reviews
- review the appointment of the current Bridge Engineer and conduct a tendering exercise
- progress studies in the development potential of various parts of the Estate
- continue to work in partnership with the Gallagher Group to promote the development of land at Junction 8 of the M20

**THE ROCHESTER BRIDGE TRUST**

**ANNUAL REPORT (continued)**

**FOR THE YEAR ENDED 31ST MARCH 2007**

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**STATEMENT OF RESPONSIBILITIES OF THE COURT MEMBERS**

The Court is responsible for ensuring that the financial statements are prepared 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 ensuring that proper accounting records are kept 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.

On behalf of the Court of Wardens and Assistants



30th July 2007

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

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We have audited the financial statements of The Rochester Bridge Trust for the year ended 31st March 2007 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 if, in our opinion, the Annual Report is not consistent with the financial statements, 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

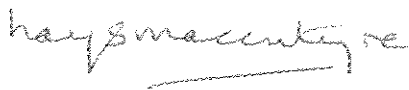
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2007 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

30 July 2007.

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY



THE ROCHESTER BRIDGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2007

	Note	General Fund £	Designated Funds £	Restricted Fund £	2007 Total £	2006 Total £
<b>Incoming Resources</b>						
<b>Activities for generating funds:</b>						
Rents receivable		1,080,281	-	-	1,080,281	1,062,434
Dividends receivable		665,397	249,072	463,042	1,377,511	1,072,685
Bank and other interest		256,442	-	-	256,442	148,435
<b>Total incoming resources</b>	1(c)	<u>2,002,120</u>	<u>249,072</u>	<u>463,042</u>	<u>2,714,234</u>	<u>2,283,554</u>
<b>Cost of generating funds</b>						
Investment management		74,494	43,386	84,327	202,207	40,635
Expenditure on investment properties	2	238,659	-	-	238,659	322,425
<b>Charitable Activities</b>						
Maintenance of bridges	3	2,656,506	-	-	2,656,506	930,493
Medway Tunnel	4	402,261	-	-	402,261	344,454
Grants payable	5	-	314,037	-	314,037	65,180
		<u>3,371,920</u>	<u>357,423</u>	<u>84,327</u>	<u>3,813,670</u>	<u>1,703,187</u>
Governance costs	7	23,971	-	-	23,971	19,658
<b>Total resources expended</b>		<u>3,395,891</u>	<u>357,423</u>	<u>84,327</u>	<u>3,837,641</u>	<u>1,722,845</u>
<b>Net (outgoing)/incoming resources before transfers and investment gains</b>		<u>(1,393,771)</u>	<u>(108,351)</u>	<u>378,715</u>	<u>(1,123,407)</u>	<u>560,709</u>
Transfers between funds	15	(425,000)	-	425,000	-	-
Gains on investment assets	11b	1,067,275	597,319	1,196,174	2,860,768	9,263,377
Profit on property sales		3,672,143	-	-	3,672,143	497,572
<b>Net movement in funds for the year</b>		<u>2,920,647</u>	<u>488,968</u>	<u>1,999,889</u>	<u>5,409,504</u>	<u>10,321,658</u>
Total funds at 1st April 2006		<u>38,474,998</u>	<u>8,768,529</u>	<u>16,877,648</u>	<u>64,121,175</u>	<u>53,799,517</u>
Total funds at 31st March 2007		<u>£41,395,645</u>	<u>£9,257,497</u>	<u>£18,877,537</u>	<u>£69,530,679</u>	<u>£64,121,175</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 9 - 14 form part of these financial statements.

**THE ROCHESTER BRIDGE TRUST**

**BALANCE SHEET**

**AT 31ST MARCH 2007**

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	10	75,000	75,000
Investment properties	11(a)	17,160,280	16,726,000
Investments	11(b)	47,341,178	43,838,064
		<u>64,576,458</u>	<u>60,539,064</u>
<b>Current assets</b>			
Debtors	12	233,651	183,593
Short term deposits		4,844,898	2,981,891
Cash at bank and in hand		418,426	595,267
		<u>5,496,975</u>	<u>3,760,751</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(392,754)</u>	<u>(178,640)</u>
<b>Net current assets</b>		5,104,221	3,582,111
<b>Creditors: amounts falling due after one year</b>	14	<u>(150,000)</u>	-
<b>Total assets less current liabilities</b>		<u>£69,530,679</u>	<u>£64,121,175</u>
<b>Funds</b>			
Designated funds	15,16	9,257,497	8,768,529
Restricted fund	15,16	18,877,537	16,877,648
General fund	15,16	41,395,645	38,474,998
<b>Total fund balances</b>		<u>£69,530,679</u>	<u>£64,121,175</u>

Approved by the Court of Wardens and Assistants on 30th July 2007 and signed on their behalf by:



The notes on pages 9 to 14 form part of these financial statements.

