

**THE ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2014**

Registered Charity No. 207100

THE ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

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THE ROCHESTER BRIDGE TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

Principal Office

The Bridge Chamber
5 The Esplanade
Rochester
Kent
ME1 1QE

Registered Charity Number

207100

Court members

Russell Graham Cooper Esq.
Philip Filmer Esq.
Anthony Ronald Goulden, Esq. + (to 31 May 2013)
Raymond Peter Harris, Esq. (from 1 June 2013)
Paul Edward James Harriott, Esq.
Peter John Homewood Esq.
Alan Leslie Jarrett, Esq. ++
Anne Frances Helen Logan
Paul Evan Oldham, Esq.
Russell John Race, Esq., DL*
John Alexander Spence, Esq., OBE, DL
Bryan John Sweetland, Esq.
Richard George Thornby, Esq.

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

* Senior Warden

+ Junior Warden (to 31 May 2013)

++ Junior Warden (from 1 June 2013)

Principal officers and advisers:

Mrs Sue Threader BEng CEng MICE
Helen Corbett FCCA

Bridge Clerk
Chief Finance Officer

Investment Manager

Rathbone Investment Management Ltd
1 Curzon Street
London
W1J 0LP

Surveyors

Smiths Gore
23 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA

Bridge Engineer

Hyder Consulting (UK) Limited
Manning House
22 Carlisle Place
London
SW1P 1JA

THE ROCHESTER BRIDGE TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION (continued)

Principal officers and advisers: (continued)

Solicitors	asblaw Innovis House 108 High Street Crawley West Sussex RN10 1AS
Bankers	Lloyds Bank plc 142-146 High Street Chatham Kent ME4 4DQ
Auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2014

The Charity known as the Rochester Bridge Trust ("the Trust") is formally styled as "The Wardens and Assistants of Rochester Bridge in the County of Kent", incorporated under that name by the Rochester Bridge Act 1908 and registered in England under that name with charity registration number 207100.

The board of trustees is referred to as the Court of Wardens and Assistants ("the Court").

The Court presents its Annual Report and Financial Statements of the Trust for the year ended 31st March 2014.

OVERVIEW

The Rochester Bridge Trust was founded in 1399 to provide and maintain a bridge across the River Medway in Rochester in perpetuity. Benefactors gave land and money in trust to be used for this purpose.

The Trust is still responsible for providing its road crossings of the river at Rochester at no cost to the public purse, although today there are two substantial bridges and a further bridge to carry essential services. Our funding continues to be derived from the original 14th and 15th century endowments. We receive no public funds, no grants and we do not carry out fundraising activities.

The Trust has no responsibility for providing other crossings of the river although it does have the powers to contribute when appropriate. When surplus funds are available, it may make grants or fund projects for certain charitable projects in accordance with its Grants Policy.

The Court takes a very long-term view of the Trust's assets to ensure that funds are available for future maintenance and eventual replacement of the structures. A formal Actuarial Opinion is taken every three years to test assumptions and monitor the financial performance. The next report will consider financial data to 31 December 2014 and will be received next spring. Under current assumptions, the Court is satisfied that it does have sufficient resources in the short and long term to deliver its responsibilities, however the balance between assets and liabilities remains very fine and close attention continues to be paid to ensuring optimum value for money and maximising investment returns.

The Trust's investments are approximately equally split between direct property holdings and financial investments. At the end of 2013/14, the total value of the Trust's net assets was £89.0 million, its highest ever value. After several years of volatile financial markets and a difficult property background, the Court is pleased with this achievement. However costs continue to rise.

OBJECTS AND ACTIVITIES

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 Schemes of the Charity Commission, currently one of 1st June 1999 as amended by The Charities (The Rochester Bridge Trust) Order 2000, a Charity Commission Order dated 20 June 2006, and Resolutions dated 31 July 2006, 20 October 2007, two Resolutions dated 19 November 2012 and a Charity Commission Scheme dated 30 December 2013.

The formal charitable objects of the Trust are, in order of priority:-

1. The maintenance and improvement of the bridges (known as Rochester Bridge) 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.
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.

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ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2014 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Public Benefit Statement

The Court has considered the guidance on public benefit published by the Charity Commission and 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 2011.

Governance

The Trust operates from the Bridge Chamber, 5 Esplanade, Rochester, Kent.

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.

Nominated Members are appointed by Medway Council (three), Kent County Council (two) and Maidstone Borough Council (one). Each appointment is for a period of four years. Nominated Members are not necessarily members of the appointed body and do not represent the views of that body.

Appointed Members are appointed by the Court itself for a period of five years. The Court attempts to secure that collectively the members of the Court possess an appropriate spread of expertise having regard to the objects of the charity, the nature of its property and its activities.

Every two years the Court appoints, from its membership, a Senior Warden and a Junior Warden to hold office for a period of two years.

The Court holds four Ordinary meetings each year which focus on Trust policy and strategy. Additionally Special Court Meetings may be called at any time by the Senior Warden or by any two Members of the Court.

Three Committees meet on a quarterly basis to discuss key areas of the Trust’s activities. They are the Bridge, Property and Resources Committees. The Grants Committee meets when appropriate to consider applications for funding and make recommendations to the Court. In addition a Wardens’ Committee meets when required to deal with matters of urgency between meetings of the Court and to deal with delegated matters. Each committee has detailed Terms of Reference and a Scheme of Delegated Authority in place which is kept under continual review.

Members of the Court are required to make a declaration of their interests and loyalties which is recorded in the Register of Members’ Interests made available at every meeting. Any member having an interest in any item being discussed at a Court or Committee meeting is required to declare their interest, and may refrain from the discussion if appropriate. Related party transactions are disclosed in note 21 to the accounts.

Induction and training

All members receive a Members’ Information Pack upon appointment which they retain for reference. The Members’ Information Pack was reviewed and updated in July 2014. An induction programme is available.

Regular estate visits are organised for members so that they can become familiar with the Trust’s property portfolio. The Trust organises briefings and training sessions on key issues from professional advisors and external training providers. Presentations were made during the year on commercial property investment and the health and safety responsibilities of the Court and principal officers.

Management and staffing

The paid staff employed by the Rochester Bridge Trust, all of whom work part time, primarily act to provide professional advice on the governance of the Trust, oversee the work of professional advisors, implement the decisions of the Court, and in some cases, carry out maintenance of the Trust’s assets.

