ROCHESTER
BRIDGE TRUST

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REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2020

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.	Maidstone Borough Council
Russell Graham Cooper, Esq. FRICS, *	Appointed Member
Philip Filmer, Esq.**	Medway Council
Raymond Peter Harris, Esq.	Medway Council
Paul Edward James Harriott, Esq.	Appointed Member
Mrs Sarah Virginia Hohler	Kent County Council
Peter John Homewood, Esq.	Kent County Council
Alan Leslie Jarrett, Esq.	Medway Council
Dr Anne Frances Helen Logan	Appointed Member
Russell John Race, Esq. JP, DL	Appointed Member
Richard George Thornby, Esq. MRICS,	Appointed Member
Lars Lemonius, Esq.	Appointed Member

* Senior Warden to 31 May 2021
** Junior Warden to 31 May 2021

Principal officers

Mrs Sue Threader BEng HonDSc CEng FICE	Bridge Clerk (Chief Executive)
Paula Puxty BA(Hons) ACA	Chief Finance Officer

Principal advisors

Investment Manager	Rathbone Investment Management Ltd 1 Curzon Street, London W1J 0LP
Estate Surveyor	Savills (UK) Limited 23 Kings Hill Avenue West Malling, Kent ME19 4UA
Bridge Engineer	Arcadis Consulting (UK) Limited Arcadis House 34 York Way London N1 9AB
Solicitor	asblaw Origin Two 106 High Street Crawley, West Sussex RN10 1AS
Bankers	Lloyds Bank plc 142-146 High Street Chatham, Kent ME4 4DQ
Independent Auditors	Saffery Champness LLP 71 Queen Victoria Street, London EC4V 4BE

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 2020, 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 began a major refurbishment of Rochester Bridge, in pursuance of its primary purpose. Following competitive tender, a contract was awarded to FM Conway Ltd, with work beginning in April 2019 and programmed for completion during 2020/21.

In mid-March 2020, restrictions were put in place by the UK government in response to the Covid-19 outbreak. This resulted in the temporary suspension of the bridge refurbishment contract, closure of the administrative offices and all staff working from home, and the cancellation of many planned events and activities. The restrictions have had a significant impact on the economy, the extent of which has not yet emerged fully. As the Trust's income is derived from rental payments for property and financial investment income e.g. from dividends, a notable fall in income is anticipated in 2020/21 and possibly beyond. The impact on the property and equity markets will also result in an unrealised fall in value in the short term.

The Trust's investments at the start of the year were approximately split 73:27 between direct property holdings and financial investments following a number of property purchases, compared to the long-term target of 60:40. At the end of the year the balance was 76:24 despite the disposal of a number of property holdings to release funds from the reserves to finance the bridge refurbishment contract. This is as a result of the significant drop in financial investment values at the year end. Once the current major projects for bridge refurbishment and operational building renovations are complete, and the impact of Covid-19 on the global economy is clearer the Court will review the balance between asset types to ensure an appropriate diversification across the investment portfolio.

At the end of 2019/20, the total value of the Trust's net assets was £106.2 million, a decrease of 7% on last year, reflecting both the major investment in bridge refurbishment and the fall in the financial market. It should be noted that the Court decided not to undertake a revaluation of the property investments this year due to the material valuation uncertainty created by the COVID-19 pandemic. Therefore, property investments have been held at 31 March 2019 values. More detail is provided in the Property Estate section under Investment Performance on page 12.

The cash needed to fund the refurbishment of the bridge is being generated from the reserves by sale of property and liquidation of financial investments. Fortunately, the majority of the cash required had already been liquidated from investments before the pandemic restrictions began and the Senior Management Team and Court are confident that, with prudent controls on other discretionary expenditure, it should be possible to avoid further significant disposals at the bottom of a depressed market.

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 and 21 August 2018.

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 current Wardens, 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.

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. A new Charity Governance Code was published on 13 July 2017, and a timetable is in place to adopt the code and prepare a new action plan with a target date for implementation by the end of 2020. This timetable will be extended by twelve months in the light of the operational disruption caused by Covid-19.

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. Visits were held in 2019 to the West Yorkshire Estate.

The skills audit was refreshed in December 2018 and is used to inform the trustee recruitment, information and briefing programme. A briefing for all members was held in November 2019 on the legal framework and different types of lease in use on the property estate. This is a significant issue since there are over one hundred such agreements in place and property rent forms a major part of the income.

