



ROCHESTER
BRIDGE TRUST

ROCHESTER BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

Registered Charity No. 207100

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REFERENCE AND ADMINISTRATIVE INFORMATION

Principal Office

The Bridge Chamber
5 The Esplanade, Rochester
Kent, ME1 1QE

Administrative Office

St Andrew's House
The Precinct, Rochester
Kent, ME1 1SU

Registered Charity Number

207100

Court members

Derek Butler, Esq. ***
Russell Graham Cooper, Esq. FRICS,*
Philip Filmer, Esq.**
Raymond Peter Harris, Esq.
Paul Edward James Harriott, Esq.
Mrs Sarah Virginia Hohler ****

Maidstone Borough Council
Appointed Member
Medway Council
Medway Council
Appointed Member
Kent County Council (to 31 May 2021,
reappointed on 14 September 2021)
Kent County Council (to 31 May 2021)
Medway Council
Appointed Member
Appointed Member
Appointed Member
Appointed Member

Peter John Homewood, Esq. ****
Alan Leslie Jarrett, Esq.
Dr Anne Frances Helen Logan
Russell John Race, Esq. JP, DL
Richard George Thornby, Esq. MRICS,
Lars Lemonius, Esq.

- * Senior Warden to 31 May 2021
- ** Junior Warden to 31 May 2021 and Senior Warden from 1 June 2021 to 31 May 2023
- *** Junior Warden from 1 June 2021 to 31 May 2023
- **** Court members to 31 May 2021

Principal officers

Mrs Sue Threader BEng HonDSc CEng FICE
Paula Puxty BA(Hons) FCA

Bridge Clerk (Chief Executive)
Chief Finance Officer

Principal advisors

Investment Manager

Rathbone Investment Management Ltd
1 Curzon Street,
London
W1J 0LP

Estate Surveyor

Savills (UK) Limited
Stuart House,
St John's Street,
Peterborough,
PE1 5DD

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Bankers

Lloyds Bank plc
142-146 High Street
Chatham, Kent
ME4 4DQ

Independent Auditors

Saffery Champness LLP
71 Queen Victoria Street,
London
EC4V 4BE

**ROCHESTER BRIDGE TRUST
ANNUAL REPORT
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INTRODUCTION

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 31 March 2021, prepared in accordance with the Charities Act 2011 and the Financial Reporting Standard 102.

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 two substantial road bridges and a further bridge to carry essential services across the river at Rochester at no cost to the public purse. Its funding continues to be derived from the original 14th and 15th century endowments. It receives no public funds, no grants and does not carry out fundraising activities. Today Rochester Bridge is comprised of three separate structures – the two road bridges, known as the Old Bridge and the New Bridge, and a separate structure which carries utility infrastructure, known as the Service Bridge.

The Trust has no responsibility for providing other crossings of the river although it does have the powers to contribute when appropriate. The Court takes a very long-term view of its assets to ensure that funds are available for future maintenance and eventual replacement of the structures. When surplus funds are available, the Trust may make grants in accordance with its Grants Policy, or fund projects for charitable purposes.

During the year, the Trust completed a major refurbishment of Rochester Bridge, in pursuance of its primary purpose.

In mid-March 2020, restrictions were put in place by the UK government in response to the Covid-19 outbreak. This resulted in effective closure of the administrative offices and all staff working from home, and the cancellation of many planned events and activities. The restrictions initially had a significant impact on the financial investments although the situation recovered by the end of the financial year. Most of the tenants continued to pay rent, with a few temporary rent deferrals (now repaid) and only a small number of rent waivers.

The Trust's investments at the start of the year were approximately split 67:33 between direct property holdings and financial investments compared to the long-term target of 60:40. At the end of the year the balance was 66:34. With the completion of refurbishment of the bridges and Bridge Chapel and Chamber it was possible to transfer some surplus cash to the Investment Manager for investment in March 2021, with further cash sums transferred in July 2021.

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At the end of 2020/21, the total value of the Trust's net assets was £113.5 million, an increase of 7% on last year, reflecting a significant recovery of the financial markets since March 2020. The Court did not undertake a revaluation of the property investments in 2019/20 due to the material valuation uncertainty created by the Covid-19 pandemic. The estate was revalued at 31 March 2021, which had the effect of increasing the value of the portfolio by £4.3 million.

The Trust has set a target to achieve carbon neutrality in bridge management by 31 March 2022; its direct activities by 31 March 2023; and in all its activities and supply chain by 31 March 2025.

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 1 June 1999 as amended by a Statutory Instrument 2000 (No. 3098) The Charities (The Rochester Bridge Trust) Order 2000; Charity Commission Orders dated 20 June 2006 and 30 December 2013; and Resolutions dated 31 July 2006, 29 October 2007, 19 November 2012, 1 September 2014, 11 January 2018, 12 March 2018, 21 August 2018; and 1 March 2021.

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.

Under its third object, the Trust supports a range of charitable activities, including the making of grants, exhibitions and lectures, delivery of education projects (primarily engineering, agriculture and local history) and maintenance of its important archives and collections. Grants are made for education, heritage structures, historical research, traditional agriculture, and projects linked to greater understanding and positive use of the River Medway.

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. In addition, further public benefit is delivered through grants, education, free lectures and exhibitions, and other charitable projects.

Governance

The Court has twelve members (trustees), 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 and to the date of approving this report are shown under Reference and Administrative Information. There were no changes to membership during the year.

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 appointing body and do not represent the views of that body.

Appointed Members are appointed by the Court itself for a term 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.

There is no limit on the number of consecutive terms which can be served.

Every two years the Court appoints, from its membership, a Senior Warden and a Junior Warden, usually to hold office for a period of two years. The Wardens during the year, both of whom have a professional background in the construction industry, were appointed in May 2019 for a second two year term to ensure continuity during the refurbishment of the bridges.

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

Five Committees meet a minimum of three times each year to discuss key areas of the Trust’s activities. They are the Bridge; Property; Resources; Education, Grants & Archives; and Wardens’ Committees. 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 or withdraw from the discussion as appropriate. Related party transactions are disclosed in note 20 to the accounts.

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The Court conducted a comprehensive Governance Review in 2015 by reference to the Charity Commission approved *Good Governance: a Code for the Voluntary and Community Sector*. An action plan was put in place and priority actions completed. The Trust had planned in 2020 to undertake a governance review by reference to the new Charity Governance Code, which was most recently updated in December 2020, however as a result of the operational disruption caused by Covid-19 restrictions the timetable was extended by twelve months to the end of 2021.

The Court will consider and approve a revised Equality, Diversity and Inclusion Policy at its November 2021 meeting. Current practice includes accessibility audits undertaken by specialists for operational buildings; fully accessible meeting rooms in the main operational buildings and hearing loops installed in the Bridge Chapel and Chamber where trustee meetings take place. Non-gendered toilet facilities are available in operational buildings. The bridges are managed to accommodate needs of disabled travellers. The education programme includes activities tailored to be accessible to young people with learning, hearing or other disabilities in consultation with schools and parents/guardians. Sign language interpretation is arranged where needed. Projects are supported to raise the awareness of the value of diversity in engineering. Regular skills audits undertaken and used to ensure diversity of trustee skills and experience.

Trustee induction and training

All new members receive a detailed induction from the Senior Management Team. A Code of Conduct is in place.

Members of the Court have access to the online Members' Information Portal which includes an information pack, policy and governance documents and Property Estate Terrier. Regular estate visits are organised so that members can become familiar with the property portfolio.

A briefing for all members was held in December 2020 on the bridge refurbishment project and in March 2021 on the actuarial valuation process.

Management and staffing

The Trust has a Senior Management Team of three experienced officers. The Bridge Clerk (Chief Executive) is Mrs. Sue Threader, a Chartered Engineer and Fellow of the Institution of Civil Engineers with extensive public and private sector experience. The Chief Finance Officer, Mrs Paula Puxty, is a Chartered Accountant with both corporate and charity experience. The Chief Estates Officer, Tim Cathcart, is a Chartered Surveyor with extensive commercial property management expertise.

The Trust's Management Team comprises the Senior Management Team, Bridge Manager, Operations & Grants Manager, Archives & Records Manager, Education Manager & Finance Manager. The post of Bridge Manager (formerly Contracts and Project Manager) was vacant from August 2019 and was covered by the Bridge Clerk until the appointment of a Bridge Manager in December 2020.

Various part-time and temporary staff and an apprentice supported the organisation and administration of the Trust and the provision of bridge engineering and education services during the year.

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Email and mobile communication are used extensively outside of office hours in emergency situations. Full use is made of videoconferencing technology to enable effective working from home, which was the primary mode of working during the year because of Covid-19 restrictions. No staff were furloughed.

The Court makes extensive use of advisers to give professional advice on the management and control of its assets and a number of its other activities although it is increasingly moving activities in-house in the interests of efficiency, cost and better accountability for performance. This trend is likely to continue. The contract to provide bridge engineering services with Arcadis (UK) Ltd was terminated in December 2020. There are no plans to appoint a replacement bridge engineer. Much of the activity is now undertaken in-house with the support of specialist consultants on a project basis.