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2014 (continued)

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, Miss H.J.E. Corbett, is a Chartered Certified Accountant with significant investment management finance experience. The Bridge Archivist, Dr J.M. Gibson, is responsible for the extensive archives and also manages the website. A secretary supports the administration of the Trust. The professional staff routinely work in the office on Tuesdays and Thursdays to ensure a high standard of internal communication is maintained. Email and mobile communication is used extensively outside of office hours in emergency situations, but care is taken to respect part-time contracts.

During the year, the Trust reorganised its maintenance team. From February 2014, the previous full time bridge maintenance team of three staff was reduced to two part-time maintenance technicians, working under the direction of the Chief Finance Officer. This change has provided a maintenance team with resources better matched to the current workload and skills required. The Bridge Chamber Keeper and Gardener look after the day to day running of the office building and grounds.

The Court has appointed advisers to give professional advice on the management and control of its assets and a number of its other activities.

INVESTMENT POWERS AND POLICY

The investment powers of the Trust are contained in the Schedule to the 1999 Charity Commission 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 maintain the General Fund in primarily cash and easily liquidated assets to fund ongoing annual expenditure.

The Trust needs to ensure that it has sufficient reserves to meet the cost of major maintenance of the bridges at the appropriate time, and in the long-term, to fund replacement of each bridge at no cost to the public. The Bridges Reserve Fund is invested in investment property and stock exchange securities with the objective of long term growth and sufficient income to transfer funds to the General Fund as required to meet its obligations.

From April 2013, financial investment performance has been measured against a minimum target of RPI + 3% growth per annum and a £1.2 million per annum income target. The majority of investments are held directly rather than in pooled funds.

RISK MANAGEMENT

The Court is committed to sound risk management as part of its strategy to secure the Trust's long-term ability to meet its objectives; preserve and enhance its assets; deliver the best service to the travelling public; and ensure the safety of the public, its staff and contractors. A Risk Management Policy is in place.

The Court has approved a detailed Risk Register for its activities and identifies the most significant risks in the Major Risk Matrix. The Court reviews the full Risk Register at least every two years (most recently June 2014) and the Major Risk matrix at least annually.

The Bridge Clerk and Chief Finance Officer keep the Risk Register under review and consult the Trust's professional advisers on risk regularly. Actions identified during the risk review process are managed as part of the usual work of the Trust under the supervision of the Bridge Clerk. Appropriate controls are maintained and remedial actions identified.

The controls in place includes the employment of highly experienced and appropriately qualified principal officers, supplemented by extensive use of external professional advice on all matters where there may be material risk to the Charity. Advisers are retained for engineering, financial investment and property management and legal advice and specialists are appointed as required. Fire, intruder and lone worker alarms are in place and control is exercised over health and safety at work.

Arrangements are in place for handling emergencies and disaster recovery. An Emergency Plan has been developed by the Bridge Engineer during the year in consultation with local authority Emergency Plan Officers and issued to relevant staff. Staff are issued with a contact list for their colleagues and key professional advisors.

Insurance cover is in place for most residual risks and the cover types and levels are reviewed on an annual basis.

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FOR THE YEAR ENDED 31ST MARCH 2014 (continued)

ACHIEVEMENTS AND PERFORMANCE

As always, the charity's main objective for the year was to continue to maintain the three bridges as vital local and regional infrastructure and transport links. At the start of the year, the Trust stated its particular intentions to focus on the maintenance of the charity's assets and the preparation of future contracts for major bridge maintenance and refurbishment; on promoting engineering education for young people; and celebrating the centenary of the reconstruction of the Old Bridge.

Bridge Maintenance

The Old Bridge

The Old Bridge was originally constructed as a cast iron arch with stone piers and abutments in 1856 to the designs of Sir William Cubitt. Following repeated collisions, the deck of the bridge was reconstructed as a bowstring girder just before the outbreak of the First World War and was formally opened on 14 May 1914.

Good progress was made in the year on the design and preparation of contract documents for a number of repairs and renovations of parts of the Old Bridge. The starting date for the contract is under review in the light of other factors but it may be possible to start in 2015/16 and will include:

- o strengthening of the footways of the former swing bridge (the "Old Ships' Passage);
- o replacement of the electrical supply, controls and cabling for all three bridges;
- o renovation of street lighting columns, fixtures and lanterns on the Old Bridge and replacement of other lighting units;
- o installation of remote monitoring of the bridge bearings;
- o replacement and/or repairs to three expansion joints, waterproofing systems and surfacing;
- o localised repairs to masonry and steelwork; and
- o installation of CCTV and enhancement lighting.

A redundant gas pipe and leaking live gas main were removed from the Old Bridge Service cantilever by Southern Gas Networks. Notice has been served on Southern Water for the removal of a redundant pumping main. It may be several years before this can be achieved. Once the pumping main has been removed, consideration can be given to the future of the service cantilever.

Upon the advice of the Bridge Engineer, the Court decided to appoint a Term Maintenance Contractor to carry out routine works to the bridges. Preparation of the specification of works and contract documentation was put in hand. It is likely that the contract will start in late 2014 or early 2015.

The Service Bridge

The Service Bridge is a separate concrete beam bridge constructed on the foundations of a redundant Victorian railway bridge. It carries service pipes and cables across the River Medway and its use and funding is governed by the 1965 Rochester Bridge Act. Much of the cost of providing and maintaining the bridge is recharged to the utility companies by the Trust.

Southern Gas Networks installed a new live gas main within the Service Bridge under the supervision of the Bridge Engineer.

The New Bridge

The New Bridge was completed in 1970. It was constructed on the foundations of a redundant Victorian railway bridge with concrete piers and a concrete deck supported by steel box girders.

A detailed structural assessment of the New Bridge was carried out and the structure found to be satisfactory. Interim repairs were carried out to the lamp columns pending full replacement in a future year.

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FOR THE YEAR ENDED 31ST MARCH 2014 (continued)

Rochester Esplanade

Having carried out a risk assessment and cost-benefit analysis, it was decided that a comprehensive surface treatment should not be applied to the Esplanade, pending complete refurbishment. The surface continues to be closely monitored by the Bridge Engineer and local repairs will be carried out as necessary.

