

**THE ROCHESTER BRIDGE TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST MARCH 2008**

**Registered Charity No. 207100**

**THE ROCHESTER BRIDGE TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2008**

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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.  
Anne Frances Helen Logan+  
Paul Evan Oldham, Esq.  
Russell John Race, Esq., DL  
Michael Victor Snelling, Esq.  
John Alexander Spence, Esq., OBE, DL  
Richard George Thornby, Esq.

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

\* Senior Warden

+ Junior Warden

#### Principal officers and advisers:

Mrs Sue Threader BEng CEng MICE  
Michael Bird FCA

Bridge Clerk  
Chief Finance Officer

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 2008**

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The Court presents its Annual Report and the financial statements of the Trust for the year ended 31st March 2008.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

The Court has twelve members, holding office for various terms of years, six nominated by local authorities, known as "Nominated Members" and six co-opted, known as "Appointed Members". Details of those members who served during the year are shown under Reference and Administrative Information. Messrs. Spence and Thornby and Dr. Logan were reappointed for a further 5 year term. Messrs. Chambers, Gibson and Oldham were renominated for a further 4 year term by Medway, Kent County and Maidstone Borough Councils respectively.

All Court Members receive a Members' Information Pack upon appointment. An induction programme has been introduced. A training programme has been developed and it is planned that training will be offered to Members during 2008/09.

There have been no staffing personnel changes during the year., although some amendments were made to contracted working hours. The Bridge Clerk (Chief Executive) is Mrs. S.E.P. Threader, a Chartered civil engineer with extensive public and private sector experience. The Chief Finance Officer is Mr. M.T. Bird, a qualified accountant with expertise in charity sector management. The Bridge Clerk will take maternity leave from 31<sup>st</sup> July 2008 and Mrs. Heather Kerswell, MP MPhil MRTPI FRSA, has been appointed as Acting Bridge Clerk with effect from 2<sup>nd</sup> September 2008. Both principal officers are employed on a part-time basis. A secretary, finance assistant, archivist and caretaker support the administration of the Trust, all on part time contracts.

The day to day care and maintenance of the Bridges is the responsibility of the Bridge 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 has been completed with the assistance of Thomas Miller Risk Management Limited. A risk register has been produced and no significant uncontrolled risks have been identified. Nonetheless an action plan has been agreed which will address some areas of uncertainty and identify additional controls. A Schedule of Major Risks will be considered by the Court twice each year from January 2008. The Court is programmed to confirm a new risk management policy in August 2008.

In parallel to the Risk Management Review a Governance Review was conducted and considered by the Court in October 2007. Most of the recommendations have been implemented with the remainder, considered to be of lower risk, being programmed for attention over the next two years.

A statutory Fire Risk assessment has been completed and all significant recommendations have been implemented. A restoration and preservation programme for the Trust's collection of paintings, prints and furniture 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, mortgages and other property. The policy of the Trust is to split the investment of the General Fund approximately equally between the two with the objective of achieving sufficient annual income to meet annual expenditure. The Bridge and Tunnel Reserve Fund (the Restricted Fund) and Designated Funds are invested in stock exchange securities with the objective of long term growth.

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 suffered from the down turn in the stock market during the year and performance fell below the benchmarks. as the Investment Manager's strategy was to remain in equities for the longer term prospects.

## **THE ROCHESTER BRIDGE TRUST**

### **ANNUAL REPORT (continued)**

#### **FOR THE YEAR ENDED 31ST MARCH 2008**

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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.

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

#### **ACHIEVEMENTS AND PERFORMANCE**

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. The major refurbishment of the Old Bridge was completed, snagging work addressed and the final accounts have been settled. Additional work needed to the Old Bridge is under consideration and will be programmed for completion in 2008-10.

The Medway Tunnel (owned by the Trust) is leased to Medway Council for a period of 999 years, and operated by the Council. 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 under a formula established in 1998 and has reserved funds accordingly and established a sinking fund for major structural repair and plant replacement as needed. During the year a grant of £351,576 was made towards Medway Council’s running costs. No qualifying applications were made by the Council for funding from the repair and renewal funds held by the Trust for the Tunnel.

