

THE ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2010

Registered Charity No. 207100

THE ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2010

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THE ROCHESTER BRIDGE TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

Court members

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

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
Mrs Heather Kerswell MPhil MRTPI FRSA
Michael Bird FCA

Bridge Clerk (Maternity leave to 12 May 2009)
Acting Bridge Clerk (Maternity cover)
Chief Finance Officer

Investment Manager

J P Morgan Asset Management (UK) Limited

Surveyors

Smiths Gore

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 2010

The Court presents its Annual Report and the financial statements of the Trust for the year ended 31st March 2010.

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

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

The Bridge Clerk (Chief Executive) is Mrs. S.E.P. Threader, a Chartered civil engineer with extensive public and private sector experience. The Chief Finance Officer is Mr. M.T. Bird, a qualified accountant with expertise in charity sector management. The Bridge Clerk took maternity leave from 31st July 2008 to 12th May 2009 and Mrs. Heather Kerswell, MP MPhil MRTPI FRSA, was appointed as Acting Bridge Clerk with effect from 2nd 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 Maintenance Manager. The former post holder, Mr. Clive, retired in November 2009 and was succeeded by Mr. Hughes. The Bridge Maintenance Manager is supported by a Bridge Technician and a trainee. The Trust has appointed advisers to give professional advice on the management and control of its assets.

Risk management

The Court manages risk in accordance with its Risk Management Policy.

The Bridge Clerk keeps the Risk Register under continual review and reports any significant changes to the Court as they arise, and at least every two years. The Court considers a Summary of Major Risks biannually.

The Trust operates strict control over health and safety at work with the advice of Mott MacDonald Ltd. Intruder and lone worker alarm systems are in place.

The provision of insurance brokerage services is being reviewed and a new contract will be in place by May 2010.

Preparation of an Archive Disaster Recovery Plan has been delayed by the pressure of other work, but it is hoped that this will be completed in 2010/11.

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

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

objective of long term growth. The Trust's Investment Policy has been the subject of fundamental review during the year. A new policy was adopted in May 2010. Estate management strategies for the Kent and Conington Estate have been adopted.

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 confirms that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

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

The freehold of the Medway Tunnel was transferred to Medway Council in October 2009 following public consultation.

Lyons Electrical Limited was appointed to carry out street lighting maintenance on the bridges and Esplanade.

Notice was served on the successors to British Gas for the removal of redundant mains from the Service Bridge.

A contract was awarded to Jacksons Civil Engineering for the refurbishment of the upstream balustrade and footway of the Old Bridge. The contract began at the end of March and is programmed for 37 weeks. Other planned works have been deferred until this contract is complete but design and document preparation is nearing completion for resurfacing of Rochester Esplanade and street lighting replacement on the Old Bridge.

An insurance claim for damage to one of the Strood Porticos in 2006 was settled.

An Estate Strategy for the Conington Estate was approved. A programme of maintenance works has been carried out to properties on the Estate. The need for these works had been identified prior to purchase. Consultants have been appointed to advise on the long term future of the Airfield.

A Wardens' Supper was held for the tenants and staff of the Conington Estate and presentations on the history of the Trust, the estate and the airfield were made. The event was well received and gave the opportunity for trustees to establish a relationship with the tenants.

On the Kent Estate, proposals for the development of various redundant sites have been progressed. Planning applications were made for a residential development at Street Farm, Boxley, and for renovation of Westmoor Cottage, Rainham.

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

A fundamental review of the Trust's Investment Policy was carried out to take account of the transfer of the Medway Tunnel and the purchase of the Conington Estate as well as other investment opportunities. Revisions were made to the Reserves Policy.

A review of Governance Structure was undertaken which resulted in a new Committee structure and scheme of delegation, allowing the Court of Wardens and Assistants to focus on policy and strategic matters at its quarterly meetings.

The Trust has continued to invest in making more information about its work available to the public. Frequent coverage in the local press has been achieved as well as articles published in relevant technical press. Whitehouse Consulting Ltd provides public relations support. Many talks have been given by the Bridge Clerk and Archivist to local groups about the work and history of the Trust.

At its November lunch, the Court recognised the contribution of Paul Harriott who has served as a trustee for 30 years, and of Eric Clive who retired as Bridge Caretaker in November 2009. Lee Hughes replaced Mr. Clive.

The first Bridge Wardens' Professor of Bridge and Tunnel Engineering was appointed at the University of Greenwich. The post will be funded by the Trust for 3 years.

Grant funding enabled further restoration of the nave of Rochester Cathedral, the beginning of construction of a gallery for Bridge Models at the Royal Engineers' Museum, and the restoration of a medieval ceiling painting at St. Margaret's Church, Rainham.