A contract was prepared and tendered (and has now been placed with F.M. Conway) to clean, inspect and repair the river walls in the Trust's ownership.

Various locations

The Trust asserted its rights as the street authority under the New Roads and Street Works Act 1991 by means of public advertisement and consultation and designated the bridges as "protected streets" and Rochester Esplanade as a "site of special engineering difficulties". This should allow better control of works carried out by third parties on the Trust's property.

Planned and emergency repair work has been carried out to address surface and lamp column defects.

An asbestos survey was carried out and all asbestos in the Trust's control has been removed by specialist contractors. The Bridge Engineer is liaising with Southern Water regarding management of asbestos present in its equipment.

1914-2014 Old Bridge Centenary

14th May 2014 was the centenary of the reopening of the Old Bridge following reconstruction from 1910-1914. The Trust organised a series of events to mark this important anniversary, including:

- o an exhibition of photographs and costume;
- o a "sell-out" programme of nine free lectures with summaries published on the Trust's website;
- o printing of a set of postcards of the reconstruction work;
- o acquisition and display as part of the exhibition of archive film footage from 1914 of the opening ceremony;
- o a celebration luncheon in the Bridge Chapel attended by Lord and Lady Darnley, the Lord Lieutenant of Kent and Lady d'Lisle, the President of the Institution of Civil Engineers and many other distinguished guests.

Engineering Education

The Trust was delighted to be awarded the Steve Tebb Award for Schools Outreach by the Institution of Civil Engineers South East Region for its work in encouraging education about bridges and engineering in schools.

As part of the centenary celebrations, two special engineering education projects were run.

The first project included the creation of a new mascot, "Langdon the Lion", as the face of the Trust's engineering work with primary school children. The Bridge Clerk wrote a 12-session education kit for primary age children and teachers about bridges. The kit was designed by our partners, the Guy Fox History project, incorporating the mascot. A new website with the theme "Supporting Engineering Education" has been designed and educational materials are available for downloading by teachers, parents and children. A poster of Rochester Bridge has been produced with a history timeline on the reverse, and an activity sheet for children. The resources will be launched in 2014.

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The second project, entitled "Designing the Future" was aimed at secondary school pupils and engaged participants in lectures, workshops and an exhibition in partnership with the Chatham Historic Dockyard and supported with an additional grant from Arts Council England. The project explored ideas for how life in Kent and Medway may change over the next 100 years. An estimated 10,000 people visited the exhibition.

The Trusts other work on engineering education also continued. The Bridge Clerk ran a term's after school club for Benedict House School, Sidcup; support was given in the form of grants or advice from the Bridge Engineer to other primary school engineering clubs and secondary school pupils considering careers in engineering.

The Trust is a keen supporter of The Arkwright Scholarships Trust, a national charity dedicated to raising funds from businesses, institutions, and individuals to sponsor talented would-be engineers through their sixth-form studies and into university. The first two Bridge Wardens' Arkwright Scholars completed their sixth form studies, achieved excellent results and are now studying civil engineering at Bristol and Cardiff Universities. Two new scholars were sponsored from September 2012 and received two years' funding and gained access to a range of opportunities and experiences. The annual bridge building competition for primary school children organised by the Royal Engineers' Museum was sponsored for the sixth consecutive year. The Trust sponsored the Institution of Civil Engineers (South East Region) awards for engineering excellence, also for the second year.

Local engagement

The Bridge Clerk, Bridge Archivist and some members of the Court gave presentations to around 15 local interest groups about the work and history of the Trust (fewer than in previous years because of the centenary events). As in previous years, the Bridge Chapel and Bridge Chamber were open to visitors for two days in September as part of the national Heritage Open Days and record attendance was achieved. News and information about the Trust were published on the website at www.rbt.org.uk as well as in a range of local, lifestyle and national news publications.

The Trust became actively engaged in social media, primarily Twitter, Facebook and Pinterest which are proving useful for gathering information and disseminating news and facts about the charity. Professional support was obtained to establish these new communication channels in the first instance.

Investment Management

Approximately half of the Trust's reserves and income are derived from financial investments including equities, bonds and infrastructure funds. The newly appointed Investment Manager, Rathbone Investments, took over management of the Trust's financial investment portfolio in January 2013, with full responsibility from 1st April 2013. The portfolio was in a transitional state at the start of the year but transition from the previous manager's portfolio was completed by September 2013.

The performance of financial investments was sound despite some volatility in the markets. The total value of the portfolio increased by 17.4% in the year to £40.1 million and the income target was exceeded.

Property Estate

On its Conington Estate, the Court conducted a Strategic Review of its holdings and approved a new Estate Strategy. During the year the Trust disposed of Ivy Farmhouse and numbers 5 and 6 Brookside; the tenant of Swiss Cottage left the property, which is now in the process of being sold; rent reviews were settled on the main farms.

On the Kent Estate, the Trust entered into an option agreement for the creation of an access at Pond Farm, Newington; agreed terms for the disposal of land at Dalefield Way (part of Great Clayne Farm); Sunnybank Cottage, Graveney was marketed for sale; an option agreement was granted for redevelopment of redundant buildings at Abbey Farm, Leeds; and a new lease was granted for Phase 24 Gillingham Business Park.

The Trust added new residential property to its letting portfolio at Parisfield, Staplehurst (two houses); Dowgate Close, Tonbridge (one house); and the Aspire Development, Gravesend (two houses). At Lower Higham Road, Gravesend, 12 acres of grazing land was bought from Kent County Council.

The usual programmes of estate maintenance have continued throughout the year.

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2014 (continued)

Governance & Management

An Emergency Plan, a new Health and Safety Policy, and an amended Conflict of Interest and Loyalty Policy, have been introduced. A new Strategic Plan 2014-19 was adopted.

A review of the 1999 Charity Commission Scheme was completed and public consultation conducted on changes to the Trust's formal charitable objectives to remove explicit references to the Medway Tunnel. No responses were received and the Charity Commission issued a new scheme on 30th December 2013.

Detailed reviews of the Terms of Reference and Scheme of Delegation for all Committees, the Wardens and principal officers, were carried out. The Investment Policy was reviewed.

Archives and Research

Important documents from the Trust's archives, including parchment rolls, handwritten minute books and printed minute books were digitised by the specialist company, Max Communications. It is intended that some of these documents will be made available online when resources allow and others will be available for internal use and research. With the support of a temporary cataloguing assistant, all correspondence files and other non-current documents have been catalogued and archive storage reorganised.