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. In November 2019, Tim Cathcart was appointed as Chief Estates Officer with responsibility for management of the property estate and also grants, archives and exhibitions. Mr Cathcart is a Chartered Surveyor with extensive commercial property management expertise and experience of serving as a trustee for other charities.

The Trust's Management Team comprises the Senior Management Team, Operations & Grants Manager, Archives & Records Manager, Education Manager & Finance Manager. The post of Bridge Manager (formerly Contracts and Project Manager) has been vacant since August 2019 and is currently being covered by the Bridge Clerk.

The Chief Executive's Assistant, Finance and Office Administration Apprentice and various part-time and temporary staff have supported the organisation and administration of the Trust during the year. There are two part-time Education Officer roles, one of which is vacant. A part-time gardener and housekeeper support the maintenance of operational property. Two part-time staff are seconded from a bridge engineering consultancy to support the client team during the refurbishment contract and to cover vacancies in the permanent staff.

During the year there were twelve staff in the establishment, eight part-time and four full-time. Email and mobile communication is used extensively outside of office hours in emergency situations. Full use is made of videoconferencing technology to enable effective working from home when needed.

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 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 for the Trust has been calculated as -33% (2019: -29%) (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 the management team received training in risk management.

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 December 2018 to reduce the overall exposure of the Trust's assets to the Property markets by excluding property and infrastructure equities and funds from the financial investment portfolio and to remove the requirement for a proportion of assets to be held in Fixed Income Assets. Steps have been taken during the year to adjust the portfolio in accordance with the revised policy.

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 at no cost to the public where this is appropriate. 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 most recent report considered financial data to 31 December 2014 and was received by the Court on 1 June 2015.

Under current assumptions, the Court is satisfied that it does have sufficient resources in the short and long term to deliver its responsibilities. The Actuarial Opinion will be reviewed once the outturn cost for the current refurbishment projects is more certain and the impact of the Covid-19 outbreak on the global economy is clearer.

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, including a sum to be distributed as charitable grants.

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 is underway to include improved arrangements to document the application of controls. This Review and will be completed by the end of 2020. 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 under the supervision of the Senior Management Team. Appropriate controls are maintained and remedial actions identified.

The major risks identified in the Risk Register are:

- Significant Bridge or River Wall damage or collapse;
- Inadequate flood protection provided by others; and
- Insufficient funds to meet objectives in perpetuity.

In addition to routine maintenance, surveillance and inspection, the current refurbishment project will further mitigate the risks to the bridges. In particular:

- 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;
- Removal of redundant services and gantries which will reduce unnecessary loading; and
- Repairs to the Rochester River Wall and replacement drainage systems on Rochester Esplanade will be completed in 2020.

Projects planned for future years will mitigate the risks further.

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 being provided to the bridges electrical distribution board. Once the bridge refurbishment work is complete, improvements to the flood walls will be planned and undertaken.

An actuarial opinion is sought at regular intervals on the long-term costs of maintenance and replacement of the Trust's three bridges to determine whether the charity has sufficient funds to cover the cost of maintaining and replacing the bridges in perpetuity. 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 retained 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.

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 has been modest to date but, as a precaution, discretionary expenditure, including major grants and expenditure on operational buildings has been curtailed;
- cancellation of one cycle of planned committee and Court meetings. Postal decisions were taken and arrangements have been made for hybrid socially distanced/online meetings to be carried out for the time being;
- a fall in the value of financial investments. The impact on property investment values is not yet known and no re-valuation will take place until volatility in the market settles down. No significant disposals are planned or required for the time being in any event;
- the planned sales of a number of residential properties were suspended and the properties are being returned to the lettings market; and
- initial disruption to the bridge refurbishment contract (see below).

The most significant operational impact was to the Bridge Refurbishment Contract. 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 can remain on programme for completion by the end of 2020. The additional costs to the Trust of restarting the work fall into the 2020/21 financial year.

In September 2019, the Court reviewed again the potential risks that might arise from the UK leaving the European Union to consider whether any action was required to mitigate adverse impacts.