FINANCIAL REVIEW

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

Income for the year was slightly reduced from £2,656,883 to £2,356,936 due to a switch in investments from investment assets to investment properties resulting in higher rental income but lower dividend income. Interest income reduced, reflecting the utilisation of funds held towards the increased investment in property, and lower rates of interest available in the financial markets.

Expenditure on properties totalled £856,731 compared with £473,096 in 2009.

Before taking account of transfers from and to other funds but excluding profits and revaluations of investment assets and properties, there was a deficiency on the General Fund of £2,858,559. Expenditure on the bridges and property was higher than the previous year although no major works were undertaken in the year.

Investment performance

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.

Investments and investment properties at 31st March 2010 totalled £65,840,525 (2009 £56,993,530).

Reserves policy

The Trust holds the following reserves at 31st March 2010:

General Fund	£42,943,814
Designated Funds	£8,535,401
Restricted Fund	£16,559,547

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

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

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

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

FUTURE PLANS

In the coming year, the Trust plans to:

- Complete the refurbishment of the Old Bridge upstream parapet and footway
- Place a new contract for Bridge Engineering Services and review the bridge maintenance and inspection regime
- Appoint a new trainee Assistant Bridge Technician
- Adopt and implement an Estate Strategy for its Kent properties, including progressing projects for development of redundant agricultural sites
- Implement the new Investment Policy and Conington Estate Strategy
- Prepare a strategy for future management of Conington Airfield
- Award a range of grants and monitor the progress of supported projects
- Hold a Bridge Wardens' Art Prize competition
- Introduce 2 Bridge Wardens' Scholarships to support young people wishing to study engineering at university

STATEMENT OF RESPONSIBILITIES OF THE COURT MEMBERS

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

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

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

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

On behalf of the Court of Wardens and Assistants



16 August 2010

THE ROCHESTER BRIDGE TRUST

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 2010 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 Trust'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 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 prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with these accounting records or 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 31 March 2010, and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.



haysmacintyre
Chartered Accountants
Registered Auditors

16 August 2010

Fairfax House
15 Fulwood Place
London
WC1V 6AY

THE ROCHESTER BRIDGE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2010

	Note	General Fund £	Designated Funds £	Restricted Fund £	2010 Total £	2009 Total £
Incoming Resources						
Activities for generating funds:						
Rents receivable		1,565,820	-	-	1,565,820	1,418,486
Dividends receivable		270,941	187,943	331,197	790,081	1,104,037
Bank and other interest		1,035	-	-	1,035	134,360
Total incoming resources	1(c)	<u>1,837,796</u>	<u>187,943</u>	<u>331,197</u>	<u>2,356,936</u>	<u>2,656,883</u>
Cost of generating funds						
Investment management		20,222	13,700	14,288	48,210	(63,391)
Expenditure on investment properties	2	856,731	-	-	856,731	473,096
Charitable Activities						
Maintenance of bridges	3	436,302	-	-	436,302	616,062
Medway Tunnel	4	3,356,796	-	-	3,356,796	454,794
Grants payable	5	-	28,993	-	28,993	46,868
		<u>4,670,051</u>	<u>42,693</u>	<u>14,288</u>	<u>4,727,032</u>	<u>1,527,429</u>
Governance costs	7	26,304	-	-	26,304	30,546
Total resources expended		<u>4,696,355</u>	<u>42,693</u>	<u>14,288</u>	<u>4,753,336</u>	<u>1,557,975</u>
Net (outgoing)/incoming resources before transfers and investment gains		<u>(2,858,559)</u>	<u>145,250</u>	<u>316,909</u>	<u>(2,396,400)</u>	<u>1,098,908</u>
Transfers between funds	15	(175,000)	-	175,000	-	-
Gains / (losses) on investment assets	11b	2,198,958	2,279,946	4,116,456	8,595,360	(4,987,236)
Profit on land investments		10,846	-	-	10,846	-
Net movement in funds for the year		<u>(823,755)</u>	<u>2,425,196</u>	<u>4,608,365</u>	<u>6,209,806</u>	<u>(3,888,328)</u>
Total funds at 1st April 2009		<u>43,767,569</u>	<u>6,110,205</u>	<u>11,951,182</u>	<u>61,828,956</u>	<u>65,717,284</u>
Total funds at 31st March 2010		<u>£42,943,814</u>	<u>£8,535,401</u>	<u>£16,559,547</u>	<u>£68,038,762</u>	<u>£61,828,956</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 to 15 form part of these financial statements.