Grants

The Trust's primary activity is the maintenance of its bridges at Rochester and the management of its investments to generate the resources required. There is a long history of making grants to other charities or carrying out other charitable projects when surplus funds are available. The Trust has limited funds for this purpose and grants are focused on areas which reflect the Trust's own history, values and activities, e.g., education in science and engineering, preservation of heritage buildings, education about the Trust's history and improving understanding of the River Medway.

The Trust ran a small grants programme in the year, with the majority of spending under the third charitable object being applied to the education and centenary projects described above. A small number of grants were made to support engineering initiatives in schools; work to the historic fabric of a WWII air raid shelter at Maidstone Girls' Grammar School; and a 15th century font in Penshurst Church.

The Trust received a substantial donation of £136,394 from the Medway Heritage Centre Trust (which has now been wound up) for distribution for projects connected with the River Medway. Several projects have already been funded, most notably the restoration of a Short Scion II Seaplane by the Medway Aircraft Preservation Society Ltd over the next three to four years.

Operational Buildings

Listed building consent was obtained and repairs to the Bridge Chamber windows and stonework, and replacement of the original balustrade to the front porch, were completed. It was not possible to carry out the replacement of the Chapel roof as planned because of circumstances beyond the Trust's control. The latter work will be completed in 2014/15.

THE ROCHESTER BRIDGE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2014 (continued)

FINANCIAL REVIEW

The income and expenditure of the Trust are detailed in the Statement of Financial Activities on page 14.

Income for the year increased 36% from £2,554,949 to £3,487,348 due to higher dividend and rental income and a donation from the Medway Heritage Centre Trust.

Expenditure on the bridges was £431,034 (61%) higher than experienced in the previous year primarily due to the first full year of appointment of the new Bridge Engineer in June 2012, and a resultant greater level of activity increasing professional fees in this area.

Expenditure on properties totalled £773,475 compared with £597,156 in 2013.

Before taking account of transfers from and to other funds and excluding profits and revaluations of investment assets and properties, there was a deficit on the General Fund of £2,031,587 a surplus on the Bridges Reserve Fund of £3,135,715 and a surplus on the River Medway Fund of £74,446. The overall surplus for the year excluding profits and revaluations of investment assets and properties was therefore £1,166,073. After taking into account the above mentioned elements, the total increase in funds for the year across the Trust as a whole was £6,769,712, exceeding £6 million for the second year in a row.

INVESTMENT PERFORMANCE

Investment properties were revalued in a desktop exercise by the Property Surveyor's Valuation team during the year. Unrealised property gains of £2,992,000 were recorded as a result of this revaluation.

Financial investment capital values increased during the year by £2,778,073 due to effective stock selection and good market conditions.

The value of investments and investment properties at 31st March 2014 totalled £84,843,601, a 9.5% increase over the 2013 value of £77,493,622.

RESERVES POLICY

A Reserves Policy is in place. The Trust holds funds appropriate to the normal operation of the Trust, including some routine activities on the Bridges in the General Fund, an unrestricted fund intended:

- to provide sufficient resources to meet the routine running costs of the Trust;
- to fund investment in other charitable purposes, including a sum for charitable grants; and
- from time to time to hold funds to allow the Trust to respond to opportunities to purchase investment properties in accordance with a defined strategy.

Assets of the General Fund are held primarily in cash or easily liquidated assets. Operational buildings and the Bridges are also held in the General Fund.

A new designated fund called The River Medway Fund was established during the year to hold the remaining funds from the Medway Heritage Centre Trust donation. The donation was made to the Trust for distribution through the Trust's grant making process.

The balance of the Trust's assets are held in the Bridges Reserve Fund, a designated fund with the primary purpose of funding maintenance and replacement work for the Bridges and other operational assets. Assets held within this fund include the financial investment portfolio and the Trust's investment property estate.

The Trust held the following reserves at 31 March 2014:

General Fund	£ 3,526,934
River Medway Fund	£ 91,034
Bridges Reserve Fund	£85,402,846

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FOR THE YEAR ENDED 31ST MARCH 2014 (continued)

FUTURE PLANS

In 2014/15, the Trust's focus will be on letting the Term Maintenance contract for the repair and renovation of the Old Bridge and for future routine maintenance of all the bridges and highway assets; promoting engineering education to young people and ensuring its new education kit reaches a wide audience; and completing celebrations of the centenary of the reconstruction of the Old Bridge. The Trust plans to:

- Appoint a Term Maintenance Contractor;
- Progress a rationalisation of land ownership at each end of the bridges by means of a land swap with Medway Council;
- Clean, inspect and repair the river walls;
- Complete the bathymetric survey of the river bed, including archaeological surveys to identify remains of the Roman Bridge;
- Complete the contract documents for repair and renovation of the Old Bridge, including strengthening of the former swing bridge section ("the Old Ships' Passage"), restoration of street lighting and replacement of electrical systems; replacement of expansion joints, waterproofing and surfacing.
- Replace the roof of the Bridge Chapel and carry out other repairs to walls, windows etc;
- Complete the centenary lecture programme and hold a celebration luncheon;
- Publish education kit and website for primary schools to learn about bridge building. Distribute to all schools and launch mascot to publicise the resources;
- Complete cataloguing of recent records and devise a plan for the publication of recently digitised archive materials;
- Review property management policies and procedures;
- Carry out a triennial actuarial valuation.

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ANNUAL REPORT

FOR THE YEAR ENDED 31ST MARCH 2014 (continued)

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).

Law applicable to charities in England and Wales requires the Court Members to prepare the 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 trust will continue in business.

The Court Members are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, 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.

The Court Members fulfil their responsibilities explained above by appointing an appropriately qualified and experienced Chief Finance Officer who undertakes to maintain the Trust's financial records on a day to day basis. The Court Members review these records on at least a quarterly basis.