There is considerable uncertainty about the future of farming subsidies but 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. 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 severe 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 has no concerns about the ability for the charity 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 Trust has begun a major programme of repair and renewal work to the bridges and Esplanade. For the Old Bridge this will involve strengthening of the Old Ship's Passage, renovation of the heritage street lighting, addition of enhancement lighting, replacement of expansion joints and various repairs. The Trust will remove redundant service pipes as part of the refurbishment project. The repainting of structural steelwork, repairs to masonry piers and abutments and installation of pigeon deterrent mesh is being completed below the deck.

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 major bridge refurbishment project includes the replacement of the sub-standard parapet rails and outdated street lighting, restoration of three running lanes across most of the length of the bridge and waterproofing works. The repainting of structural steelwork, repairs to concrete piers and abutments and installation of pigeon deterrent mesh is being completed below the deck.

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 has undergone repairs and received a new roof structure as part of the bridge refurbishment. Structural steelwork has been repainted and repairs to concrete piers and abutments and installation of pigeon deterrent mesh is being completed below the deck.

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.

On the Rochester Esplanade, the refurbishment project will include a solution to longstanding carriageway subsidence. The redundant Victorian lavatories have been filled and highway drainage will be replaced, followed by landscape improvements, historical interpretation features and new surfacing. On the Strood Esplanade new and additional street lighting will be provided.

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.

A wide range of engineering education events have been organised by the education team for schools, families and other groups of young people. Many new learning resources have been produced and have been made available free of charge to schools and via the Trust's education website. The education team has also delivered a number of excellent activities and events to support the other initiatives run by the Trust, including the bridge refurbishment project, the Living Land event at the Kent County Showground and the Adventure Golf project at Rochester Cathedral. All activities are being provided online during the Covid-19 restrictions.

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. The two latest Rochester Bridge Trust Arkwright Engineering Scholars will complete their school studies at the end of the 2019/20 academic year and are intending to study engineering at university. Three new scholarships will be offered in 2020/21.

The Rochester Bridge Trust Spence Agricultural Scholarship scheme in partnership with the University of Nottingham continues with one scholarship awarded which started in September 2019 and three further scholarships offered for 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 Bridge Clerk and other members of staff gave presentations to local interest groups about the work and history of the Trust. News and information about the Trust were 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 continued to engage in social media, primarily Twitter and Facebook; both channels are proving useful for gathering information and disseminating news and facts about the charity.

Significant efforts have been made to communicate information to the public about the bridge refurbishment project, with a series of "Bridge Engineer's Blogs" written by the Bridge Clerk, seconded Bridge Programme Manager and the Trust's external communications advisor. The Bridge Clerk has also written a number of articles about the project for technical (engineering and charity) publications.

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.

Of particular note in 2019 was the delivery of a free, bridge-themed Adventure Golf Course for families which was hosted by Rochester Cathedral throughout August 2019. Free engineering education activities were provided in parallel. This project attracted worldwide public and media attention which placed additional pressure on the Trust's resources. It was an enormously successful event which far exceeded the Trust's expectations in terms of the level of engagement achieved. This educational initiative attracted over 31,000 visitors. The demountable Golf Course was subsequently installed at the Institution of Civil Engineers as part of the "Engineering Late" event which encourages the public to find out more about civil engineering careers.

Operational Buildings

Growth in the Trust's activities and the corresponding increase in the staff establishment means that the Bridge Chapel and Chamber are no longer capable of accommodating all the Trust's administrative functions in acceptable working conditions.

The office operation was relocated in April 2016 to temporary, serviced accommodation in Chatham. The Trust subsequently undertook refurbishment of part of St Andrew's House in the centre of Rochester, under a lease from the Dean and Chapter of Rochester Cathedral and now occupies the building as its administrative office.

The Chamber and Chapel will be renovated for use as the meeting place of the Court and the home of the main archive collections. To make the best use of the asset, the Court has decided that the building will also be used for exhibitions and an event space. The Project was tendered and a contractor selected in March 2020, however the Covid-19 restrictions prevented the immediate placing of the contract. The programme is under review but the work is expected to begin in Autumn 2020.