The Trust considers the Court of Wardens and Assistants and the Senior Management Team (Bridge Clerk, Chief Finance Officer and Chief Estates Officer) as comprising the key management personnel of the Trust in charge of directing and controlling the Trust and running and operating the Trust on a day to day basis.

No trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 20 to the accounts.

The pay of the Principal Officers (and other staff) is reviewed annually by reference to the Trust's Remuneration Guidelines. The remuneration is benchmarked with charities of a similar size and activity to ensure that pay set is fair and not out of line with that generally paid for similar roles.

The gender pay gap shows the difference between the average (mean) earnings of men and women. It is expressed as a percentage of men's earnings. The mean gender pay gap was -22% (2020: -33%) (i.e. overall male employees have lower pay than female employees).

A staff appraisal system is in place and training and development needs are identified and delivered. In the year this included the management team receiving training in fraud awareness and all staff receiving training in working safely from home.

INVESTMENT POWERS

The investment powers of the Trust are contained in the Schedule to the 1999 Charity Commission scheme and in the Trustee Act 2000.

INVESTMENT POLICY

The Investment Policy sets out the approach to achieving a balanced but diverse portfolio across all asset classes. Tactical ranges and strategic guidelines are included in the policy to ensure that risk is adequately mitigated and concentration within one asset class is not too high. The Investment Policy was reviewed and amended in September 2020.

RESERVES POLICY

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 where this is appropriate at no cost to the public.

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To determine whether reserves are sufficient to cover the cost of maintaining and replacing the bridges in perpetuity, a formal Actuarial Opinion is taken at appropriate intervals to test assumptions and monitor financial performance.

An actuarial valuation is in process based on financial data to 31 March 2021 and will be reported and considered by the Court in November 2021. The Court is satisfied that it does have sufficient resources in the medium term to deliver its responsibilities and the actuarial valuation will inform the long term outlook.

No annual reserves target is set because there is considerable variability between maintenance expenditure demands from year to year and also a substantial proportion of the investment performance is unrealised gains from stock market investments. Rather, the Trust seeks to maximise total return from all investments to ensure the best performance of the underlying assets.

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. Ordinarily a sum will be allocated to be distributed as charitable grants but the Trust suspended all but the smallest grants (generally up to £5,000 each) pending the outcome of the actuarial valuation.

Assets of the General Fund are held primarily in cash or easily liquidated assets. Operational buildings, fixed and heritage assets and the bridges are also held in the General Fund.

The Bridges Reserve Fund is a very long-term fund, invested primarily in land, property and stock exchange securities with the objective of long-term growth in order to fund the maintenance and ultimate replacement of the bridges where appropriate. It is managed to deliver sufficient income to transfer funds to the General Fund as required to meet its obligations.

The River Medway Fund is invested in cash to fund charitable expenditure related to the use and history of the River Medway.

PRINCIPAL RISKS AND UNCERTAINTIES

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. A full review of the Risk Register was concluded in the year and includes improved arrangements to document the application of controls. The Senior Management Team keeps the Risk Register under review and consults 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. Appropriate controls are maintained and remedial actions identified. Effectiveness of controls and progress on agreed actions are monitored at the managers' performance appraisals twice a year.

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A major risk is defined by the trustees as an event with a high-scoring combination of medium to high likelihood and a moderate to catastrophic impact on the Trust.

New controls and management arrangements, as well as the completion of the bridge refurbishment project, has resulted in all remaining major risks being moved into a lower category of concern, apart from the risk of insufficient funds which would be catastrophic for the Trust's work but unlikely given the number of controls in place including the prudent reserves policy, actuarial advice and diverse investment portfolio focussed on real assets.

The most significant post-controls risks identified in the Risk Register are:

- insufficient rate progress on controlling carbon and environmental impact, which could lead to unnecessary levels of pollution arising from its work and damage the Trust's reputation; and
- inadequate advice from a professional advisor contributing to a poor decision

The refurbishment of the bridges and associated assets has reduced considerably the risks associated with the bridges. Notably:

- concrete and steel repairs and painting, new expansion joints and waterproofing have rectified and will all arrest the pace of future deterioration caused by environmental factors;
- the life-expired parapet of the New Bridge has been replaced with a modern system offering higher standards of vehicle restraint;
- the Old Ships' Passage span of the Old Bridge has been strengthened;
- redundant services and gantries have been removed to reduce unnecessary loading; and
- the Rochester River Wall and replacement drainage systems on Rochester Esplanade were completed.

Projects planned for future years will mitigate the risks further. These projects will include internal refurbishment and repair to the Island Pier of the Old Bridge; a review of the behaviour of spring water on the Esplanade and possible further works; and repairs to minor subsidence in the Rochester Service Well.

With respect to flooding, steps have been taken to address localised risks to the bridge assets on the higher-risk western (Strood) bank in the absence of a strategic flood protection scheme. River level monitors are in place and an emergency flood response protocol is mobilised by the Term Maintenance Contractor as required. Flood protection is provided to the bridges electrical distribution board. Medway Council is planning improvements to its flood wall on the Strood Riverside sites to be undertaken in 2021.

Strategic financial planning is informed by the actuary's advice.

Other controls include the employment of highly experienced and appropriately qualified senior managers, supplemented by use of external professional advice on matters where there may be material risk to the Trust. Advisers are appointed for engineering, financial investment, property management, external communications and legal advice. Other specialists are appointed as required. Fire, intruder and lone worker alarms are in place and control is exercised over health and safety at work.

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Arrangements are in place for handling emergencies and disaster recovery. Emergency Plans are in place for the bridges and incidents affecting the archives. A Business Continuity plan is also in place. Staff are issued with lone worker alarms and 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. All three bridges owned by the Trust are insured for their full replacement value.

The Risk Register did not identify the potential for a global pandemic to have a significant impact on the Trust's operations. As for most charities and other organisations, the Covid-19 outbreak and its consequences were unforeseen. The main impacts on the Trust, and the management response made, were:

- initial disruption to normal working practices, with the offices closed and all staff promptly moving to working from home. The majority of staff were already issued with laptops and intermittent homeworking was normal so some of the required systems were already in place. Additional systems were introduced very promptly so disruption to office activity was minimal;
- public activities such as exhibitions and schools visits were cancelled or deferred. Educational activities and resources were already delivered partly online and this activity was increased;
- some requests from tenants for waiver or deferral of rents. A policy was quickly put in place and implemented. The impact on income was modest;
- discretionary expenditure, including major grants and expenditure on operational buildings was curtailed;
- cancellation of a number of planned committee and Court meetings. Postal decisions were taken. Some trustee meetings were held partially or fully online; and
- initial disruption to the bridge refurbishment contract.

The most significant operational impact was to the bridge refurbishment project. Government placed no restrictions on outdoor construction work, however key sub-contractors and suppliers suspended their operations at the start of the "lockdown" period. Work on site was temporarily suspended on 31 March 2020. Having put a wide range of safety precautions in place, including new hygiene arrangements, social distancing marshals and revised methods of working, the site reopened on 11 May 2020. Some changes were made to the scope of work and the traffic management constraints so that the project remained on programme for completion by the end of 2020. The additional cost to the Trust of the disruption to the contract was mitigated by changes to the scope of work and changes to working constraints, allowing the project to be completed below the allocated budget.

There remains considerable uncertainty about the future of farming subsidies and the impact on the Trust's future income from that source. It is generally expected that subsidies will be reduced to zero by 2025. The agricultural rent review process is very slow so no instant changes would be experienced and even a major fall in agricultural rental returns would have a minimal effect on total income.

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The Trust's fruit farmers are concerned about labour shortages if a migrant farm worker visa scheme is not put in place as the majority of the workforce comes from EU countries. Agricultural land values are expected to fall but these assets are held for the long-term so the impact would be on Book Value rather than income or operations.

Brexit is expected to lead to skilled labour shortages in construction if EU workers are unable to obtain visas or work permits, which could lead to delay in the completion of some option agreements and works to the bridges. Depending on any future trade agreements, it is highly likely that there will be an increase in the cost of imported materials and products for construction. The impact would be greatest for bridge works, but also property maintenance.

The Trust is in a strong financial position as it has considerable reserves for future bridge maintenance and replacement based on very long-term financial planning over a 500-year time horizon. The reserves provide a good buffer against any short-term turmoil or disruption in income streams. This means that the Trust is well placed to recover from the short-term impacts of the Covid-19 outbreak and the UK's withdrawal from the European Union and the Court is confident that the charity is in a good position to continue as a going-concern. Should the Trust find itself with a sharp drop in income for an extended period of time, expenditure would be reduced by limiting activities under the third charitable object and making economies in other discretionary expenditure, such as property refurbishment.

ACTIVITIES

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. The bridge was comprehensively refurbished in 2019 and 2020.

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. The bridge was comprehensively refurbished in 2019 and 2020.

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. The cost of providing and maintaining the bridge is recharged to the utility companies by the Trust under the provisions of the Act.