On behalf of the Court of Wardens and Assistants

1 September 2014

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 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Court Members those matters we are required to state to them in an Auditors' 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's Court Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Court Members and auditor

As explained more fully in the Court Member's Responsibilities Statement set out on page 12, the Court Members are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2014, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

haysmacintyre
Chartered Accountants
Registered Auditors

.....2014

26 Red Lion Square
London
WC1R 4AG

THE ROCHESTER BRIDGE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2014

		General Fund	River Medway Fund (Designated)	Bridges Reserve Fund (Designated)	2014 Total	2013 Total
	Note	£	£	£	£	£
<u>Incoming Resources</u>						
Activities for generating funds:						
Rents receivable		-	-	2,001,134	2,001,134	1,646,825
Dividends receivable		-	-	1,299,972	1,299,972	865,732
Donations	3	-	136,394	-	136,394	-
Bank and other interest		44,989	-	343	45,332	42,392
Insurance Recoveries		1,036	-	3,480	4,516	-
Total incoming resources	1(d)	46,025	136,394	3,304,929	3,487,348	2,554,949
<u>Resources Expended</u>						
Cost of generating funds						
Investment management	4	-	-	169,217	169,217	134,626
Expenditure on investment properties	5	773,475	-	-	773,475	597,156
Charitable Activities						
Maintenance of bridges	6	1,135,199	-	-	1,135,199	704,165
Grants payable	7	6,827	74,446	-	81,273	57,381
Other charitable activities	8	26,383	-	-	26,383	-
		1,941,884	74,446	169,217	2,185,547	1,493,328
Governance costs	10	135,728	-	-	135,728	115,894
Total resources expended		2,077,612	74,446	169,217	2,321,275	1,609,222
Net incoming/(outgoing) resources before transfers and investment gains		(2,031,587)	61,948	3,135,712	1,166,073	945,727
Transfers between Reserve Funds		1,306,557	29,086	(1,335,643)	-	-
Unrealised gain/(loss) on investment assets	15b	-	-	1,417,040	1,417,040	(2,234,670)
Realised gain on investment assets	15b	-	-	1,160,499	1,160,499	6,294,494
Unrealised gain on tangible assets	14a	600	-	-	600	51,000
Unrealised gain/(loss) on heritage assets	14b	1,400	-	-	1,400	(7,860)
Unrealised property gains	15a	-	-	2,992,000	2,992,000	1,450,999
Realised gain on property sales	15a	-	-	21,100	21,100	190,000
Actuarial gain on pension fund	13	11,000	-	-	11,000	22,000
Net movement in funds for the year		(712,030)	91,034	7,390,708	6,769,712	6,711,691
Total funds at 1st April 2013	19	4,238,964	-	78,012,138	82,251,102	75,539,412
Total funds at 31st March 2014		£ 3,526,934	£ 91,034	£ 85,402,846	£ 89,020,814	£ 82,251,102

All transactions are derived from continuing activities. All recognised gains and losses are included in the statement of financial activities.

The notes on pages 16 - 27 form part of these financial statements.

THE ROCHESTER BRIDGE TRUST

BALANCE SHEET

AT 31ST MARCH 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	14	527,733	505,001
Heritage assets	14(b)	579,669	578,240
Investment properties	15(a)	44,560,906	39,989,000
Investments	15(b)	40,282,695	37,504,622
		<u>85,951,003</u>	<u>78,576,863</u>
Current assets			
Debtors	16	429,745	457,219
Short term deposits		406	20,400
Cash at bank and in hand		3,344,122	3,676,784
		<u>3,774,273</u>	<u>4,154,403</u>
Creditors: amounts falling due within one year	17	(765,762)	(521,164)
Net current assets		<u>3,008,511</u>	<u>3,633,239</u>
Creditors: amounts falling due after one year	18	(18,700)	-
Net assets excluding pension (liability)/ asset		<u>88,940,814</u>	<u>82,210,102</u>
Pension (liability) / asset	13	80,000	41,000
Net assets including pension (liability)/ asset		<u>£89,020,814</u>	<u>£82,251,102</u>
Funds			
Bridges Reserve (Designated) fund	19,20	85,402,846	78,012,138
General fund	19,20	3,526,934	4,238,964
River Medway (Designated) fund	19,20	91,034	-
Total fund balances		<u>£89,020,814</u>	<u>£82,251,102</u>

The financial statements were approved and authorised for issue by the Court of Wardens and Assistants on 1 September 2014 and were signed below on its behalf by:

The notes on pages 16 to 27 form part of these financial statements.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2014

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) Cash flow statement

Under Financial Reporting Standard 1 the charity is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

(c) Fund accounting

Designated funds comprise unrestricted funds that have been set aside by the Court for particular purposes. The aim and use of the designated fund is set out in note 19.

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 includes income arising from the General Fund's short term cash investments which can be used by the Court to finance the Trust's expenditure. Additional funding is provided by way of transfer from the Designated Fund as applicable.

Investment income and gains/(losses) are allocated to the appropriate fund.

(d) 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 in the period in which the charity is entitled to receipt.

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

Expenditure

Expenditure is included on an accruals basis.

Costs 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. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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

The maintenance of Bridges is detailed in note 6.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

1. ACCOUNTING POLICIES (continued)

(d) **Income and expenditure recognition (continued)**

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.

(e) **Tangible fixed assets (including Heritage Assets)**

Freehold land and buildings are included in the financial statements at the Court's best estimate of their open market value. Further details are shown in note 14.

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.

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.

The Trust maintains archives and historical records in support of the Trust's objectives. The Court Members consider that owing to the incomparable nature of the archives and historical records, conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Trust and users of the accounts. As a result, no value is reported for these assets in the Trust's Balance Sheet. Further details are shown in note 14.

A collection of fine art, furniture and silverware is owned by the Trust and reported in the Balance Sheet as Heritage Assets. Additions to and disposals from this collection are not anticipated apart from in exceptional circumstances. Assets are preserved to the best of the Trust's ability, using external advisers and professional restorers where appropriate. The collection is privately held by the Trust, however public access is permitted during periodic open days. Further details are shown in note 14.

(f) **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 pursuant to advice obtained on a regular basis from the Trust's Surveyors. Further details are shown in note 15.

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

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

(g) Pension scheme

The Trust contributes to the Kent County Council defined benefit scheme. This scheme is a multi-employer scheme. Full FRS 17 disclosure is included in Note 13.

(h) Deferred income

Deferred income comprises rental income received in advance which relates to the following year.

2. NET INCOMING RESOURCES

Net incoming resources before transfers and investment gains are stated after charges for audit fees of £7,200 (2013: £6,950).