The Court conducted a fundamental review of the future ownership and funding of the Medway Tunnel in the light of an assessment of the risks to the Trust of continuing the status quo. A Panel of members was established to consider the issues and options and make recommendations to the Court. A proposal was developed to transfer freehold of the Tunnel to the Council, along with a substantial one-off grant.

A new Conflicts of Interest Policy was introduced.

The Trust acquired additional land at Goodnestone Court Farm and contributed to the cost of a new irrigation borehole to further extend the tenant’s farming operation. Vacant possession of Abbey farmhouse, Leeds was obtained to enable essential refurbishment work to take place.

A review was begun of the development potential of various parcels of agricultural land in the Trust’s portfolio. This work is continuing. Good progress has been made on the promotion of the Trust’s development at J8, M20 in partnership with Gallagher. The Court awarded minor grants totalling £42,000 to eleven charitable organisations in Kent. Of particular note were a grant of £10,000 to the Royal Engineers Museum Foundation for a new exhibition of bridge engineering and a grant of £10,150 to St. Margaret’s Church, Rainham for the restoration of rare, 15<sup>th</sup> century ceiling paintings.

The Court awarded a major grant of £220,000 to the University of Greenwich to establish a Readership in Bridge and Tunnel Engineering. The Trust will be able to influence the research programme, support engineering education in the Medway Towns and promote engineering excellence. Having made this award, and taking account of the grant for £250,000 made to the Rochester Cathedral in 2006/07 and the fall in the quality and relevance of minor grant applications, the Trust decided to suspend its minor grants programme until 2011/12.

The Trust established the first ever Bridge Wardens’ Art Prize and invited entries from the four secondary schools which were founded or endowed by the Trust in 1887/8. The prizes were sponsored by the Trust’s professional advisors and the competition judging panel was chaired by Professor Alan Cummings, Pro Vice-Chancellor of the Royal College of Arts. The quality of entries was exceptional, with the overall prize being awarded to Oliver Green of Sir Joseph Williamson’s Mathematical School.

# THE ROCHESTER BRIDGE TRUST

## ANNUAL REPORT (continued)

### FOR THE YEAR ENDED 31ST MARCH 2008

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#### ACHIEVEMENTS AND PERFORMANCE (continued)

Further improvements were made to the IT and electronic communication system, enabling remote access to email and files by the Trust's staff.

The appointment of the Bridge Engineer was reviewed and a retendering process begun with the support of Ridgeway Consulting Ltd. Expressions of interest were invited and received but when reviewed, the Court decided not to proceed to a full retendering exercise on the basis of value for money and the low likelihood of obtaining an improved service. Instead the incumbent consultant, Mott MacDonald, was retained on the basis that a new specification would be drawn up during 2008/09.

#### 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 £2,714,235 to £2,766,144 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 £274,099 compared with £238,659 in 2007.

After taking account of transfers from and to other funds but excluding profits and revaluations of investment assets and properties, there was a surplus on the General Fund of £3,352,743 mainly due to the low level of expenditure on the refurbishment of the old bridge, completed in the previous year and the total costs of which were reimbursed to the General Fund from the Bridges & Tunnel Fund..

#### Investment performance

Significant unrealised losses, net of, realised gains, were generated on investments amounting to £5,263,681. 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. Investments and investment properties at 31st March 2008 totalled £59,722,171 (2007 £64,501,458).

#### Reserves policy

The Trust holds the following reserves at 31st March 2008:

General Fund  
Designated Funds  
Restricted Fund

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, should it exercise 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.