The Service Bridge underwent repairs and received a new roof structure as part of the bridge refurbishment. Structural steelwork was repainted and repairs to concrete piers and abutments and installation of pigeon deterrent mesh was completed below the deck. The cost of the work was recharged to the various utility companies in accordance with the 1965 Rochester Bridge Act. All sums have been paid in full.

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Rochester and Strood Esplanades

The Trust is concerned about the risk of flooding to its bridge assets on the Strood bank, notably the electrical system. The risk arises from river flooding, particularly because of the removal by others of the flood walls previously contained within the arches of the railway bridge, and surface water flooding at high tide because of the unsatisfactory design of the local drainage system which is the responsibility of South East Water. The Trust is working with Medway Council and other partners to seek satisfactory solutions to these issues and in the meantime is taking steps to install localised protection to the electricity distribution board.

Rochester Esplanade was refurbished in 2020. The redundant Victorian lavatories were filled and highway drainage and street lighting were replaced, followed by landscape improvements, historical interpretation features and new surfacing.

Education

The Trust continues to promote engineering education for young people, with a particular focus on primary school aged children. The mascot "Langdon the Lion" has been very successful in engaging young children and also attracting media interest to the programme. The book written by the Bridge Clerk, Learning about Bridges, and the "Supporting Engineering Education" website has been promoted widely. Work on Volume 2 of Learning About Bridges is well underway.

The usual range of engineering education events for schools, families and other groups of young people was severely curtailed because of Covid-19 restrictions. Resources and activities were made available or held online where possible.

The Trust provides scholarships through the Arkwright Engineering Scholarships Trust to support talented would-be engineers through their sixth-form studies and into university. An alumni group of former scholars is supported. Three new scholarships were awarded in September 2020.

The Rochester Bridge Trust Spence Agricultural Scholarship scheme in partnership with the University of Nottingham continues with one scholarship awarded in September 2020. This scheme provides funding to undergraduates from the areas of the country where the Trust owns agricultural land to support their 3-4 years' study of agriculture at first degree level.

External Communications and Local engagement

The focus of external communications during the year was on the bridge refurbishment project including a series of "Bridge Engineer's Blogs" written by the Trust's team. The Bridge Clerk and other members of the team wrote a number of articles about the project for technical (engineering and charity) publications. During the year the project was a finalist in the Public Relations and Communications Association awards with respect to the communication with the public. In May and June 2021, the project won a Bridges 2021 award for the best refurbishment over £5 million; was a Highly Commended engineering project in the Chartered Institution of Highways and Transportation Awards; and was shortlisted for the Construction News 2021 Awards for the project supply chain. The Trust was a finalist for the 2021 New Engineering Contract Client of the Year Awards.

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Other news and information about the Trust continued to be published on the main website at www.rbt.org.uk, the education website at www.rochesterbridgetrust.org.uk, as well as in a range of local, lifestyle and national news publications. Positive coverage in the local media continues to raise the Trust's profile and communicate its activities on behalf of its beneficiaries.

The Trust engages very actively in social media, primarily Twitter and Facebook; both channels are proving useful for gathering information and disseminating news and facts about the charity.

Grants and Other Charitable Projects

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 since the mid-19th century 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 engineering, preservation of heritage buildings, education about the Trust's history and improving understanding of the River Medway.

Activity in this area was curtailed by the Covid-19 restrictions and a cap of £5,000 per grant was imposed until March 2021.

Operational Buildings

The contract to refurbish the Bridge Chapel and Chamber was awarded to Coleman and James Ltd and work began in Autumn 2020.

The buildings will be used as the meeting place of the Court, the home of the main archive collections and as an exhibitions and event space. The refurbishment building works will be completed in the Summer and the first formal event is planned for November 2021.

ACHIEVEMENTS AND PERFORMANCE

The Trust made excellent progress against the Court's objectives set for the year as summarised below:

New working arrangements and strategies were implemented to keep staff and members safe in the light of the Covid-19 outbreak.

Bridges and Esplanade

- The bridge refurbishment contract was completed. All three bridges have been repaired and renovated, together with the section of Rochester Esplanade and river wall in the Trust's ownership. The project has won, and been shortlisted for, a number of industry awards.
- The former bridge engineer contract was terminated in December 2020 and an in-house team has been appointed, supported by specialist project consultants as required.

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Property Estate

- The Cash Generation Strategy which began in 2019, was completed. Various investment properties were sold to release cash to finance the bridge refurbishment and renovation of the Bridge Chamber and Chapel.
- The properties sold during the year were: 12 Hitherfields, Gravesend; Plot 1, Cooling; Abbey Farm Buildings and woodland, Leeds; 2 Bushey Close, Conington and a small plot of land at Hall Ing, Farnley Tyas.
- New long term leases were granted for 5/5a St Peter's Street, Canterbury; Conington Airfield; and the Huddersfield and District Rifle Club.

Operational Property

- The renovation and internal refurbishment of the Bridge Chapel and Chamber was started and very good progress was made on drainage improvements and the construction of the external plantroom. Work continued from April to install new lifts and accessible facilities as well as renewal of all services. The works will be completed in the summer.
- 1 Gundulph House was purchased and brought into operational use as additional office space for the Trust, initially for the education team and Castle Hill Court, which provides access to the rear of the Bridge Chamber was purchased.
- A new (extended) lease was signed for St Andrew's House until 2025.

Education

- A further Rochester Bridge Trust Spence Agricultural Scholarship was awarded to an undergraduate from an area where the Trust owns property estates to support study for a BSc Agriculture at the University of Nottingham.
- Three Rochester Bridge Trust Arkwright Engineering Scholarships were awarded to sixth-form students.

External Communications & Events

- The exhibition, "Bridge Works – A Story of the Rochester Bridge Trust" was relocated to Maidstone Museum in August 2020 for a final run to December 2021 before the exhibition is retired.

Staff Establishment

- The posts of Bridge Manager and Bridge Programme Manager were added to the establishment and external appointments were made.
- The Finance and Office Administrator completed his apprenticeship.

Grants

- Because of the uncertain impact of Covid-19 restrictions on income, grants were capped at £5,000 each until March 2021. A number of small grants were awarded, including:
 - St Margaret's Church, High Halstow - restoration to six leaded windows
 - St Dunstan's Church, West Peckham - restoration of the spire
 - Detling Community Interest Company Ltd – provision of a new seating and decking area at community shop
 - St Laurence Church, Catford - restoration works to the main roof
 - St Lucius Church, Farnley Tyas – extension works to create a community space

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- There were a number of small educational grants awarded to assist with bridge building activities in schools and youth groups.
- No grants were awarded from the River Medway Fund during the year.

Archives and Collections

- The archive and art collection catalogues were transferred to a new software package (CALM).

Governance

- The programme for the planned Governance Review was disrupted by the need to focus on managing the impacts of the Covid-19 outbreak and restrictions and the completion of capital projects. The Court decided to defer this activity for twelve months and the anticipated completion date is now December 2021. A number of policy reviews were undertaken by the Senior Management Team and approved by the Court.
- The programme for the preparation of a new Strategic Plan was disrupted by the impacts of the Covid-19 outbreak and restrictions. The Court decided to defer these activities until the bridge refurbishment contract was complete and it will be progressed from November 2021 once the actuary has reported.

FINANCIAL REVIEW

The income and expenditure of the Trust are detailed in the Statement of Financial Activities on page 24. Income for the year fell compared to the previous year to £2.98 million from £3.42 million. Property income reduced as a result of sales of property to fund the bridge refurbishment but also because last year's income included a one-off option payment of £150,000.

Expenditure related to the bridges was again high because of the major bridge refurbishment project, but lower than last year at £6.97 million compared to £8.40 million.

Expenditure on properties in the year increased slightly to £2 million (2020: £1.73 million). Expenditure includes the cost of the refurbishment of the Bridge Chapel and Chamber incurred in the period (£798,324). Work started on site in Autumn 2020 and is expected to complete by Summer 2021.

Overall, expenditure exceeded income in the year on the Trust's charitable purposes and generating investment returns by £6.56 million (2020: £7.55 million), reflecting the investment from reserves into bridge refurbishment. However, after gains on investments of £13.61 million (2020: loss of £0.54 million), the net income for the year was £7.05 million (2020: net expenditure £8.09 million).

Taking account of actuarial loss and the release of the restricted surplus on pension fund (now that it is in deficit) and revaluations of tangible assets, the net movement in funds for the year was net income of £6.98 million (2020: net expenditure £8.04 million), an increase in total funds of 6.6%.

No expenditure was charged to the River Medway Fund in the year for grants payable and support costs (2020: £70,347).

INVESTMENT PERFORMANCE

The value of financial investments and investment properties at 31 March 2021 totalled £106 million, a 13.9% increase compared with the 2020 value of £93.1 million (although this was a very temporary low value as a result of a significant drop in financial investment values at the start of the Covid-19 pandemic. Note that the value of investments in 2019 was £106.7 million and in 2018, £110.4 million. The Court is very pleased that the value of the long-term reserves has remained strong, even though a significant sum has been invested in the bridges and Bridge Chapel and Chamber.