3. DONATIONS

During the year, the Medway Heritage Centre Trust donated an amount of £136,394, being the remaining asset value of the organisation and is to be used to fund grant making activities in relation to causes linked to the River Medway.

4. INVESTMENT MANAGEMENT FEES

	2014	2013
	£	£
Investment management fees	103,748	82,421
Support costs	65,469	52,205
	-----	-----
	£ 169,217	£134,626
	=====	=====

5. EXPENDITURE ON PROPERTIES

	2014	2013
	£	£
Professional and other fees	359,273	309,424
Repairs	166,011	138,922
Ground rents and council taxes payable	40,731	-
Insurance	38,048	31,477
VAT Irrecoverable	45,176	30,879
Health and safety costs	1,522	-
Bad debts	378	-
Support costs	122,336	86,454
	-----	-----
	£ 773,475	£597,156
	=====	=====

6. MAINTENANCE OF BRIDGES

	2014	2013
	£	£
Professional fees	443,840	184,986
Repairs	105,750	96,848
VAT irrecoverable	118,012	62,765
Insurance	46,407	40,119
Lighting	37,364	28,918
Cleaning	3,109	3,076
Other bridge costs	-	3,494
Support costs	380,717	283,959
	-----	-----
	£ 1,135,199	£704,165
	=====	=====

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

7. GRANTS PAYABLE	2014	2013
	£	£
Miscellaneous grants	49,544	27,872
Support costs	31,729	29,509
	-----	-----
	£81,273	£57,381
	=====	=====

No grants are made to individuals. No single grant awarded in the year amounted to more than £40,000. The total number of grants awarded in 2014 was 13 (2013: 16).

All grants awarded during the current and preceding year were in the furtherance of the Trust's third object (the promotion of such other charitable purposes as may from time to time be determined in the United Kingdom and primarily the County of Kent).

8. OTHER CHARITABLE ACTIVITIES	2014	2013
	£	£
Educational activities	26,383	-

During the year, a number of activities were undertaken in furtherance of the third charitable object of the Trust. The main focus of this work was education based. To commemorate the centenary of the reconstruction of the Old Bridge, a number of activities were held to increase awareness of the Trust through educational lectures and an exhibition. In addition, a project for the design of educational resources for schools was commenced during the year, focusing on engineering and bridge building in particular.

9. SUPPORT COSTS	Governance	Bridges	Properties	Financial Investments	Grants	Total
	£	£	£	£	£	£
Wages and salaries	64,045	179,650	57,727	30,893	14,972	347,287
Insurance	7,806	21,895	7,036	3,765	1,825	42,327
Office and administration	63,877	179,172	57,573	30,811	14,932	346,365
	-----	-----	-----	-----	-----	-----
	£135,728	£380,717	£122,336	£65,469	£31,729	£735,979
	=====	=====	=====	=====	=====	=====

Support costs are allocated to activities based on an estimate of the time spent by staff on each activity.

10. GOVERNANCE COSTS	2014	2013
	£	£
Salaries and wages	64,045	61,841
Other office costs	57,781	37,176
Meeting costs	6,952	9,927
Auditors' remuneration in respect of the audit	6,950	6,950
	-----	-----
	£135,728	£115,894
	=====	=====

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

11. EMOLUMENTS OF EMPLOYEES	2014	2013
	£	£
Salaries and wages	268,010	238,896
Employer national insurance	21,074	18,645
Superannuation	77,203	64,556
FRS17 adjustment	(19,000)	(19,000)
	-----	-----
	£ 347,287	£303,097
	=====	=====

	No.	No.
Average number of employees (full time equivalents)	6	6
	=====	=====

One employee of the Trust earned between £70,000 and £80,000 during the year. No other employee earned £60,000 or more.

12. EMOLUMENTS OF THE COURT

No member of the Court received any remuneration from the Trust. Expenses paid for Trustees attending meetings on behalf of the Trust during the year amounted to £1,401 for 13 Trustees (2013 £3,949 for 12 Trustees).

13. PENSION COST

The Trust is a participant of the Kent County Council defined benefit multi-employer pension scheme. The scheme remains open to new entrants and is contracted out of the State Second Pension.

A full actuarial valuation was carried out at 31 March 2013 and updated to 31 March 2014 by a qualified independent actuary.

Changes in the present value of the defined benefit obligation are as follows:

	2014	2013
	£	£
Opening defined benefit obligation	694,000	591,000
Current service cost	53,000	43,000
Contributions by scheme participants	14,000	12,000
Interest cost	32,000	28,000
Actuarial losses / (gains)	14,000	32,000
Benefits paid	(12,000)	(12,000)
	-----	-----
Closing defined benefit obligation	£795,000	£694,000
	=====	=====

Changes in the fair value of plan assets are as follows:

	2014	2013
	£	£
Opening fair value of plan assets	735,000	584,000
Expected return on plan assets	41,000	35,000
Actuarial gains / (losses)	25,000	54,000
Contributions by employer	72,000	62,000
Contributions by scheme participants	14,000	12,000
Estimated benefits paid	(12,000)	(12,000)
	-----	-----
Closing fair value of plan assets	£875,000	£735,000
	=====	=====

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

13. PENSION COST (continued)

The amounts recognised in the balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(795,000)	(694,000)
Fair value of plan assets (bid value)	875,000	735,000
	-----	-----
Net asset	80,000	41,000
	-----	-----

The amounts recognised in the Statement of Financial Activities are:

	2014 £	2013 £
Current service cost	53,000	43,000
Interest on obligation	32,000	28,000
Expected return on scheme assets	(41,000)	(35,000)
	-----	-----
Total	£44,000	£36,000
	=====	=====

The actuarial gains / (losses) recognised in the Statement of Financial Activities are:

	2014 £	2013 £
Actuarial gains	11,000	22,000
	-----	-----
	£11,000	£22,000
	=====	=====

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is £28,000 loss (2013: £39,000 loss).