ACHIEVEMENTS AND PERFORMANCE

The Trust has made excellent progress against the Court's objectives set for the year. Performance against these objectives is summarised below:

Governance

- The programme for the planned Governance Review and the preparation of a new Strategic Plan has been disrupted by the impacts of the Covid-19 outbreak and restrictions. A revised programme will be set with the main work being undertaken once the bridge refurbishment contract is complete.
- Messrs D.G. Butler, P.J. Homewood and P. Filmer were re-nominated by Maidstone Borough, Kent County and Medway Councils respectively to serve a further term as members of the Court of Wardens and Assistants to 31 May 2023.
- Following consideration of the skills audit, and taking account of the major bridge refurbishment which is in hand, Messrs Cooper, Harriott and Race were reappointed to serve a further term as members of the Court of Wardens and Assistants to 31 May 2024.
- Messrs Cooper and Filmer were reappointed to serve a further two-year term to 31 March 2021 as Senior and Junior Warden respectively.

Bridges and Esplanade

- The contract for the major refurbishment of the bridges and Esplanades is well underway. The contractor is FM Conway Ltd. The maritime authorities require that one span of the bridges remains open to river traffic at all time. Work began on the Old Ships' Passage, Strood and Rochester Spans, with the Centre Span remaining open for navigation. To minimise traffic, cyclist and pedestrian disruption the Trust initially required that only one bridge should have above restrictions at any time. However this constraint was lifted in the light of the delays caused by the Covid-19 restrictions (temporary site closure and new working methods) to ensure that the completion date of the project is not extended significantly. Traffic flows on the bridges and surrounding roads are lower than usual.
- At the end of the year work to the Service Bridge was almost finished, with only the Centre Span below-deck work still to be completed.
- For the New Bridge, below deck work was nearing completion apart from the Centre Span. This work has included painting of the box girders, concrete repairs and removal of the redundant painting gantry rails. Above deck, the new street lighting is complete and the bridge parapets have been replaced with a new aluminium vehicle restraint system which has improved edge-protection significantly. The scope of the work has been extended to include full re-waterproofing of the New Bridge as it was not feasible to replace surfacing and expansion joints without damaging the existing system.
- On the Old Bridge, the Old Ships' passage has been strengthened and redundant painting gantry rails removed. Redundant services have been removed, together with the cantilever gantry which supported these services. Preparation and painting of the soffit steelwork is complete apart from the Centre Span and extensive masonry repairs have been carried out. Work above deck to replace street lighting, surfacing and expansion joints and carry out partial waterproofing started in July 2020.
- The void beneath Rochester Esplanade which accommodated public lavatories until the 1970s has been filled, improving the stability and safety of the area. Repairs have started to the river wall and stone parapet.

Property Estate

- Excellent progress was made to deliver the Cash Generation Strategy which was designed to liquidate property and financial assets from the Bridge Reserve Fund to finance the bridge refurbishment and renovation of the Bridge Chamber and Chapel. 17 properties were sold, raising £10.2m in cash. The good progress was fortuitous as the Trust has sufficient cash at hand to complete the refurbishment project and the need to dispose of assets at the bottom of the market has been avoided.
- The properties sold during the year were: Southern Estate - 23 Atlas Close, 12 Atlas Close, Boarley Farm Barn, Plot 3 Cooling, 24a Dowgate Close, Lacre Cottage, Abbey Farmhouse, 6 Abbeygate Cottages; Northern Estate - 2 Cooks Lane, 4 Cooks Lane, 109 Honley Road, 2 Royd House, 3 Brookside, 4 Brookside, Middle Ludhill Farm, Hall Ing Hen Run and Royd Wood.
- Part of Westmoor Farm, Rainham was under an Option Agreement to the Secretary of State for Education for the construction of a new secondary school. Planning permission was obtained by the Secretary of State and the freehold of the land was purchased from the Trust under the terms of the Option.
- A new lease was granted for land to the rear of the Boarley General Purpose Building.
- Planning applications were submitted for an extension to 30 Manor Road and commercial use of 1-3 Field Lane, Farnley Tyas and for a supplementary access to Boarley Farm Paddocks.
- A programme of capital repairs and improvements to the West Yorkshire Estate was substantially completed.

Operational Property

- Planning permission and Scheduled Ancient Monument consent were achieved for the renovation and refurbishment of the Bridge Chapel and Chamber. The project has been tendered and a preferred contractor selected.
- Planning permission was achieved for the installation of new ornamental gates at the entrances to Gundulph Square. The property was brought back in-hand for use for the Trust's staff parking requirements.
- The basement of No.1 Esplanade was brought into operational use as additional office space for the Trust, initially for the bridge refurbishment site team.