Financial Investment Management

Approximately a third of the Trust's reserves and income are derived from financial investments primarily equities. The financial investment portfolio is managed by Rathbone Investment Management Limited. A small sum (£73,000) is invested in indirect charity property funds.

There was a notable fall in dividend income from the financial investment portfolio in the year as a result of global dividend cuts in response to the Covid-19 pandemic. The income target from the financial investments was set at £771,000 for the year and £614,000 was achieved, falling short of the target by 20.3%.

The performance of the Trust's financial investment portfolio managed by Rathbone Investment Management Limited is measured against a minimum target of RPI + 3% growth per annum and a bespoke composite index. RPI + 3% for the year was +4.4% and the Composite Index was +30.9%. The portfolio total return was +42.8% for the year, well exceeding the RPI target and over the Composite Index. The majority of investments are held directly rather than in pooled funds.

Property Estate

The balance of the Trust's investments is held in direct property holdings in Kent, Medway, West Sussex, Suffolk, Cambridgeshire, Lincolnshire and West Yorkshire. The portfolio includes industrial, retail, residential, commercial and over 6,000 acres of agricultural holdings. The property is let to generate income.

The performance of the Trust's property investment portfolio is measured against a long-term total return target of 6.25% gross (i.e. before any deduction for investment expenses). The target is for overall portfolio performance rather than individual holdings but nonetheless each property is reviewed periodically to ensure that it makes a sufficient contribution.

Disposal and new investment decisions are informed by estimates of anticipated return over the long-term.

A "Red Book" revaluation of the property portfolio was carried out by qualified valuers from Savills at 31 March 2021. Unrealised property gains of £4.25 million were recorded as a result of this calculation.

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No valuation had been carried out in 2020 because of the material valuation uncertainty caused by the outbreak of the Covid-19 pandemic and so the valuation at the start of the year was based on a valuation to 31 March 2019 adjusted for material changes to individual properties at 31 March 2020.

The portfolio value was £70.8 million at the start of the year. Disposals during the year of £0.9 million were made in accordance with the Cash Generation Strategy generating a realised gain (after selling costs) of £0.6 million. A further £0.02 million was transferred to operational property during the year. The portfolio was revalued upwards as at 31 March 2021 by £4.25 million, giving a closing portfolio value of £74.1 million.

RESERVES PERFORMANCE

As noted in the Reserves Policy note on page 7, to determine whether reserves are sufficient to cover the cost of maintaining and replacing the bridges in perpetuity, a formal Actuarial Opinion is taken at appropriate intervals to test assumptions and monitor financial performance. The next actuarial review is underway and will report in November, based on financial figures to March 2021.

Until the new report is available, the current actuarial opinion is based on an expected long-term total return on the property portfolio of 6.25% gross, with returns of 4.25–7.25% assumed on the various classes of financial investments. The weighted average investment return, after expenses of 1.0%, is 5.47%.

Under core assumptions in the Actuary's valuation, the Court was content that it had a small surplus within its reserve fund and distributed a sum of £772,000 through a range of grants and other charitable projects by 31 March 2021. Once the new opinion is available, the Court will develop its next strategic plan and programmes of grants and charitable projects to distribute any surplus for public benefit under the Trust's third charitable object.

The Trust held the following total funds at 31 March 2021:

General Fund	£3,634,566
River Medway Fund	£35,664
Bridges Reserve Fund	£109,533,628
	<hr/>
	£113,203,858
	<hr/>

'Free reserves' disclosure has been considered but is not deemed to be applicable to the Trust. All investment properties and financial investment assets are designated for the future use of the Trust. See Reserves Policy on page 7.

FUTURE PLANS

The Trust's plan for the coming year to deliver its charitable objectives includes to:

- Complete the Bridge Chamber and Chapel refurbishment project and prepare the buildings for use as a meetings, events and exhibition space, including improved access to the archives for researchers;

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- Progress inspection, assessment and remedial works to the interior of the Island Pier of the Old Bridge;
- Commission a report into the performance of the new drainage of Rochester Esplanade;
- Complete the final account and post-contract records for the bridge refurbishment project. Celebrate and communicate the success of the project, by entering awards, publishing articles, delivering lectures, and holding in-person events as social distancing rules allow;
- Undertake new topographical and riverbed surveys of the bridges and set up a new bridge management system;
- Complete a new long term financial assessment and put in place a revised strategic plan and grants programme;
- Publish a new edition, and a second volume, of Learning about Bridges the Trust's publication on bridge building for primary age children;
- Deliver a programme of practical engineering and agriculture education activities, resources and support, to families, young people and the Rochester Bridge Trust Arkwright Engineering and Spence Agricultural scholars;
- Return the archive and art/artefact collections to the newly refurbished Bridge Chamber and make appropriate safe arrangements for the storage of additional items;
- Continue active management of the property investment estate, fostering good landlord & tenant relationships and development projects to protect income streams and identify opportunities to add and extract capital value;
- Complete Phase 1 of improvements to comply with the General Binding Rules 2015 across the northern estates;
- Maintain appropriate working arrangements and strategies to keep staff and members safe in the light of the Covid-19, while continuing to innovate and deliver projects.

Carbon reduction

- The Court has committed to an ambitious and challenging programme to reduce the Trust's carbon impacts. The impact of the bridge refurbishment will be offset by planting trees in a new mixed woodland plantation on the Kent property estate and a programme of roadside planting along the traffic diversion routes. The potential for an "Orchards to Schools" project is also being explored.
- The carbon reduction targets set by the Court are to achieve carbon neutrality by reduction of input carbon and offsetting through tree planting of:
 - bridge management by March 2022;
 - the Trust's direct activities undertaken by the staff by March 2023
 - the whole supply chain by March 2025

**ROCHESTER BRIDGE TRUST
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

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 (who are the trustees) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Court Members are required to:

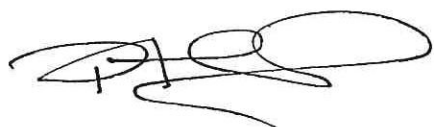
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures 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 that 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, applicable accounting regulations 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 at least twice a year.

The Court Members are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Court of Wardens and Assistants



Philip Filmer
Senior Warden
22 November 2021

**ROCHESTER BRIDGE TRUST
INDEPENDENT AUDITORS' REPORT TO THE COURT MEMBERS OF THE
ROCHESTER BRIDGE TRUST
FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

We have audited the financial statements of Rochester Bridge Trust for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**ROCHESTER BRIDGE TRUST
INDEPENDENT AUDITORS' REPORT TO THE COURT MEMBERS OF THE
ROCHESTER BRIDGE TRUST
FOR THE YEAR ENDED 31 MARCH 2021**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; 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.

Responsibilities of trustees

As explained more fully in the Statement of Responsibilities of the Court Members set out on page 19, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**ROCHESTER BRIDGE TRUST
INDEPENDENT AUDITORS' REPORT TO THE COURT MEMBERS OF THE
ROCHESTER BRIDGE TRUST
FOR THE YEAR ENDED 31 MARCH 2021**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with informed management and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**ROCHESTER BRIDGE TRUST
INDEPENDENT AUDITORS' REPORT TO THE COURT MEMBERS OF THE
ROCHESTER BRIDGE TRUST
FOR THE YEAR ENDED 31 MARCH 2021**

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP.
.....

Saffery Champness LLP

71 Queen Victoria Street

Chartered	London
Accountants	
Statutory Auditors	EC4V 4BE

Date: *2 December 2021*

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ROCHESTER BRIDGE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

		General Fund	River Medway Fund Designated	Bridges Reserve Fund Designated	2021 Total	2020 Total
	Note	£	£	£	£	£
<u>Income from:</u>						
Investments						
Rents receivable		-	-	2,357,249	2,357,249	2,530,145
Dividends receivable		-	-	613,876	613,876	854,173
Bank and other interest		5,452	-	-	5,452	40,261
Total income		5,452	-	2,971,125	2,976,577	3,424,579
<u>Expenditure on:</u>						
Raising funds						
Investment management	3	-	-	190,909	190,909	199,426
Expenditure on investment properties	4	1,997,446	-	-	1,997,446	1,732,058
Charitable Activities						
Maintenance of bridges	5	6,968,646	-	-	6,968,646	8,395,570
Grants payable	6	31,910	-	-	31,910	129,233
Other charitable activities	7	344,016	-	-	344,016	523,065
		7,344,572	-	-	7,344,572	9,047,868
Total expenditure		9,342,018	-	190,909	9,532,927	10,979,352
Net (expenditure)/income before investments gains/losses		(9,336,566)	-	2,780,216	(6,556,350)	(7,554,773)
Unrealised gain/(loss) on investment assets	13b	-	-	7,384,616	7,384,616	(3,840,711)
Realised gain on investment assets	13b	-	-	1,421,121	1,421,121	31,880
Unrealised property gain	13a	-	-	4,251,653	4,251,653	-
Realised gain on investment property sales	13a	-	-	551,054	551,054	3,272,064
Net (expenditure)/income		(9,336,566)	-	16,388,660	7,052,094	(8,091,540)
Transfers between Funds	18	322,982	-	(322,982)	-	-
Other recognised (loss)/gains						
Actuarial loss on pension fund	11	(188,000)	-	-	(188,000)	(58,000)
Restriction on surplus on pension fund	11	64,000	-	-	64,000	110,000
Unrealised gain on tangible assets	12a	56,210	-	-	56,210	-
Net movement in funds for the year		(9,081,374)	-	16,065,678	6,984,304	(8,039,540)
Total funds brought forward		£12,715,940	£35,664	£93,467,950	£106,219,554	£114,259,094
Total funds carried forward	18	£3,634,566	£35,664	£109,533,628	£113,203,858	£106,219,554
		=====	=====	=====	=====	=====

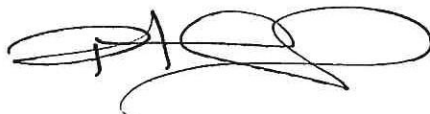
All transactions are derived from continuing activities. All recognised gains and losses are included in the statement of financial activities. The notes on pages 27 - 46 form part of these financial statements.