THE ROCHESTER BRIDGE TRUST

BALANCE SHEET

AT 31ST MARCH 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	10	454,001	454,001
Investment properties	11(a)	33,711,285	33,611,000
Investments	11(b)	32,129,240	23,382,530
		<u>66,294,526</u>	<u>57,447,531</u>
Current assets			
Debtors	12	90,275	164,923
Short term deposits		964,657	963,779
Cash at bank and in hand		1,093,099	4,285,971
		<u>2,148,031</u>	<u>5,414,673</u>
Creditors: amounts falling due within one year	13	<u>(314,303)</u>	<u>(856,781)</u>
Net current assets		1,833,278	4,557,892
Creditors: amounts falling due after one year	14	<u>(89,492)</u>	<u>(176,467)</u>
Total assets less current liabilities		<u>£68,038,762</u>	<u>£61,828,956</u>
Funds			
Designated funds	15,16	8,535,401	6,110,205
Restricted fund	15,16	16,559,547	11,951,182
General fund	15,16	42,943,814	43,767,569
Total fund balances		<u>£68,038,762</u>	<u>£61,828,956</u>

The financial statements were approved and authorised for issue by the Court of Wardens and Assistants on ^{16 August} 2010 and were signed below on its behalf by:



The notes on pages 9 to 15 form part of these financial statements.

THE ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2010

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. During the year they were 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 when received.

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 include the governance of the charity primarily associated with constitutional and statutory requirements

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

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 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.

The three bridges, (the two road bridges and the service bridge) that are known collectively as Rochester Bridge are included in Freehold Land and Buildings at a nominal cost of £1. The Trustees believe that they should be included within the asset base as their continued use by the public is fundamental to the aims and objectives of the Trust, however they do not believe that a formal valuation should be attached as the bridges are not considered to have residual value.

(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

	2010	2009
	£	£
Professional and other fees	270,801	125,106
Repairs	402,822	189,779
VAT irrecoverable	61,367	33,787
Insurance	27,296	22,364
Support costs	94,445	102,060
	<u>£856,731</u>	<u>£473,096</u>

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

3. MAINTENANCE OF BRIDGES	2010	2009
	£	£
Repairs	41,962	48,342
VAT irrecoverable	11,803	30,203
Professional fees	76,897	223,034
Insurance	50,409	46,073
Lighting	7,615	6,261
Cleaning	3,089	3,845
Support costs	244,527	258,304
	<u>£436,302</u>	<u>£616,062</u>
4. MEDWAY TUNNEL		
Grant to Medway Council	-	374,240
Settlement to Medway Council	3,273,560	-
Professional fees	26,549	21,693
VAT irrecoverable	2,419	2,328
Support costs	54,268	56,533
	<u>£3,356,796</u>	<u>£454,794</u>
5. GRANTS PAYABLE		
Miscellaneous grants	16,613	35,083
Support costs	12,380	11,785
	<u>£28,993</u>	<u>£46,868</u>

Miscellaneous grants in 2009 include an additional £47,500 to the University of Greenwich for an uplift to a Professor's post of the Readership in Bridge and Tunnel Engineering, payable over 3 years, offset by write backs of grants from earlier years which had lapsed as terms of the grants made had not been achieved.

6. SUPPORT COSTS	Governance	Bridges	Properties	Medway Tunnel	Grants	Total
	£	£	£	£	£	£
Staff costs	12,930	163,773	37,438	11,524	6,283	231,948
Insurance	-	6,106	6,105	6,124	-	18,335
Office and administration	13,374	74,648	50,902	36,620	6,097	181,641
	<u>£26,304</u>	<u>£244,527</u>	<u>£94,445</u>	<u>£54,268</u>	<u>£12,380</u>	<u>£431,924</u>

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

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

7. GOVERNANCE COSTS	2010	2009
	£	£
Salaries and wages	12,930	16,025
Other office costs	302	1,871
Auditors' remuneration in respect of the audit	6,150	5,950
Meeting costs	6,922	6,700
	<u>£26,304</u>	<u>£30,546</u>

8. EMOLUMENTS OF EMPLOYEES

Salaries and wages	167,119	178,548
Employer national insurance	11,205	13,964
Superannuation	53,624	51,976
	<u>£231,948</u>	<u>£244,488</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>6</u>	<u>6</u>
No employee earned £60,000 or more.		