# **THE ROCHESTER BRIDGE TRUST**

## **ANNUAL REPORT (continued)**

### **FOR THE YEAR ENDED 31ST MARCH 2008**

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#### **FUTURE PLANS**

In the coming year, the Trust plans to:

- replace the street lighting; repair vehicle damage to one of the porticos; and prepare contract documents for the refurbishment of the upstream parapet rail of the Old Bridge
- carry out a principal inspection of the New Bridge
- seek the removal of redundant statutory undertakers' plant and carry out maintenance on the Service Bridge
- repair subsidence damage, improve landscaping and resurface the carriageway of Rochester Esplanade
- refurbish one of the Bridge Caretakers' workshops
- resolve the long-term management arrangements for the Medway Tunnel
- complete and agree a new specification of work for the Bridge Engineer
- make substantial progress on the Action Plan arising from the risk assessment
- progress development schemes on one or more sites within the existing agricultural portfolio
- complete the purchase of the Conington Estate and prepare a strategic plan for its future management
- fundamentally review the Investment Policy in the light of the purchase of the Conington Estate and the future of the Medway tunnel ownership
- review the performance of the two Surveyors to the Trust (with effect from 1<sup>st</sup> April 2008), i.e. Smiths Gore and Cluttons

#### **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

# **THE ROCHESTER BRIDGE TRUST**

## **INDEPENDENT AUDITORS' REPORT**

### **FOR THE YEAR ENDED 31ST MARCH 2008**

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We have audited the financial statements of The Rochester Bridge Trust for the year ended 31 March 2008 which comprise the Statement of Financial Activities, the Charity 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 trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We read the Trustees' 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 and group's affairs as at 31 March 2008 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**  
**Registered Auditors**

**Fairfax House**  
**15 Fulwood Place**  
**London**  
**WC1V 6AY**

**THE ROCHESTER BRIDGE TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST MARCH 2008**

	Note	General Fund £	Designated Funds £	Restricted Fund £	2008 Total £	2007 Total £
<b>Incoming Resources</b>						
<b>Activities for generating funds:</b>						
Rents receivable		1,097,146	-	-	1,097,146	1,080,281
Dividends receivable		651,507	273,962	480,769	1,406,238	1,377,511
Bank and other interest		262,760	-	-	262,760	256,442
<b>Total incoming resources</b>	1(c)	<u>2,011,413</u>	<u>273,962</u>	<u>480,769</u>	<u>2,766,144</u>	<u>2,714,234</u>
<b>Cost of generating funds</b>						
Investment management		45,844	4,913	7,626	58,383	202,207
Expenditure on investment properties	2	274,099	-	-	274,099	238,659
<b>Charitable Activities</b>						
Maintenance of bridges	3	228,858	-	-	228,858	2,656,506
Medway Tunnel	4	463,863	-	-	463,863	402,261
Grants payable	5	-	269,649	-	269,649	314,037
		<u>1,012,664</u>	<u>274,562</u>	<u>7,626</u>	<u>1,294,852</u>	<u>3,813,670</u>
Governance costs	7	21,006	-	-	21,006	23,971
<b>Total resources expended</b>		<u>1,033,670</u>	<u>274,562</u>	<u>7,626</u>	<u>1,315,858</u>	<u>3,837,641</u>
<b>Net (outgoing)/incoming resources before transfers and investment gains</b>		977,743	(600)	473,143	1,450,286	(1,123,407)
Transfers between funds	15	2,375,000	-	(2,375,000)	-	-
Gains (losses) on investment assets	11b	(2,600,482)	(971,377)	(1,691,822)	(5,263,681)	2,860,768
Profit on property sales		-	-	-	-	3,672,143
<b>Net movement in funds for the year</b>		<u>752,261</u>	<u>(971,977)</u>	<u>(3,593,679)</u>	<u>(3,813,393)</u>	<u>5,409,504</u>
Total funds at 1st April 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>
Total funds at 31st March 2008		<u>£42,147,906</u>	<u>£8,285,520</u>	<u>£15,283,858</u>	<u>£65,717,284</u>	<u>£69,530,679</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 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	10	75,000	75,000
Investment properties	11(a)	17,201,864	17,160,280
Investments	11(b)	42,520,317	47,341,178
		<u>59,797,171</u>	<u>64,576,458</u>
<b>Current assets</b>			
Debtors	12	302,901	233,651
Short term deposits		5,082,838	4,844,898
Cash at bank and in hand		1,130,108	418,426
		<u>6,515,847</u>	<u>5,496,975</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(349,267)</u>	<u>(392,754)</u>
<b>Net current assets</b>		6,166,588	5,104,221
<b>Creditors: amounts falling due after one year</b>	14	<u>(246,467)</u>	<u>(150,000)</u>
<b>Total assets less current liabilities</b>		<u>£65,717,284</u>	<u>£69,530,679</u>
<b>Funds</b>			
Designated funds	15,16	8,285,520	9,257,497
Restricted fund	15,16	15,283,858	18,877,537
General fund	15,16	42,147,906	41,395,645
<b>Total fund balances</b>		<u>£65,717,284</u>	<u>£69,530,679</u>