ROCHESTER BRIDGE TRUST
BALANCE SHEET
AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12(a)	1,600,271	1,288,336
Heritage assets	12(b)	586,971	594,013
Investment properties	13(a)	74,117,314	70,805,644
Investments	13(b)	31,929,802	22,261,683
		<u>108,234,358</u>	<u>94,949,676</u>
Current assets			
Debtors	14	759,680	1,167,273
Short term deposits		3,047,648	9,042,744
Cash at bank and in hand		2,875,344	3,762,757
		<u>6,682,672</u>	<u>13,972,774</u>
Creditors: amounts falling due within one year	15	<u>(1,500,172)</u>	<u>(2,702,896)</u>
Net current assets		<u>5,182,500</u>	<u>11,269,878</u>
Net assets excluding pension (liability)/asset		<u>113,416,858</u>	<u>106,219,554</u>
Pension (liability)/asset	11	<u>(213,000)</u>	-
Net assets including pension (liability)/asset		<u>£113,203,858</u>	<u>£106,219,554</u>
		<u>=====</u>	<u>=====</u>
Funds			
Bridges Reserve (Designated) fund	18,19	109,533,628	93,467,950
General fund	18,19	3,634,566	12,715,940
River Medway (Designated) fund	18,19	35,664	35,664
Total fund balances		<u>£113,203,858</u>	<u>£106,219,554</u>
		<u>=====</u>	<u>=====</u>

The financial statements were approved and authorised for issue by the Court of Wardens and Assistants on 22 November 2021 and were signed below on its behalf by:

Philip Filmer
Senior Warden



The notes on pages 27 to 46 form part of these financial statements.

ROCHESTER BRIDGE TRUST
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities	(10,215,787)	(9,781,138)
Cash flows from investing activities		
Dividends and interest	2,976,577	3,424,579
Purchase of property, plant and equipment	(251,517)	(31,873)
Purchase of heritage assets	(558)	(1,105)
Proceeds from sale of heritage assets	120	-
Purchase of investments	(6,066,329)	(5,539,789)
Proceeds from sale of investments	7,734,529	17,932,567
Net cash provided by investing activities	4,392,822	15,784,379
Change in cash and cash equivalents in the year	(5,822,965)	6,003,241
Cash and cash equivalents at the beginning of the year	12,974,707	6,971,466
Cash and cash equivalents at the end of the year	£7,151,742	£12,974,707

Notes to the Cash Flow Statement

	2021 £	2020 £
Reconciliation of Net Income to Net Cash Flow from Operating Activities		
Net income/(expenditure)	7,052,094	(8,091,540)
(Gains)/losses on investments	(13,608,444)	536,767
Depreciation charges	15,792	13,233
Loss on the sale of heritage assets	7,480	-
Decrease/(increase) in debtors	407,591	(586,253)
(Decrease)/increase in creditors	(1,202,723)	1,719,234
Pension costs	89,000	52,000
Dividends, interest and rents from investments	(2,976,577)	(3,424,579)
Net cash used in operating activities	(£10,215,787)	(£9,781,138)

	2021 £	2020 £
Analysis of Cash and Cash Equivalents		
Cash at bank and in hand	2,875,344	3,762,757
Short term deposits	3,047,648	9,042,744
Cash held by investment managers	1,228,750	169,206
	£7,151,742	£12,974,707

Analysis of Changes in Net Debt

	At 1 April 2020 £	Cashflows £	At 31 March 2021 £
Cash	3,931,963	172,131	4,104,094
Cash equivalents	9,042,744	(5,995,096)	3,047,648
Total	£12,974,707	(£5,882,965)	£7,151,742
	=====	=====	=====

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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) second edition and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust meets the definition of a public benefit entity under FRS 102.

The Court Members are satisfied that the Trust has sufficient reserves to continue as a going concern for the foreseeable future.

(b) 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 funds are set out in note 18.

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 Bridge Reserve Fund as applicable. The pension reserve forms part of the General Fund.

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

(c) Income and expenditure recognition

Income

Rental income is accounted for in the period to which the rent relates.

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 raising funds comprise the costs directly attributable to managing the investment portfolio and raising income.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Grants payable are charged in the year when the offer is committed. 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 5.

Support costs comprise costs for the running of the charity and are apportioned between charitable activities and costs of raising funds on the basis of time spent by staff. Governance Costs are not treated as an activity of the Trust for the purpose of allocation of Support Costs but are reallocated across the main activities of the charity in the same way as Support Costs. Governance Costs consist of those costs which relate to the overall running of the Trust, including meeting statutory and regulatory requirements.

(d) 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 12.

Depreciation is not charged on the historic freehold buildings occupied by the Trust which is not in accordance with the Charities' SORP or FRS102. 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.

Since a Fixed Asset policy was introduced on 1 April 2016, an item is deemed to be a Fixed Asset when its purchase value (ex. VAT) is equal to or exceeds £250 and where its estimated useful life is more than one year. The following depreciation terms are applied to write down the value of an asset over its useful life:

- motor vehicles (7 years); and
- fixtures & fittings, computers, plant & machinery (5 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. All maintenance and improvement costs are written off as incurred. The Court believes that the bridges should continue to be included within the asset base at £1 as their continued use by the public is fundamental to the aims and objectives of the Trust.

The Trust maintains archives and historical records in support of its objectives. The Court Members consider that owing to the irreplaceable nature of the archives and historical records, conventional valuation approaches lack sufficient reliability. As a result, no value is reported for these assets in the Trust's Balance Sheet. Further details are shown in note 12.

A collection of fine art, furniture, silverware and other historic artefacts is owned by the Trust and reported in the Balance Sheet as Heritage Assets. Disposals from this collection are not anticipated apart from in exceptional circumstances. Occasional acquisitions are made where these add to the body of knowledge of the history of the bridges and the Trust or for exhibition purposes.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

The Assets are preserved to the best of the Trust's ability, using professional conservators where appropriate. The collection is privately held by the Trust, however public access is permitted during periodic open days and exhibitions.

As described in note 12 a full valuation of the heritage assets is regularly carried out. In the intervening years the heritage assets are reviewed annually for impairment. An impairment charge is made if a significant impairment is found to have occurred.

(e) Investments

Quoted investments are included in the financial statements at market value at the balance sheet date.

Property investments are included at fair value at the balance sheet date. A "Red Book" revaluation of the property investment portfolio was carried out by qualified valuers from Savills at 31 March 2021.

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. This scheme is a multi-employer scheme. The charity's share of surplus or deficit of the scheme is recognised on the balance sheet. Changes in the assets and liabilities of the scheme in the year are disclosed and allocated as follows:

Changes relating to current or past service costs and gains and losses on settlements and curtailments, and pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme. Pension finance income arising from similar changes is recognised as an incoming resource. Actuarial gains and losses are recognised below net income.

The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation. Details of the scheme assets and liabilities and major assumptions are shown in note 11.

Any pension surplus arising at the year-end is not recognised in the balance sheet as the surplus does not meet the FRS102 criteria for recognition as an asset. See note 11 for further details.

(g) Deferred income

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

(h) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt.

Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Financial instruments are detailed in note 23.

(i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income comprises property rental income which relates to the year but not yet demanded.

(j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

(k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(l) Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. No holiday pay accrual is required in line with FRS102 as the Trust's holiday year is co-terminus with the financial year and any holiday carried forward has to be used within six months and cannot be paid.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

(m) Critical estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

The Court believes that the bridges should continue to be included within the asset base at a nominal value of £1 as detailed in accounting policy note (d). Support costs (including governance costs) are allocated across the activities of the Trust, based on a judgement of resources spent on each activity during the year.

A "Red Book" revaluation of the property investment portfolio was carried out by qualified valuers from Savills to 31 March 2021. Because of the material valuation uncertainty caused by the Covid-19 pandemic, the Court did not commission a professional valuation to 31 March 2020 and relied on the previous valuation.