The major categories of plan assets as a percentage of total plan assets are as follows:

	2014	2013
Equities	71%	71%
Gilts	1%	-
Other Bonds	11%	13%
Property	10%	8%
Cash	3%	4%
Target Return Portfolio	4%	4%

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

13. PENSION COST (continued)

The assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 31/3/14	Value at 31/3/14 £'000	Long term rate of return expected at 31/3/13	Value at 31/3/13 £'000
Equities	7.0%	621	6.0%	522
Gilts	3.6%	9	3.0%	-
Other bonds	4.2%	96	4.1%	96
Property	5.8%	88	4.0%	59
Cash	3.4%	26	0.5%	29
Target return portfolio	5.8%	35	4.5%	29
		-----		-----
Total market value of assets		875		735

The major assumptions of the actuary were:-

	At 31/03/2014	At 31/03/2013
RPI Increases	3.7%	3.4%
CPI Increases	2.9%	2.6%
Salary increases	4.7%	4.8%
Pension increases	2.9%	2.6%
Discount rate	4.6%	4.5%
Assumed life expectancies at age 65 are:		
Retiring today		
Males	22.7	20.1
Females	25.1	24.1
Retiring in 20 years		
Males	24.9	22.1
Females	27.4	26.0

In addition it was assumed that members will exchange half of their commutable pension for cash at retirement and that active members will retire one year later than they are first able to do so without reduction.

History of experience gains and losses	2014 £	2013 £	2012 £	2011 £
Difference between expected and actual return on scheme assets	25,000	54,000	(23,000)	7,000
Percentage of scheme assets	2.9%	7.3%	(3.9%)	1.4%
Experience gains and losses on scheme liabilities	(1,000)	-	6,000	(61,000)
Percentage of the present value of scheme liabilities	(0.1%)	-	1.0%	(13.1%)
Total amount recognised in investment gains	11,000	22,000	(94,000)	33,000
Percentage of the present value of scheme liabilities	1.3%	3.0%	(15.9%)	7.1%

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

14. TANGIBLE FIXED ASSETS

(a) Assets recognised in the balance sheet	Freehold land and buildings £	Motor Vehicles £	Total £
Valuation/cost			
At 1st April 2013	505,001	10,263	515,264
Acquisitions	-	24,481	24,481
Disposals		(10,263)	(10,263)
	-----	-----	-----
At 31 st March 2014	505,001	24,481	529,482
Depreciation			
At 1st April 2013	-	10,263	10,263
Depreciation charge for the year	-	1,749	1,749
Disposals		(10,263)	(10,263)
	-----	-----	-----
At 31 st March 2014	-	1,749	1,749
	-----	-----	-----
Net Book Value			
At 31st March 2014	£505,001	£22,732	£527,733
	=====	=====	=====
At 1st April 2013	£505,001	£ -	£505,001
	=====	=====	=====

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 December 2013 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.

(b) Heritage assets recognised in the balance sheet

The Trust owns a portfolio of artwork, furniture and silverware which is reported in the Balance Sheet at the most recent insurance valuation, carried out by Christie's in 2013. The Trust expects to review the valuation on a five yearly basis. Gains and losses on revaluation are recognised in the Statement of Financial Activities.

The main limitation of the valuation used is that its intended purpose is that of providing a valuation for insurance purposes. The value of the assets if realised may be different from this valuation. The Court does not intend selling any of the heritage assets within its possession and therefore deems it would be inappropriate use of charitable funds to seek a further valuation for accounting purposes.

The Trust intends to maintain its collection of the above mentioned heritage assets. These items are deemed to have indeterminate lives and the Court does not therefore consider it appropriate to charge depreciation. Disposal of any item from this collection would require approval of the Court, although this would happen only in exceptional circumstances.

Two purchases of heritage assets were made during the year, for a total purchase price of £1,429. There have been no disposals of heritage assets recognised in the balance sheet during the last five years.

(c) Heritage assets not recognised in the balance sheet

Following the construction of the medieval stone bridge during the last decade of the 14th century, Sir Robert Knolles and Sir John de Cobham obtained royal patents for the incorporation of the Wardens and Commonalty of Rochester Bridge. Since that time the records of Rochester Bridge, beginning with the 14th-century wardens' account rolls and estate records, have been maintained at the Bridge Chamber. Records arising from the current business of The Rochester Bridge Trust continue to be added to the archive. Researchers may consult the Rochester Bridge archives by appointment with the Bridge Archivist or browse the online archive files.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

14. TANGIBLE FIXED ASSETS (continued)

There have been no disposals of heritage assets not recognised in the balance sheet during the last five years.

15. INVESTMENTS	2014	2013
	£	£
(a) Investment properties		
Valuation at 1st April 2013	39,989,000	38,417,1511
Acquisitions	2,149,906	1,280,850
Disposals at net book value	(570,000)	(1,160,000)
Revaluation	2,992,000	1,450,999
	<u>£44,560,906</u>	<u>£39,989,000</u>
At 31st March 2014	=====	=====

Investment properties were revalued at 31st December 2013 by the Court, after consultation with professional valuers, at their estimated open market value. It is not possible to give the historical cost of investment properties as some were acquired over 600 years ago.

b) Quoted investments	2014	2013
	£	£
Market value of investments at 1st April 2013	37,504,622	31,521,855
Additions	17,375,108	22,142,779
Disposals at net book value	(15,988,444)	(17,308,626)
Unrealised (losses) on revaluation	1,160,499	(2,234,670)
	<u>40,051,785</u>	<u>34,121,338</u>
Market value of investments at 31st March 2014	230,910	3,383,284
Cash held by investment managers	<u>£40,282,695</u>	<u>£37,504,622</u>
	=====	=====
Historic cost at 31st March 2014 (excluding cash)	£37,073,650	£32,488,599
	=====	=====
Realised gains on disposals	£1,417,040	£6,294,494
	=====	=====

	2014	2013
	£	£
The portfolio structure is made up as follows:		
UK Equities	19,856,053	19,020,578
Overseas Equities	10,907,178	7,820,513
UK Fixed Income	3,275,322	4,982,947
Infrastructure	2,528,288	1,173,949
Overseas Fixed Income	2,089,845	925,400
Private Equity	820,662	-
Property	574,437	197,951
Cash	230,910	3,383,284
	<u>£40,282,695</u>	<u>£37,504,622</u>
	=====	=====

No single investment represented over 5% of the portfolio market value at the 31 March 2014.