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.
- A new programme of agricultural education was started – including free resources, events and participation in the Living Land agricultural event at the Kent Agricultural Showground.

A programme of engineering education activities was delivered, including:

- Hands-on activities supported 20 individual schools at their own events, delivering to over 1,400 students;
- activities at various larger scale events with multiple schools in attendance, including the Big Bang Fair Near Me event at Discovery Park in Sandwich, Kent Careers Fair and Creating an Engineering Buzz event at Canterbury Christ Church University, engaging with at least 340 students from dozens of schools;
- sponsoring and delivering agricultural education activities at the Living Land event at Detling Showground, with 2,700 children visiting the event;
- providing activities for families to learn together at community fun days and private cinema screenings;
- delivering educational activities alongside the bridge themed Adventure Golf course at Rochester Cathedral;
- inspirational trips for our Rochester Bridge Trust Arkwright Engineering scholars, including a trip to the Forth bridges and Falkirk Wheel;
- delivering resources to a 'virtual' audience in the light of the restrictions for the COVID-19 outbreak, doubling the Facebook audience reach during March 2020; and
- sponsoring the Education Resources Awards and participating in the online awards ceremony which received 2,270 views.

- A total of more than 4,400 students, 195 school staff and over 2,300 family members (adults and children) were engaged in education activities during this period

External Communications & Events

- The exhibition, "Bridge Works – A Story of the Rochester Bridge Trust" continued at Tonbridge Castle before being relocated to Maidstone Museum in August 2020 for a final run to Summer 2021 before the exhibition is retired.

Staff Establishment

- The post of Chief Estates Officer was added to the establishment and an external appointment was made.
- The Finance Officer was promoted to the newly created position of Finance Manager.
- An external candidate was appointed to the new Finance and Office Administrator apprenticeship role.
- One of the Education Officers was promoted to the newly created position of Education Manager.

Grants

- Various grants were awarded, including:

    - St Mary's Magdalene Church, Stockbury – restoration work to building
    - Ditton Heritage Centre – restoration of exterior stonework
    - St Lucius' Church, Farnley Tyas – supporting expansion of the building to facilitate better use to support village life and community development.

- There were a number of small educational grants awarded to assist with bridge building activities in schools.

- Three grants were awarded from the River Medway Fund during the year, including:

    - Invicta Rowing Club – new training boat
    - Medway Watersports Trust – two new sports sailing craft

Archives and Collections

- The archive and art collection catalogues have been transferred to a new software package (CALM) and is being edited.

FINANCIAL REVIEW

The income and expenditure of the Trust are detailed in the Statement of Financial Activities on page 18. Income for the year remained consistent with last year, falling slightly to £3.42million from £3.59million and reflecting an increase in property income (includes the receipt of an option payment of £150,000) but a lower income from dividends (due to withdrawals from the financial investment portfolio, explained further below).

Expenditure related to the bridges has significantly increased on the prior year due to the major bridge refurbishment project, increasing from £1.6million to £8.4million.

Expenditure on properties in the year increased slightly to £1.7million (2019: £1.5million). Costs include planned maintenance works required on the West Yorkshire estate.

Overall, expenditure exceeded income in the year on the Trust's charitable purposes and generating investment returns by £7,554,773 (2019: £439,804 expenditure exceeded income), but after losses on investments of £536,767 (2019: gain £851,040), the net expenditure for the year was £8,091,540 (2019: net income £411,236).

Taking account of actuarial gain and restriction of surplus on pension fund and excluding revaluations of tangible assets, the net movement in funds for the year was net expenditure of £8,039,540 (2019: net income £445,236), a decrease in total funds of 7%.

Expenditure of £70,347 was charged to the River Medway Fund in the year for grants payable and support costs (2019: £50,011).

INVESTMENT PERFORMANCE

The value of financial investments and investment properties at 31 March 2020 totalled £93.1million, a 12.7% decrease compared with the 2019 value of £106.7 million.

Financial Investment Management

Approximately a third of the Trust's reserves and income are derived from financial investments including equities, bonds and, until 2019, infrastructure funds. The financial investment portfolio is managed primarily by Rathbone Investment Management Limited. Until recently the Trust also invested in various indirect charity property funds (2019: £600,000) but the majority of these investments have been redeemed as part of the Cash Generation Strategy, and the remaining sum invested at 31 March 2020 was £70,000.