The major assumptions made by the qualified independent actuary in relation to the pension scheme are provided in note 11.

2. NET MOVEMENT IN FUNDS

Net movement in funds are stated after charges for audit fees of £12,100 (2020: £11,885).

3. INVESTMENT MANAGEMENT FEES	2021	2020
	£	£
Investment management fees	109,884	109,546
Support costs (note 8)	81,025	89,880
	<u>£190,909</u>	<u>£199,426</u>
	=====	=====

The investment management fee is related to the value of the portfolio.

4. EXPENDITURE ON INVESTMENT PROPERTIES	2021	2020
	£	£
Professional and other fees	353,022	554,209
Maintenance and repairs	180,973	538,933
Operational Property	798,324	-
VAT Irrecoverable	162,059	101,704
Insurance	63,799	70,153
Ground rents	16,377	16,563
Compliance costs	14,389	33,509
Vacant property costs	35,173	52,740
Bad debts	8,244	14,810
Support costs (note 8)	365,086	349,437
	<u>£1,997,446</u>	<u>£1,732,058</u>
	=====	=====

Expenditure includes the cost of the refurbishment of the Bridge Chapel and Chamber incurred in the period (£798,324). Work started on site in Autumn 2020 and is expected to complete by Summer 2021. Prior year costs associated with the development of this project were charged to office and administration support costs (£164,135).

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

5. MAINTENANCE OF BRIDGES	2021	2020
	£	£
Professional fees	733,250	849,566
Maintenance and repairs	4,715,384	5,750,599
VAT irrecoverable	1,092,214	1,321,986
Insurance	45,082	43,991
Lighting	12,434	9,767
Support costs (note 8)	367,410	436,312
Recharged costs	2,872	(16,651)
	<u>£6,968,646</u>	<u>£8,395,570</u>
	=====	=====

6. GRANTS PAYABLE	General Fund	River Medway Fund	2021 Total	2020
	£	£	£	£
Miscellaneous grants	6,985	-	6,985	24,562
Other grant costs	-	-	-	478
Support costs (note 8)	24,925	-	24,925	104,193
	<u>£31,910</u>	<u>-</u>	<u>£31,910</u>	<u>£129,233</u>
	=====	=====	=====	=====

Grants were capped at £5,000 per grant for most of the year while the effect of Covid-19 on income was evaluated. Grants programmes were not actively promoted. No grants over £10,000 were awarded. A grant of £25,000 was written back in the year due to the terms of the grant agreement no longer being met. Staff continued to support ongoing grant projects and distribute small grants for engineering education to youth groups and schools. There were no grants awarded in the year from the River Medway Fund.

The total number of grants awarded in 2021 was 11 (2020: 28) in addition to scholarship grants awarded under the Rochester Bridge Trust's Arkwright Engineering Scholarship and Spence Agricultural Scholarship schemes.

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).

7. OTHER CHARITABLE ACTIVITIES	2021	2020
	£	£
Education	869	19,764
Other Charitable Activities	56,409	128,506
Support costs (note 8)	286,738	374,795
	<u>£344,016</u>	<u>£523,065</u>
	=====	=====

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Most in-person education events and exhibitions were cancelled during the year as a result of Covid-19 restrictions. Alternative provision was made on-line where practicable. The Bridgeworks Exhibition was relocated from Tonbridge Castle to Maidstone Museum in readiness for re-opening to the public.

EDUCATION	2021	2020
	£	£
Education activities	869	19,764
	<u>£869</u>	<u>£19,764</u>
	=====	=====
 OTHER CHARITABLE ACTIVITIES	 2021	 2020
	£	£
Awards & Sponsorship	13,000	14,937
Exhibitions	15,338	30,946
Archive Projects	7,511	15,254
Charitable Donations	-	523
Other Charitable Projects	20,560	66,846
	<u>£56,409</u>	<u>£128,506</u>
	=====	=====

8. SUPPORT AND GOVERNANCE COSTS

2021

	Bridges	Properties	Financial Invest- ments	Grants	Other Charitable Activities	Total
	£	£	£	£	£	£
Wages and salaries	234,750	218,376	42,237	12,827	183,881	692,071
Insurance	20,791	22,993	6,079	1,896	16,120	67,879
Office and administration	111,869	123,717	32,709	10,202	86,737	365,234
	<u>£367,410</u>	<u>£365,086</u>	<u>£81,025</u>	<u>£24,925</u>	<u>£286,738</u>	<u>£1,125,184</u>
	=====	=====	=====	=====	=====	=====

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

Office and administration costs in the year to 31 March 2020 included fees incurred for the development of the Bridge Chapel and Chamber refurbishment project (£164,135). The refurbishment works commenced in Autumn 2020 and costs incurred during the year to 31 March 2021 are included in Property Costs (Operational Property) which can be seen in note 4.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

2020

	Bridges	Properties	Financial Invest- ments	Grants	Other Charitable Activities	Total
	£	£	£	£	£	£
Wages and salaries	212,827	163,076	39,808	44,450	177,012	637,173
Insurance	22,250	18,554	4,985	5,948	19,691	71,428
Office and administration	201,235	167,807	45,087	53,795	178,092	646,016
	<u>£436,312</u>	<u>£349,437</u>	<u>£89,880</u>	<u>£104,193</u>	<u>£374,795</u>	<u>£1,354,617</u>
	=====	=====	=====	=====	=====	=====

Included in the above are the following:

GOVERNANCE COSTS

	2021 £	2020 £
Salaries and wages	47,073	44,824
Meeting costs	239	2,017
Auditors' remuneration in respect of the audit	12,100	11,885
Auditors' remuneration in respect of non-audit services	3,230	-
FRS102 Pension Report	723	600
Trustee Training	-	1,974
	<u>£63,365</u>	<u>£61,300</u>
	=====	=====

Governance Costs are reallocated across the main activities of the charity in the same way as Support Costs.

9. EMOLUMENTS OF EMPLOYEES

	2021 £	2020 £
Salaries and wages	527,447	442,187
Employer national insurance	54,377	43,669
Superannuation	74,150	99,317
Net interest and service costs of defined benefit pension scheme	89,000	52,000
	<u>£744,974</u>	<u>£637,173</u>
	=====	=====

Of the above, a total of £52,903 was allocated directly to bridge costs in relation to overtime hours worked on the bridge refurbishment project. (Salaries and wages: £41,138; Employer NI £5,677 and superannuation £6,088). The remaining £692,071 is included in support costs and allocated across the main activities of the charity as usual.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

	No.	No.
Average number of employees (headcount)	13	12
	====	====
	No.	No.
Average number of employees (full time equivalents)	9	8
	====	====

The Trust considers the Court of Wardens and Assistants and the Senior Management Team (Bridge Clerk, Chief Finance Officer and Chief Estates Officer) as comprising the key management personnel of the Trust. The total employment benefits, including employer pension contributions, of the key management personnel were £320,464 (2020: £265,496).

One employee of the Trust earned between £120,000 and £130,000 and two employees earned between £70,000 and £80,000 during the year (2020: one between £120,000 and £130,000 and one between £60,000 and £70,000). No other employee earned £60,000 or more (2020: none).

10. EMOLUMENTS OF THE COURT

No member of the Court received any remuneration from the Trust. Expenses paid (e.g. travel and subsistence) for Trustees attending meetings, training and events on behalf of the Trust during the year amounted to £518 for twelve Trustees. (2020: £6,815 for twelve Trustees, mostly relating to property estate visits).

11. PENSION COST

The Trust is a participant in the Kent County Council defined benefit multi-employer pension scheme. The scheme remains open to new entrants and is compliant with Auto-Enrolment rules.

A full actuarial valuation was carried out at 31 March 2019 and updated to 31 March 2021 by a qualified independent actuary. The next full actuarial valuation will be carried out as at 31 March 2022.

The updated valuation to 31 March 2021 includes an allowance for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. This allowance was incorporated into the accounting results as at 31 March 2020 and these results, including the allowance, have been rolled forward and remeasured to obtain accounting results as at 31 March 2021. On 16 July 2020 the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial regulations are published. The actuary does not believe there are any material differences between the approach underlying their estimated allowance and the proposed remedy.