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

16. DEBTORS: Amounts falling due within one year		2014	2013	
		£	£	
Rents receivable		254,815	237,615	
Other debtors		129,005	179,882	
Prepayments and accrued income		45,925	39,722	
		-----	-----	
		£ 429,745	£457,219	
		=====	=====	
17. CREDITORS: Amounts falling due within one year		2014	2013	
		£	£	
Amounts due including grants allocated but unpaid (note 18)		39,938	58,534	
Accruals and deferred income		634,166	406,531	
Other taxes and social security		85,428	48,570	
Pension contributions payable		6,230	7,529	
		-----	-----	
		£765,762	£521,164	
		=====	=====	
18. GRANTS ALLOCATED BUT UNPAID RECONCILIATION		£		
Balance at 1 st April 2013		58,534		
Paid in the year		(48,970)		
Grants expired or no longer required		(9,506)		
Awarded in the year		58,580		

Balance at 31st March 2014		£58,638		
		=====		
Of which:				
Falling due within one year		39,938		
Falling due after one year		18,700		

		£58,638		
		=====		
19. FUNDS	River Medway (Designated)	Bridges Reserve (Designated)	General Fund	Total
	Fund	Fund	Fund	£
	£	£	£	£
Balance at 1st April 2013	-	78,012,138	4,238,964	82,251,102
Net (outgoing)/incoming resources	61,948	3,135,712	(2,031,587)	1,166,073
Transfers between Reserve Funds	29,086	(1,335,643)	1,306,557	-
Gains/(losses) on investments	-	2,577,539	-	2,577,539
Unrealised gains on tangible assets	-	-	600	600
Unrealised gains on heritage assets	-	-	1,400	1,400
Unrealised Property Gains	-	2,992,000	-	2,992,000
Realised gains on property sales	-	21,100	-	21,100
Actuarial gain /(loss) on pension fund	-	-	11,000	11,000
	-----	-----	-----	-----
Balance at 31st March 2014	£91,034	£85,402,846	£3,526,934	£89,020,814
	=====	=====	=====	=====

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

19. FUNDS (continued)

DESIGNATED FUNDS

There are two designated funds as follows:

Bridges Reserve Fund

The Charity Commission scheme of 1 June 1995 provided for the maintenance of 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. Upon the transfer of the freehold of the Medway Tunnel to Medway Council on 28 October 2009, a substantial capital payment was made from that fund in full and final satisfaction of any obligation to continue to make payments for Tunnel maintenance. At the same time, the Trust discontinued payments into the Bridge and Tunnel Reserve Fund for the purpose of maintenance of the Medway Tunnel.

In February 2012, the Trust adopted a new reserves policy such that the Bridge and Tunnel Reserve Fund became the Bridges Reserve Fund. This reflects the fact that the Trust has no ongoing liabilities, nor any potential future liabilities in relation to the Medway Tunnel.

An amendment to the 1999 Charity Commission Scheme to reflect the change in the reserve fund structure was made by a Memorandum dated 19 November 2012.

River Medway Fund

During the year, the Medway Heritage Centre Trust (MHCT), another local charity, decided that it was no longer able to continue operating for the advantage of its beneficiaries. MHCT decided to donate the value of its remaining assets to the Trust in cash, on the understanding that the Trust will distribute the remaining funds in accordance with objectives which are broadly similar to those of the MHCT, and in line with the objects of the Rochester Bridge Trust's own objects. This therefore led to the creation of a new designated fund during the year.

20. ANALYSIS OF NET ASSETS BY FUND

	Bridges Reserve Fund £	River Medway Fund £	General Fund £	Total £
Tangible fixed assets	-	-	527,733	527,733
Heritage assets	-	-	579,669	579,669
Investment properties	44,560,906	-	-	44,560,906
Investments	40,282,695	-	-	40,282,695
Current assets	762,508	131,034	2,880,731	3,774,273
Current liabilities	(203,263)	(21,300)	(541,199)	(765,762)
Long term liabilities	-	(18,700)	-	(18,700)
Pension asset	-	-	80,000	80,000
Total net assets at 31st March 2014	£85,402,846	£91,034	£3,526,934	£89,020,814

THE ROCHESTER BRIDGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2014

21. RELATED PARTIES

One of the Rochester Bridge Trust Wardens and Assistants who served during the year is a minor shareholder in Bovis Homes. During the year ended 31 March 2014, the Trust purchased two properties built by Bovis Homes for a total purchase price of £455,906. There were no transactions with this company in the prior year.

Two (2013: two) of the Rochester Bridge Trust Wardens and Assistants who served during the year are members of Kent County Council, and one (2013: one) other is an Ambassador for Kent County Council. During the year ended 31 March 2014, the Trust paid £77,203 (2013: £64,556) in employer pension contributions to the Kent County Council Pension Scheme, a Local Government Pension Scheme administered by Kent County Council. The Trust also paid £210 (2013: £42) during the year for other services in relation to the pension fund and £813 (2013: £nil) for other miscellaneous goods and services from Kent County Council or associated companies.

Five (2013: four) of the Rochester Bridge Trust Wardens and Assistants who served during the year are members of, or nominated by Medway Council. The Trust's principal office and the three bridges managed by the Trust fall within the area managed by Medway Council. During the year ended 31 March 2014, Medway Council charged the Rochester Bridge Trust non-domestic rates charges of £1,794 (2013: £1,695), professional service fees of £3,691 (2013: £3,691) and listed building consent fees of £390 (2013: nil)

One of the Rochester Bridge Trust Wardens and Assistants is Chairman of the Kent Wildfowling and Conservation Association. During the year ended 31 March 2014, the Trust received fees in respect of a Sporting License of £3,300 (2013: £3,300) from the Kent Wildfowling and Conservation Association.

One of the principal officers of the Rochester Bridge Trust has a close family relative attending Maidstone Grammar School for Girls. During the year ended 31 March 2014, the Trust awarded a grant of £1,200 (2013: £nil) to Maidstone Grammar School for Girls.

One of the Rochester Bridge Trust Wardens and Assistants is also a Trustee of the Chatham Historic Dockyard Trust. During the year ended 31 March 2014, the Trust awarded a grant of £nil (2013: £3,000) to the Chatham Historic Dockyard Trust.

One of the Rochester Bridge Trust Wardens and Assistants was employed by the Peel Ports Group during the year ended 31 March 2013. During this period, the Trust paid fees of £nil (2013: £336) to the Port of Sheerness, a Peel Ports Group company.

22. CAPITAL COMMITMENTS

The capital commitments in relation to property purchases reported at 31st March 2013 were all completed during the year. There are no outstanding capital commitments as at 31st March 2014.