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
	£	£	£
Valuation/cost			
At 1st April 2009 and 31st March 2010	<u>454,001</u>	<u>10,263</u>	<u>464,264</u>
Depreciation			
At 1st April 2009 and 31st March 2009	<u>-</u>	<u>10,263</u>	<u>10,263</u>
Net Book Value			
At 31st March 2010	<u>£454,001</u>	<u>£-</u>	<u>£454,001</u>
At 1st April 2009	<u>£454,001</u>	<u>£ -</u>	<u>£454,001</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 valued at 31st March 2009 by the Court after informal consultation with professional valuers, at their estimated open market value. Included in freehold land and buildings are the bridges at a nominal value of £1.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

11. INVESTMENTS	2010	2009
	£	£
(a) Investment properties		
Valuation		
At 1st April 2009	33,611,000	17,201,854
Acquisitions	100,285	12,325,267
Unrealised gain on revaluation	-	4,083,879
	<u>33,711,285</u>	<u>33,611,000</u>
At 31st March 2010	<u>£33,711,285</u>	<u>£33,611,000</u>

Investment properties were revalued at 31st March 2009 by the Court, after informal consultation with professional valuers, at their estimated open market value. Transactions in 2009 reflect the purchase of the Conington Estate. It is not possible to give the historical cost of investment properties as some were acquired over 600 years ago.

(b) Quoted investments	2010	2009
	£	£
Market value of investments at 1st April 2009	20,967,115	41,208,992
Additions	3,115,683	435,722
Disposals at net book value	(3,214,908)	(12,552,558)
Unrealised gains/(losses) on revaluation	8,711,136	(8,125,041)
	<u>29,579,026</u>	<u>20,967,115</u>
Market value of investments at 31st March 2010	29,579,026	20,967,115
Cash held by investment managers	2,550,214	2,415,415
	<u>£32,129,240</u>	<u>£23,382,530</u>
Historic cost at 31st March 2010 (excluding cash)	<u>£27,307,810</u>	<u>£27,326,350</u>
Realised (losses)/gains on disposals	<u>£(115,776)</u>	<u>£1,326,650</u>

	2010	2009
	£	£
The portfolio structure is made up as follows:		
UK Equities	16,865,481	13,486,495
Overseas Equities	9,283,943	5,916,347
UK Fixed Income	3,429,602	1,564,273
Cash	2,550,214	2,415,415
	<u>£32,129,240</u>	<u>£23,382,530</u>

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

JP Morgan UK Dynamic Income	£4,327,363
JP Morgan Emerging Markets	£2,758,875
JP Morgan Inst. Continental Europe Income	£2,067,232
JP Morgan c Bond for Charities	£3,429,602
JP Morgan UK Equity Fund for Charities	<u>£12,112,175</u>

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

12. DEBTORS: Amounts falling due within one year			2010	2009
			£	£
Rents receivable			71,415	147,977
Other debtors			18,032	3,799
Prepayments and accrued income			828	13,147
			<u>£90,275</u>	<u>£164,923</u>
13. CREDITORS: Amounts falling due within one year				
Grants allocated but unpaid			91,991	208,383
Other creditors and accruals			175,670	609,042
Other taxes and social security			46,642	39,356
			<u>£314,303</u>	<u>£856,781</u>
14. CREDITORS: Amounts falling due after one year				
Grants allocated but unpaid			<u>£89,492</u>	<u>£176,467</u>
15. FUNDS	Designated Funds	Restricted Fund	General Fund	Total
	£	£	£	£
Balance at 1st April 2009	6,110,205	11,951,182	43,767,569	61,828,956
Net (outgoing)/incoming resources before transfers	145,250	316,909	(2,858,559)	(2,396,400)
Transfers	-	175,000	(175,000)	-
Gains/(losses) on investments	2,279,946	4,116,456	2,198,958	8,595,360
Gains on land investments	-	-	10,846	10,846
Balance at 31st March 2010	<u>£8,535,401</u>	<u>£16,559,547</u>	<u>£42,943,814</u>	<u>£68,038,762</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 2010 was £Nil (2009: £Nil).

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, which is now no longer required as ownership of the Medway Tunnel has been transferred to Medway Council. 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 2010 was £8,535,401 (2009: £6,110,205).

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2010

15. FUNDS (continued)

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 £175,000 was transferred from (2009: £425,000) the General Fund.

16. ANALYSIS OF NET ASSETS BY FUND

	Designated Fund £	Restricted Fund £	General Fund £	Total £
Tangible fixed assets	-	-	454,001	454,001
Investment properties	-	-	33,711,285	33,711,285
Investments	7,999,053	14,719,057	9,411,130	32,129,240
Current assets	717,831	1,840,490	(410,290)	2,148,031
Current liabilities	(91,991)	-	(222,312)	(314,303)
Long term liabilities	(89,492)	-	-	(89,492)
Total net assets at 31st March 2010	<u>£8,535,401</u>	<u>£16,559,547</u>	<u>£42,943,814</u>	<u>£68,038,762</u>

17. RELATED PARTIES

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 paid £3,273,560 in a settlement on the transfer to Medway Council of ownership of the Medway Tunnel, and in 2009 allocated money for a grant of £374,240 to Medway Council.