Employer contributions payable for the year ended 31 March 2022 are projected to be £79,000.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

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

	2021	2020
	£	£
Opening defined benefit obligation	2,044,000	1,582,000
Current service cost	164,000	134,000
Past service costs	-	19,000
Contributions by scheme participants	42,000	32,000
Interest cost	48,000	39,000
Change in financial assumptions	833,000	(257,000)
Change in demographic assumptions	(24,000)	(48,000)
Experience gain on defined benefit obligation	(25,000)	560,000
Benefits paid	(15,000)	(17,000)
Closing defined benefit obligation	£3,067,000	£2,044,000
	=====	=====

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

	2021	2020
	£	£
Opening fair value of plan assets	2,108,000	1,756,000
Interest on assets	51,000	44,000
Return on assets less interest	596,000	(180,000)
Other actuarial gain	-	377,000
Administration expenses	(2,000)	(1,000)
Contributions by employer	74,000	97,000
Contributions by scheme participants	42,000	32,000
Estimated benefits paid	(15,000)	(17,000)
Closing fair value of plan assets	£2,854,000	£2,108,000
	=====	=====

The amounts recognised in the balance sheet are as follows:

	2021	2020
	£	£
Present value of funded obligations	(3,067,000)	(2,044,000)
Fair value of plan assets (bid value)	2,854,000	2,108,000
Net (liability)/asset	(213,000)	64,000
Restriction on pension surplus	-	(64,000)
Net (liability)/asset recognised in the balance sheet	(£213,000)	-
	=====	=====

The pension surplus of £64,000 as at 31 March 2020 was not recognised in the balance sheet as it did not meet the FRS102 criteria for recognition as an asset and as such was written off to reserves. This write off to reserves has been reversed in 31 March 2021 now that the pension is in deficit.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

The amounts recognised in the Statement of Financial Activities are:

	2021	2020
	£	£
Service cost	164,000	153,000
Net interest on the defined liability/(asset)	(3,000)	(5,000)
Administration expenses	2,000	1,000
	<hr/>	<hr/>
Total	£163,000	£149,000
	<hr/>	<hr/>

Remeasurement of the net assets / (defined liability)	2021	2020
	£	£
Return on Fund assets in excess of interest	596,000	(180,000)
Change in financial assumptions	(833,000)	257,000
Change in demographic assumptions	24,000	48,000
Experience gain on defined benefit obligation	25,000	(560,000)
Other actuarial gain	-	377,000
	<hr/>	<hr/>
Total	(£188,000)	(£58,000)
	<hr/>	<hr/>

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

	2021	2020
Equities	64%	62%
Gilts	1%	1%
Other Bonds	12%	13%
Property	10%	14%
Cash	5%	3%
Absolute Return Fund	7%	8%

The assets in the scheme were:

	Value at 31 Mar 2021	Value at 31 Mar 2020
	£	£
Equities	1,838,000	1,297,000
Gilts	17,000	16,000
Other bonds	356,000	275,000
Property	295,000	287,000
Cash	142,000	55,000
Absolute Return Fund	206,000	178,000
	<hr/>	<hr/>
Total market value of assets	£2,854,000	£2,108,000
	<hr/>	<hr/>

The expected return for the year to 31 March 2021 was 30.02% (2020: -7%) across all asset classes.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

The major assumptions of the actuary were: -

	At 31 Mar 2021	At 31 Mar 2020
RPI Increases	3.15%	2.7%
CPI Increases	2.85%	1.9%
Salary increases	3.85%	2.9%
Pension increases	2.85%	1.9%
Discount rate	2.05%	2.35%

Assumed life expectancies at age 65 are:	At 31 Mar 2021	At 31 Mar 2020
<i>Retiring today</i>		
Males	21.6	21.8
Females	23.6	23.7
<i>Retiring in 20 years</i>		
Males	22.9	23.2
Females	25.1	25.2

In addition, it was assumed that members will exchange half of their commutable pension for cash at retirement and that members will retire at the pension weighted average tranche retirement age. It is further assumed that the proportion of members that had taken up the option to pay 50% of contributions for 50% of benefits at the previous valuation date remain the same.

12. TANGIBLE FIXED ASSETS

(a) Assets recognised in the balance sheet	Freehold Land and buildings	Office Equipment	Furniture and Fixtures	Plant and Machinery	Total
	£	£	£	£	£
Valuation/cost					
At 1 April 2020	1,235,001	37,844	20,406	16,650	1,309,901
Additions	241,790	1,413	8,314	-	251,517
Reallocations	20,000	-	-	-	20,000
Revaluation	56,210	-	-	-	56,210
At 31 March 2021	1,553,001	39,257	28,720	16,650	1,637,628
Depreciation					
At 1 April 2020	-	12,521	6,546	2,498	21,565
Depreciation charge for the year	-	7,808	4,654	3,330	15,792
At 31 March 2021	-	20,329	11,200	5,828	37,357
Net Book Value					
At 31 March 2021	£1,553,001	£18,928	£17,520	£10,822	£1,600,271
	=====	=====	=====	=====	=====
At 1 April 2020	£1,235,001	£25,324	£13,859	£14,152	£1,288,336
	=====	=====	=====	=====	=====

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

The net book value of tangible fixed assets represents fixed assets used for general management and administration of the Trust. During the year the Trust purchased 1 Gundulph House and the roadway of Castle Hill Court, both of which will be used for operational purposes for office space and access to the Bridge Chamber respectively for the foreseeable future. One investment property, Boarley Barn, was also moved into operational use for storage, this reallocation can be seen above and in note 13(a). The freehold land and buildings were valued at 31 March 2021 as part of a "Red Book" revaluation of the Trust's property portfolio and as a result the value was uplifted by £56,210. 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 heritage assets: 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 majority of the assets are in storage pending the completion of the refurbishment of the Bridge Chapel and Chamber. Once that project is completed and the artefacts are returned to Rochester a new valuation of the heritage assets will be carried out. Gains and losses on revaluation are recognised in the Statement of Financial Activities.

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 would happen only in exceptional circumstances.

Summary analysis of heritage asset transactions

	2021	2020	2019	2018	2017
	£	£	£	£	£
Balance brought forward	594,013	592,908	585,969	585,969	579,969
Purchases	558	1,105	6,939	-	6,000
Disposals	(7,600)	-	-	-	-
Donations	-	-	-	-	-
	-----	-----	-----	-----	-----
Balance carried forward	£586,971	£594,013	£592,908	£585,969	£585,969
	=====	=====	=====	=====	=====

The Trust disposed of a modern table (made by the Trust's own staff in the 1980s) and removed a built-in cupboard, both of which were listed with heritage assets, and which were surplus to requirements as part of the Bridge Chapel and Chamber refurbishment.

(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.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

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 Archives & Records Manager.

13. INVESTMENTS	2021	2020
	£	£
(a) Investment properties		
Valuation at 1 April	70,805,644	78,280,372
Acquisitions	-	-
Disposals at net book value	(919,983)	(6,818,728)
Reallocations to operational property	(20,000)	(656,000)
Revaluation	4,251,653	-
	<hr/>	<hr/>
At 31 March	£74,117,314	£70,805,644
	<hr/>	<hr/>

A "Red Book" revaluation of the property portfolio was carried out by qualified valuers from Savills at 31 March 2021. An uplift in value of £4.25 million was recorded as a result of this calculation. No valuation was carried out in 2020 because of the material valuation uncertainty caused by the outbreak of the Covid-19 pandemic and so the valuation at the start of the year was based on a valuation at 31 March 2019 adjusted for material changes to individual properties at 31 March 2020.

It is not possible to give the historical cost of investment properties as some were acquired over 600 years ago.

Investment properties disposed of during the year were in accordance with the Trust's Cash Generation Strategy designed to provide cash from the reserves to finance the bridge and Bridge Chapel and Chamber refurbishment projects.

b) Quoted investments	2021	2020
	£	£
Market value of investments at 1 April	22,092,477	28,203,294
Additions	6,066,329	5,539,789
Disposals at net book value	(4,842,370)	(7,809,895)
Unrealised gain on revaluation	7,384,616	(3,840,711)
	<hr/>	<hr/>
Market value of investments at 31 March	30,701,052	22,092,477
Cash held by investment managers	1,228,750	169,206
	<hr/>	<hr/>
	£31,929,802	£ 22,261,683
	<hr/>	<hr/>
Historic cost at 31 March (excluding cash)	£24,093,950	£20,856,882
	<hr/>	<hr/>
Realised gain/(loss) on disposals	£1,421,121	£31,880
	<hr/>	<hr/>

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

b) Quoted investments (continued)	2021	2020
	£	£
The portfolio structure is made up as follows:		
UK Equities	17,576,951	12,077,335
Overseas Equities	11,861,755	9,093,591
Indirect Property/Infrastructure	241,450	157,811
Private Equity	1,020,896	763,740
Cash	1,228,750	169,206
	<u>£31,929,802</u>	<u>£22,261,683</u>
	=====	=====
 14. DEBTORS: Amounts falling due within one year	 2021	 2020
	£	£
Rents receivable	234,948	313,594
Prepayments	159,596	120,285
Accrued income	179,729	167,968
Other debtors	185,407	565,426
	<u>£759,680</u>	<u>£1,167,273</u>
	=====	=====
 15. CREDITORS: Amounts falling due within one year	 2021	 2020
	£	£
Trade and other creditors	496,147	1,447,903
Accruals	580,735	806,678
Deferred income (note 16)	293,617	286,893
Grants allocated but unpaid (note 17)	52,709	86,609
Other taxes and social security	66,730	63,639
Pension contributions payable	10,234	11,174
	<u>£1,500,172</u>	<u>£2,702,896</u>
	=====	=====
 16. DEFERRED INCOME		
	£	
Balance at 1 April 2020	286,893	
Amount released to property income	(286,893)	
Amounts deferred in the year	293,617	
	<u>£293,617</u>	
	=====	
Balance at 31 March 2021	£293,617	
	=====	