# THE ROCHESTER BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2007

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### 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.

(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 15.

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 15.

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 and governance costs on the basis of time spent by staff.

Governance costs consist of those costs which relate to the overall running of the Trust, including meeting statutory and regulatory requirements.

# THE ROCHESTER BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31ST MARCH 2007

#### 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 5 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

	2007	2006
	£	£
Professional and other fees	93,009	200,579
Repairs	44,825	29,418
VAT irrecoverable	25,275	39,718
Insurance	9,999	7,737
General and other rates	231	3,885
Support costs	65,320	41,088
	<u>£238,659</u>	<u>£322,425</u>

The high level of professional fees for 2006 was 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	1,810,442	471,342
VAT irrecoverable	360,359	113,187
Professional fees	232,699	162,881
Insurance	36,067	29,234
Lighting	12,845	8,290
Cleaning	3,208	3,076
Support costs	200,886	142,483
	<u>£2,656,506</u>	<u>£930,493</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 and continued throughout 2006 together with the related increase in irrecoverable VAT and support costs.

**THE ROCHESTER BRIDGE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31ST MARCH 2007**

<b>4.</b>	<b>MEDWAY TUNNEL</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Grant to Medway Council	354,940	310,668
	Professional fees	5,333	6,201
	VAT irrecoverable	933	1,088
	Support costs	41,055	26,497
		<u>£402,261</u>	<u>£344,454</u>
<b>5.</b>	<b>GRANTS PAYABLE</b>		
	Miscellaneous grants	299,806	55,853
	Support costs	14,231	9,327
		<u>£314,037</u>	<u>£65,180</u>

Miscellaneous grants includes a grant for £250,000, payable at £50,000 per year for five years, towards the restoration of the South Transept of Rochester Cathedral.

<b>6.</b>	<b>SUPPORT COSTS</b>	<b>Governance</b>	<b>Bridges</b>	<b>Properties</b>	<b>Medway</b>	<b>Grants</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>Tunnel</b>	<b>£</b>	<b>£</b>
					<b>£</b>		
	Wages and salaries	6,889	129,260	18,543	8,222	6,604	169,518
	Insurance	1,712	9,174	9,174	9,202	-	29,262
	Office and administration	15,370	62,452	37,603	23,631	7,627	146,683
		<u>£23,971</u>	<u>£200,886</u>	<u>£65,320</u>	<u>£41,055</u>	<u>£14,231</u>	<u>£345,463</u>

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

<b>7.</b>	<b>GOVERNANCE COSTS</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Salaries and wages	6,889	5,844
	Other office costs	6,178	2,783
	Auditors' remuneration in respect of the audit	5,318	5,168
	Auditors remuneration – other advice	1,410	1,825
	Meeting costs	4,176	4,038
		<u>£23,971</u>	<u>£19,658</u>
<b>8.</b>	<b>EMOLUMENTS OF EMPLOYEES</b>		
	Salaries and wages	123,628	107,591
	Employer national insurance	8,612	7,966
	Superannuation	37,278	22,961
		<u>£169,518</u>	<u>£138,518</u>

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

	No.	No.
Average number of employees (full time equivalents)	<u>5</u>	<u>5</u>

No employee earned £60,000 or more.

**THE ROCHESTER BRIDGE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31ST MARCH 2007**

**9. EMOLUMENTS OF THE COURT**

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

**10. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Motor vehicles £	Total £
<b>Valuation/cost</b>			
At 1st April 2006 and 31st March 2007	75,000	10,263	85,263
<b>Depreciation</b>			
At 1st April 2006 and 31st March 2007	-	10,263	10,263
<b>Net Book Value</b>			
At 31st March 2007	£75,000	£ -	£75,000
At 1st April 2006	£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 31st March 2004 by the Court after informal consultation with professional valuers, at their estimated open market value.