A total of £2.3million was withdrawn from the financial investments during the year to fund the Bridge Refurbishment project.

Despite a strong start to the year, the equity markets fell dramatically in the run up to the end of the financial year as the implications of the Covid-19 outbreak became more apparent. These movements and the withdrawals during the year have resulted in the total value of the portfolio decreasing from £28.5million to £22.3million. This represents a decrease in value of 14.9% after taking account of the withdrawals. The income target from these financial investments was set at £771,000 for the year and £854,000 was achieved, exceeding the target by 10.8%. The portfolio recovered significantly during the quarter following the year end, reaching a portfolio value of £25.9million by 30 June 2020.

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 +5.5% and the Composite Index was -13.8%. The portfolio total return was -12.3% for the year, well short of the RPI target but 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 managed by Savills 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 to 31 March 2018. For the financial year to 31 March 2019, sample valuations were carried out by qualified valuers from Savills for properties where there had been a material change in circumstances and for the whole of the West Yorkshire Estate.

The outbreak of COVID-19, declared by the World Health Organisation as a 'Global Pandemic' on the 11 March 2020, impacted many aspects of daily life and the global economy – with property markets experiencing significantly lower levels of transactional activity. Therefore, as at the 31 March 2020 there was a shortage of market evidence for comparison purposes, to inform opinions of value. Given the material valuation uncertainty that this caused, the Court did not consider it to be appropriate to commission a professional valuation to 31 March 2020.

Given that the Trust's property investment portfolio is held as part of a very long-term investment strategy, that its rental incomes have not been materially impacted by the COVID-19 pandemic to date and that there is no indication of any material impairment to the property investment assets, the Court considers it appropriate to hold the property investments at 31 March 2019 values.

The portfolio value was £78.3million at the start of the year. Disposals during the year of £6.8million were made in accordance with the Cash Generation Strategy generating a realised gain after selling costs of £3.3million. A further £0.7million was transferred to operational property during the year, leaving a portfolio value of £70.8million.

RESERVES PERFORMANCE

As noted in the Reserves Policy note on page 5, 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 latest 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 previously content that it had a small surplus within its reserve fund and during 2018 allocated a sum of up to £1.4 million (revised downwards from £2m in 2018) to be expended in the period to 31 March 2021 on a range of education, grants and archive projects under the third charitable object. Just over £700,000 had been spent from this allocation by 31 March 2020.

Further new major commitments from this fund have suspended for the time being until the reserves and surplus position is reviewed in the light of the impact of the Covid-19 outbreak.

The Trust held the following total funds at 31 March 2020:

General Fund	£12,715,940
River Medway Fund	£35,664
Bridges Reserve Fund	£93,467,950
	£106,219,554

'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 5.

FUTURE PLANS

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

- Complete the Bridges and Esplanade Refurbishment Contract;
- Begin the Bridge Chamber and Chapel refurbishment project;
- Continue implementation of the Cash Generation and Property Disposal Strategy to raise cash from the reserves to fund the refurbishment projects;
- As social distancing restrictions allow, relocate the Bridge Works Exhibition to Maidstone Museum for a final run to Summer 2021;
- Deliver a programme of practical engineering and agriculture education activities, resources and support, maximising the use of online and remote learning options;
- Complete the transfer of the archive and collections catalogues to new software;
- 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;
- Put in place new working arrangements and strategies to keep staff and members safe in the light of the Covid-19 outbreak, while continuing to innovate and deliver projects.

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

Russell Cooper
Senior Warden
7 September 2020

Opinion

We have audited the financial statements of The Rochester Bridge Trust for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of 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 2020 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter – valuation of investment properties

We draw attention to note 13 in the financial statements, which describes the material valuation uncertainty related to the investment property balance as a result of the impact of the Covid-19 pandemic. Our opinion is not modified in respect of this matter.