The financial statements were approved and authorised for issue by the Court of Wardens and Assistants on \_\_\_\_\_ and were signed below on its 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 2008

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#### 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 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 2008

#### 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

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Professional and other fees	94,667	93,009
Repairs	76,961	44,825
VAT irrecoverable	29,418	25,275
Insurance	11,186	9,999
General and other rates	-	231
Support costs	61,867	65,320
	<u>£274,099</u>	<u>£238,659</u>

The bad debt provision has been made against one tenant in one of our industrial properties who has gone into liquidation. The Trust is endeavouring to make recovery for this loss from previous superior tenants.

#### 3. MAINTENANCE OF BRIDGES

Repairs	(54,383)	1,810,442
VAT irrecoverable	(1,322)	360,359
Professional fees	35,319	232,699
Insurance	41,599	36,067
Lighting	8,434	12,845
Cleaning	3,076	3,208
Support costs	196,135	200,886
	<u>£228,858</u>	<u>£2,656,506</u>

The decrease 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 2007 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 2008**

<b>4. MEDWAY TUNNEL</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Grant to Medway Council	351,576	354,940
Professional fees	63,711	5,333
VAT irrecoverable	11,149	933
Support costs	37,427	41,055
	<u>£463,863</u>	<u>£402,261</u>

<b>5. GRANTS PAYABLE</b>		
Miscellaneous grants	261,700	299,806
Support costs	7,949	14,231
	<u>£269,649</u>	<u>£314,037</u>

Miscellaneous grants in 2008 include £220,000 to the University of Greenwich for a Readership in Bridge and Tunnel Engineering, payable over 3 years. Miscellaneous grants in 2007 include 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. SUPPORT COSTS</b>	<b>Governance</b>	<b>Bridges</b>	<b>Properties</b>	<b>Medway Tunnel</b>	<b>Grants</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	8,020	105,378	27,910	9,725	4,210	155,243
Insurance	-	7,102	7,102	7,123	-	21,327
Office and administration	7,136	83,655	26,855	20,579	3,739	141,964
	<u>15,156</u>	<u>196,135</u>	<u>61,867</u>	<u>37,427</u>	<u>7,949</u>	<u>318,534</u>

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

<b>7. GOVERNANCE COSTS</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Salaries and wages	8,020	6,889
Other office costs	3,286	6,178
Auditors' remuneration in respect of the audit	5,850	5,318
Auditors remuneration – other advice	-	1,410
Meeting costs	3,900	4,176
	<u>£21,006</u>	<u>£23,971</u>

<b>8. EMOLUMENTS OF EMPLOYEES</b>		
Salaries and wages	145,334	123,628
Employer national insurance	9,909	8,612
Superannuation	45,438	37,278
	<u>£200,681</u>	<u>£169,518</u>

The Trust is a participant of the Kent County Council defined benefit multi-employer pension scheme	<b>No.</b>	<b>No.</b>
Average number of employees (full time equivalents)	<u>6</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 2008**

**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**

	<b>Freehold land and buildings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Valuation/cost</b>			
At 1st April 2007 and 31st March 2008	75,000	10,263	85,263
<b>Depreciation</b>			
At 1st April 2007 and 31st March 2008	-	10,263	10,263
<b>Net Book Value</b>			
At 31st March 2008	£75,000	£ -	£75,000
At 1st April 2007	£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**