**11. INVESTMENTS**

	2007 £	2006 £
<b>(a) Investment properties</b>		
Valuation		
At 1st April 2006	16,626,000	16,726,000
Acquisitions	1,569,280	-
Disposals in year at book value	(1,035,000)	(100,000)
At 31st March 2007	£17,160,280	£16,626,000

Investment properties were last revalued at 31st March 2004 by the Court, after informal consultation with professional valuers, at their estimated open market value. Transactions in the year reflect the sale of Buckmore Park, and purchase of Goodnestone Court. It is not possible to give the historical cost of investment properties as some were acquired over 600 years ago.

**(b) Quoted investments**

	2007 £	2006 £
Market value of investments at 1st April 2006	42,857,680	32,577,437
Additions	13,232,010	15,682,655
Disposals at net book value	(11,086,049)	(12,698,475)
Unrealised gains on revaluation	1,311,788	7,296,063
Market value of investments at 31st March 2007	46,315,429	42,857,680
Cash held by investment managers	1,025,749	980,384
	£47,341,178	£43,838,064
Historic cost at 31st March 2007 (excluding cash)	£34,249,570	£32,797,229
Realised gains on disposals	£1,548,980	£1,967,314

**THE ROCHESTER BRIDGE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31ST MARCH 2007**

<b>11. INVESTMENTS (continued)</b>		<b>2007</b>	<b>2006</b>
		£	£
	The portfolio structure is made up as follows:		
	UK Equities	32,976,366	30,930,067
	Overseas Equities	10,411,231	8,909,109
	UK Fixed Income	2,927,832	3,018,504
	Cash	1,025,749	980,384
		<u>£47,341,178</u>	<u>£43,838,064</u>

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

JP Morgan UK Dynamic Income	£6,017,365
JP Morgan Inst. Continental Europe Income	£4,322,962
JP Morgan Fund for Charities	<u>£2,539,088</u>

<b>12. DEBTORS: Amounts falling due within one year</b>		<b>2007</b>	<b>2006</b>
		£	£
	Rents receivable	207,678	100,663
	Other debtors	8,201	16,288
	Prepayments and accrued income	17,772	66,642
		<u>£233,651</u>	<u>£183,593</u>

<b>13. CREDITORS: Amounts falling due within one year</b>			
	Amounts due including grants allocated but unpaid	330,170	125,883
	Other creditors	62,584	52,757
		<u>£392,754</u>	<u>£178,640</u>

<b>14. CREDITORS: Amounts falling due after one year</b>			
	Grants allocated but unpaid	<u>£150,000</u>	<u>£ -</u>

<b>15. FUNDS</b>		<b>Designated Funds</b>	<b>Restricted Fund</b>	<b>General Fund</b>	<b>Total</b>
		£	£	£	£
	Balance at 1st April 2006	8,768,529	16,877,648	38,474,998	64,121,175
	Net (outgoing)/incoming resources before transfers	(108,351)	378,715	(1,393,771)	(1,123,407)
	Transfers	-	425,000	(425,000)	-
	Gains on investments	597,319	1,196,174	1,067,275	2,860,768
	Profit on property sales	-	-	3,672,143	3,672,143
		<u>£9,257,497</u>	<u>£18,877,537</u>	<u>£41,395,645</u>	<u>£69,530,679</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 2007 was £Nil (2006: £Nil).

**THE ROCHESTER BRIDGE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31ST MARCH 2007**

**15. 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 31st March 2007 was £9,257,497 (2006: £8,768,529).

**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 (2006: £425,000) from the General Fund.

**16. ANALYSIS OF NET ASSETS BY FUND**

	Designated Funds £	Restricted Fund £	General Fund £	Total £
Tangible fixed assets	-	-	75,000	75,000
Investment properties	-	-	17,160,280	17,160,280
Investments	9,066,967	18,130,580	20,143,631	47,341,178
Current assets	426,532	769,041	4,301,402	5,496,975
Current liabilities	(86,002)	(22,084)	(284,668)	(392,754)
Long term liabilities	(150,000)	-	-	(150,000)
Total net assets at 31st March 2007	<u>£9,257,497</u>	<u>£18,877,537</u>	<u>£41,395,645</u>	<u>£69,530,679</u>

**17. COMMITMENTS**

Since 1st April 1996, the Trust, at its discretion, has 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 is made as a grant to Medway Council as a discretionary contribution towards insurance costs and day to day running expenses.

**18. 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 2007, the Trust awarded grants of £Nil (2006: £Nil) to the New College of Cobham.

RB Chambers Esq., PEJ Harriott Esq., AL Jarrett Esq., and AR Goulden Esq., who are Court Members of The Rochester Bridge Trust; 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 £323,910 (2006 £310,668) to Medway Council.