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 auditors' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 15, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 18 September 2020

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 2020

	Note	General Fund £	River Medway Fund (Designated) £	Bridges Reserve Fund (Designated) £	2020 Total £	2019 Total £
Income from:						
Investments						
Rents receivable		-	-	2,530,145	2,530,145	2,399,091
Dividends receivable		-	-	854,173	854,173	1,174,394
Bank and other interest		40,261	-	-	40,261	11,927
Total income		40,261	-	3,384,318	3,424,579	3,585,412
Expenditure on:						
Raising funds						
Investment management	3	-	-	199,426	199,426	215,458
Expenditure on investment properties	4	1,732,058	-	-	1,732,058	1,507,260
Charitable Activities						
Maintenance of bridges	5	8,395,570	-	-	8,395,570	1,587,884
Grants payable	6	58,886	70,347	-	129,233	205,021
Other charitable activities	7	523,065	-	-	523,065	509,593
		8,977,521	70,347	-	9,047,868	2,302,498
Total expenditure		10,709,579	70,347	199,426	10,979,352	4,025,216
Net (expenditure)/ income before investments gains and losses		(10,669,318)	(70,347)	3,184,892	(7,554,773)	(439,804)
Unrealised (loss) gain on investment assets	13b	-	-	(3,840,711)	(3,840,711)	783,400
Realised gain on investment assets	13b	-	-	31,880	31,880	338,329
Unrealised property loss	13a	-	-	-	-	(453,631)
Realised gain on investment property sales	13a	-	-	3,272,064	3,272,064	182,942
Net (expenditure)/income		(10,669,318)	(70,347)	2,648,125	(8,091,540)	411,236
Transfers between Reserve Funds	18	16,269,388	56,927	(16,326,315)	-	-
Other recognised gains/(losses)						
Actuarial (loss)/gain on pension fund	11	(58,000)	-	-	(58,000)	85,000
Restriction on surplus on pension fund	11	110,000	-	-	110,000	(51,000)
Net movement in funds for the year		5,652,070	(13,420)	(13,678,190)	(8,039,540)	445,236
Total funds brought forward		£7,063,870	£49,084	£107,146,140	£114,259,094	113,813,858
Total funds carried forward	18	£12,715,940	£35,664	£93,467,950	£106,219,554	£114,259,094

All transactions are derived from continuing activities. All recognised gains and losses are included in the statement of financial activities. The notes on pages 21 - 37 form part of these financial statements.

ROCHESTER BRIDGE TRUST
BALANCE SHEET
AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12(a)	1,288,336	613,696
Heritage assets	12(b)	594,013	592,908
Investment properties	13(a)	70,805,644	78,280,372
Investments	13(b)	22,261,683	28,461,075
		94,949,676	107,948,051
Current assets			
Debtors	14	1,167,273	581,020
Short term deposits		9,042,744	3,505,794
Cash at bank and in hand		3,762,757	3,207,891
		13,972,774	7,294,705
Creditors: amounts falling due within one year	15	(2,702,896)	(983,662)
Net current assets		11,269,878	6,311,043
Net assets excluding pension asset/ (liability)		106,219,554	114,259,094
Pension asset/ (liability)	11	-	-
Net assets including pension asset/ (liability)		£106,219,554	£114,259,094
Funds			
Bridges Reserve (Designated) fund	18,19	93,467,950	107,146,141
General fund	18,19	12,715,940	7,063,869
River Medway (Designated) fund	18,19	35,664	49,084
Total fund balances		£106,219,554	£114,259,094

The financial statements were approved and authorised for issue by the Court of Wardens and Assistants on 7 September 2020 and were signed below on its behalf by:

Russell Cooper
Senior Warden

The notes on pages 21 to 37 form part of these financial statements.

ROCHESTER BRIDGE TRUST
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities	(9,781,138)	(4,052,535)
Cash flows from investing activities		
Dividends and interest	3,424,579	3,585,412
Purchase of property, plant and equipment	(31,873)	(31,519)
Purchase of Heritage Assets	(1,105)	(6,939)
Proceeds from sale of property, plant and equipment	-	-
Purchase of investments	(5,539,789)	(11,716,924)
Proceeds from sale of investments	17,932,567	9,377,344
Net cash provided by investing activities	15,784,379	1,207,374
Change in cash and cash equivalents in the year	6,003,241	(2,845,161)
Cash and cash equivalents at the beginning of the year	6,971,466	9,816,627
Cash and cash equivalents at the end of the year	£12,974,707	£6,971,466

Notes to the Cash Flow Statement

Reconciliation of Net Income to Net Cash Flow from Operating Activities	2020 £	2019 £
Net (expenditure)/income	(8,091,540)	411,236
Loss/(Gains) on investments	536,767	(851,041)
Depreciation charges	13,233	5,671
Loss on the sale of fixed assets	-	567
(Increase)/decrease in debtors	(586,253)	7,451
Increase/(decrease) in creditors	1,719,234	(75,007)
Pension costs	52,000	34,000
Dividends, interest and rents from investments	(3,424,579)	(3,585,412)
Net cash used in operating activities	(9,781,138)	(£4,052,535)