	<b>2008 £</b>	<b>2007 £</b>
<b>(a) Investment properties</b>		
Valuation		
At 1st April 2007	17,160,280	16,626,000
Acquisitions	41,574	1,569,280
Disposals in year at book value	-	(1,035,000)
At 31st March 2008	£17,201,854	£17,160,280

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 2007 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**

	<b>2008 £</b>	<b>2007 £</b>
Market value of investments at 1st April 2007	46,315,429	42,857,680
Additions	9,501,743	13,232,010
Disposals at net book value	(8,015,865)	(11,086,049)
Unrealised gains on revaluation	(5,280,990)	1,311,788
Market value of investments at 31st March 2008	41,208,992	46,315,429
Cash held by investment managers	1,311,325	1,025,749
	£42,520,317	£47,341,178
Historic cost at 31st March 2008 (excluding cash)	£39,443,187	£34,249,570
Realised gains on disposals	£1,263,124	£1,548,980

**THE ROCHESTER BRIDGE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31ST MARCH 2008**

<b>11. INVESTMENTS (continued)</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
The portfolio structure is made up as follows:		
UK Equities	27,153,141	32,976,366
Overseas Equities	10,706,664	10,411,231
UK Fixed Income	3,349,187	2,927,832
Cash	1,311,325	1,025,749
	<u>£42,520,317</u>	<u>£47,341,178</u>

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

JP Morgan UK Dynamic Income	£5,047,859
JP Morgan Inst. Continental Europe Income	£2,249,975
JP Morgan Fund for Charities	£2,980,396
JP Morgan UK Equity Fund for Charities	<u>£21,322,834</u>

<b>12. DEBTORS: Amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Rents receivable	288,237	207,678
Other debtors	5,336	8,201
Prepayments and accrued income	9,328	17,772
	<u>£302,901</u>	<u>£233,651</u>

<b>13. CREDITORS: Amounts falling due within one year</b>		
Amounts due including grants allocated but unpaid	300,729	330,170
Other creditors	48,538	62,584
	<u>£349,267</u>	<u>£392,754</u>

<b>14. CREDITORS: Amounts falling due after one year</b>		
Grants allocated but unpaid	<u>£246,467</u>	<u>£150,000</u>

<b>15. FUNDS</b>	<b>Designated Funds</b>	<b>Restricted Fund</b>	<b>General Fund</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1st April 2007	9,257,497	18,877,537	41,395,645	69,530,679
Net (outgoing)/incoming resources before transfers	(600)	473,143	977,743	1,450,286
Transfers	-	(2,375,000)	2,375,000	-
Gains on investments	(971,977)	(1,697,822)	(2,600,482)	(5,263,681)
Profit on property sales	-	-	-	-
Balance at 31st March 2008	<u>£8,285,520</u>	<u>£15,283,858</u>	<u>£42,147,906</u>	<u>£65,717,284</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 2008 was £Nil (2007: £Nil).

# THE ROCHESTER BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31ST MARCH 2008

#### 15. FUNDS (continued)

**Tunnel Fund** - This fund was set up to with the object of providing 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; recent analysis has shown that this objective would not be achieved. 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 2008 was £8,285,520 (2007: £9,257,497).

#### 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 £2,375,000 was transferred to (2007: £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	-	-	17,201,854	17,201,854
Investments	8,048,982	14,513,374	19,958,061	42,520,317
Current assets	656,352	780,553	5,078,842	6,515,747
Current liabilities	(173,347)	(10,069)	(165,851)	(349,267)
Long term liabilities	(246,467)	-	-	(246,467)
Total net assets at 31st March 2008	£8,285,520	£15,283,858	£42,147,906	£65,717,284

#### 17. COMMITMENTS

Since 1st April 1996, the Trust, at its discretion, has voluntarily 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 total charge for this amounted to £601,576 (2007: £573,910), of which £351,576 (2007: £323,910) was 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 2008, the Trust awarded grants of £Nil (2007: £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 £351,576 (2007: £323,910) to Medway Council and these members declared an interest in line with the conflicts of interest policy that is currently in place.