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

17. GRANTS ALLOCATED BUT UNPAID RECONCILIATION

	£
Balance at 1 April 2020	86,609
Paid in the year	(41,185)
Grants expired or no longer required	(25,000)
Awarded in the year	32,285

Balance at 31 March 2021	£52,709
	=====
Of which:	
Falling due within one year	£52,709

18. FUNDS

2021	General Fund	River Medway (Designated) Fund	Bridges Reserve (Designated) Fund	Total
	£	£	£	£
Balance at 1 April 2020	12,715,940	35,664	93,467,950	106,219,554
Net expenditure before investments gains and losses	(9,336,566)	-	2,780,216	(6,556,350)
Unrealised gain on investments	-	-	7,384,616	7,384,616
Realised gain on investments	-	-	1,421,121	1,421,121
Unrealised property gain	-	-	4,251,653	4,251,653
Realised gains on property sales	-	-	551,054	551,054
Transfers between Reserve Funds	322,982	-	(322,982)	-
Actuarial loss on pension fund	(188,000)	-	-	(188,000)
Restriction of surplus on pension fund (released)	64,000	-	-	64,000
Unrealised gain on tangible assets	56,210	-	-	56,210
	-----	-----	-----	-----
Balance at 31 March 2021	£3,634,566	£35,664	£109,533,628	£113,203,858
	=====	=====	=====	=====

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

2020	General Fund	River Medway (Designated) Fund	Bridges Reserve (Designated) Fund	Total
	£	£	£	£
Balance at 1 April 2019	7,063,870	49,084	107,146,140	114,259,094
Net expenditure before investments gains and losses	(10,669,318)	(70,347)	3,184,892	(7,554,773)
Unrealised loss on investments	-	-	(3,840,711)	(3,840,711)
Realised gain on investments	-	-	31,880	31,880
Unrealised property gain/loss	-	-	-	-
Realised gains on property sales	-	-	3,272,064	3,272,064
Transfers between Reserve Funds	16,269,388	56,927	(16,326,315)	-
Actuarial gain on pension fund	(58,000)	-	-	(58,000)
Restriction of surplus on pension fund	110,000	-	-	110,000
Balance at 31 March 2020	£12,715,940	£35,664	£93,467,950	£106,219,554
	=====	=====	=====	=====

DESIGNATED FUNDS

There are two designated funds as follows:

Bridges Reserve Fund

The Bridge Reserve Fund provides for the repair, improvement, rebuilding or replacement of the bridges and related assets. The Fund and all the assets of the Charity are managed to deliver sufficient income to transfer funds to the General Fund as required to meet its obligations. The value of this transfer is the amount required to rebalance the General Fund to equal the closing value of the Trust's operational assets and liabilities. For the year ended 31 March 2021 the value transferred was £322,982.

River Medway Fund

The Trust maintains the River Medway Fund with a view to distributing the remaining funds from a previous charity, the Medway Heritage Centre Trust (MHCT) in line with the objectives agreed at the time of the dissolution of the MHCT.

A proportion of the support costs that are allocated to the Trust's Grants activity are applied to the River Medway Fund, however the fund does not carry these costs, only the cost of the actual grants to be distributed. Therefore, the Bridge Reserve Fund transfers funds as required to cover these support costs. For the year ended 31 March 2021, the value transferred was £nil (2020: £56,927).

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

19. ANALYSIS OF NET ASSETS BY FUND

2021	General Fund	River Medway Fund	Bridges Reserve Fund	Total
	£	£	£	£
Tangible fixed assets	1,600,271	-	-	1,600,271
Heritage assets	586,971	-	-	586,971
Investment properties	-	-	74,117,314	74,117,314
Investments	-	-	31,929,802	31,929,802
Current assets	2,800,405	39,774	3,842,493	6,682,672
Current liabilities	(1,140,081)	(4,110)	(355,982)	(1,500,172)
Pension liability	(213,000)	-	-	(213,000)
Total net assets at 31 March 2021	<u>£3,634,566</u>	<u>£35,664</u>	<u>£109,533,628</u>	<u>£113,203,858</u>
	=====	=====	=====	=====
2020	General Fund	River Medway Fund	Bridges Reserve Fund	Total
	£	£	£	£
Tangible fixed assets	1,288,336	-	-	1,288,336
Heritage assets	594,013	-	-	594,013
Investment properties	-	-	70,805,644	70,805,644
Investments	-	-	22,261,683	22,261,683
Current assets	13,173,926	39,774	759,074	13,972,774
Current liabilities	(2,340,335)	(4,110)	(358,451)	(2,702,896)
Total net assets at 31 March 2020	<u>£12,715,940</u>	<u>£35,664</u>	<u>£93,467,950</u>	<u>£106,219,554</u>
	=====	=====	=====	=====

20. RELATED PARTIES

Two (2020: two) of the Wardens and Assistants who served during the year are members of Kent County Council. During the year ended 31 March 2021, the Trust paid £74,150 (2020: £99,317) in employer pension contributions to the Kent County Council Pension Scheme, a Local Government Pension Scheme administered by Kent County Council. The balance of pension contributions outstanding as at 31 March 2021 was £10,234 (2020: £11,174). The Trust also paid £676 (2020: £600) during the year for other services in relation to the pension fund.

Three (2020: three) of the Wardens and Assistants who served during the year are members of, or nominated by Medway Council. During the year, the Trust carried out rechargeable works to the approaches to the New Bridge on behalf of Medway Council as part of the bridge refurbishment project.

One (2020: one) of the Wardens and Assistants who served during the year is a member of Rochester Cathedral Council and two (2020: one) are a member of the Rochester Cathedral Trust.

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

During the year ended 31 March 2021, Rochester Cathedral charged the Trust £21,097 (2020: £22,621), for costs associated with the rent and services relating to the administrative office, St. Andrew's House and the All Soul's Day service (held online this year).

One of the Wardens and Assistants is Chairman of the Kent Wildfowling and Conservation Association. During the year ended 31 March 2021, the Trust received fees in respect of Sporting Leases of £20,700 (2020: £20,700) from the Kent Wildfowling and Conservation Association.

21. FINANCIAL COMMITMENTS

Lease Commitments	2021	2020
	£	£
Lease payments due under non-cancellable operating leases falling due:		
- within one year	31,783	25,951
- in more than one year	21,840	7,475
	<hr/>	<hr/>
Total lease payments under non-cancellable operating leases	£53,623 =====	£33,426 =====

The total commitment includes a lease for office accommodation (St Andrew's House) and parking, ground rent on a long leasehold investment property and office equipment operating lease payments.

22. OPERATING LEASE RECEIPTS

	2021	2020
	£	£
Minimum lease receipts under non-cancellable operating leases to be received:		
- not later than one year	1,872,302	1,855,599
- later than one year and not later than five years	3,940,929	4,259,028
- later than five years	5,632,325	7,297,546
	<hr/>	<hr/>
Total lease receipts under non- cancellable operating leases	£11,445,556 =====	£13,412,173 =====

23. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Financial assets measured at fair value		
Investment properties	74,117,314	70,805,644
Investments	31,929,802	22,261,683

ROCHESTER BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

24. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE

	General Fund	River Medway Fund (Designated)	Bridges Reserve Fund (Designated)	2020 Total
	£	£	£	£
<u>Income from:</u>				
Investments				
Rents receivable	-	-	2,530,145	2,530,145
Dividends receivable	-	-	854,173	854,173
Bank and other interest	40,261	-	-	40,261
Total income	40,261	-	3,384,318	3,424,579
<u>Expenditure on:</u>				
Raising funds				
Investment management	-	-	199,426	199,426
Expenditure on investment properties	1,732,058	-	-	1,732,058
Charitable Activities				
Maintenance of bridges	8,395,570	-	-	8,395,570
Grants payable	58,886	70,347	-	129,233
Other charitable activities	523,065	-	-	523,065
	8,977,521	70,347	-	9,047,868
Total expenditure	10,709,579	70,347	199,426	10,979,352
Net (expenditure)/ income before investments gains	(10,669,318)	(70,347)	3,184,892	(7,554,773)
Unrealised (loss) gain on investment assets	-	-	(3,840,711)	(3,840,711)
Realised gain on investment assets	-	-	31,880	31,880
Unrealised property gains	-	-	-	-
Realised gain on property sales	-	-	3,272,064	3,272,064
Net income	(10,669,318)	(70,347)	2,648,125	(8,091,540)
Transfers between Reserve Funds	16,269,388	56,927	(16,326,315)	-
Other recognised (losses)/gains				
Actuarial loss on pension fund	(58,000)	-	-	(58,000)
Restriction on surplus on pension fund	110,000	-	-	110,000
Net movement in funds for the year	5,652,070	(13,420)	(13,678,190)	(8,039,540)
Total funds brought forward	7,063,870	49,084	107,146,140	114,259,094
Total funds carried forward	£12,715,940	£35,664	£93,467,950	106,219,554