	2020 £	2019 £
Analysis of Cash and Cash Equivalents		
Cash at bank and in hand	3,762,757	3,207,891
Short term deposits	9,042,744	3,505,794
Cash held by investment managers	169,206	257,781
	£12,974,707	£6,971,466

Analysis of Changes in Net Debt

	At 1 April 2019 £	Cashflows £	At 31 March 2020 £
Cash	3,465,672	466,291	3,931,963
Cash equivalents	3,505,794	5,536,950	9,042,744
Total	£6,971,466	£6,003,241	£12,974,707

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 Designated Fund as applicable.

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.
Grants payable are charged in the year when the offer is conveyed to the recipient. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.
Expenditure on properties is expenditure in relation to the maintaining of the investment properties.
The maintenance of Bridges is detailed in note 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. 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 put through 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.

A "Red Book" revaluation of the property investment portfolio was carried out by qualified valuers from Savills to 31 March 2018. For the financial year to 31 March 2019, sample valuations were carried out by qualified valuers from Savills for properties where there had been a material change in circumstances and for the whole of the West Yorkshire Estate. For the year ended 31 March 2020, the property investments have been held at 31 March 2019 values. See note 1(m) for further details.

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. 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 holiday is not generally carried over into the following year.

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.

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 2018. For the financial year to 31 March 2019, sample valuations were carried out by qualified valuers from Savills for properties where there had been a material change in circumstances and for the whole of the West Yorkshire Estate.

Due to the material valuation uncertainty caused by the COVID-19 pandemic, the Court did not consider it appropriate to commission a professional valuation to 31 March 2020.

Given that the Trust's property investment portfolio is held as part of a very long-term investment strategy, that its rental incomes have not been materially impacted by the COVID-19 pandemic to date and that there is no indication of any material impairment to the property investment assets, the Court considers it appropriate to hold the property investments at 31 March 2019 values.

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 £11,885 (2019: £10,815).

3. INVESTMENT MANAGEMENT FEES

	2020 £	2019 £
Investment management fees	109,546	111,708
Support costs (note 8)	89,880	103,750
	£199,426	£215,458

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

4. EXPENDITURE ON INVESTMENT PROPERTIES

	2020 £	2019 £
Professional and other fees	554,209	593,700
Maintenance and repairs	538,933	254,719
VAT Irrecoverable	101,704	82,389
Insurance	70,153	58,292
Ground rents	16,563	13,273
Compliance costs	33,509	46,840
Vacant property costs	52,740	36,634
Bad debts	14,810	24,117
Support costs (note 8)	349,437	397,296
	£1,732,058	£1,507,260

5. MAINTENANCE OF BRIDGES

	2020 £	2019 £
Professional fees	849,566	516,120
Maintenance and repairs	5,750,599	417,867
VAT irrecoverable	1,321,986	187,747
Insurance	43,991	42,771
Lighting	9,767	4,750
Support costs (note 8)	436,312	426,927
Recharged costs	(16,651)	(8,298)
	£8,395,570	£1,587,884

6. GRANTS PAYABLE

	General Fund £	River Medway Fund £	2020 Total £	2019 £
Miscellaneous grants	11,142	13,420	24,562	86,138
Other grant costs	478	-	478	81
Support costs (note 8)	47,266	56,927	104,193	118,802
	£58,886	£70,347	£129,233	£205,021

A grant of £25,000 was awarded in the year to St Lucius' Church, Farnley Tyas and £10,000 to St Mary Magdalene Church, Stockbury. There were no further grants over £10,000. A grant of £39,617 was written back in the year due to the terms of the grant agreement no longer being met.

Three grants were awarded in the year from the River Medway Fund. None were over £10,000.

The total number of grants awarded in 2020 was 28 (2019: 19).

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

	2020 £	2019 £
Education	19,764	10,471
Other Charitable Activities	128,506	85,286
Support costs (note 8)	374,795	413,836
	£523,065	£509,593

Education wages and salaries were previously disclosed as direct Education costs. These costs are now included in Support Costs and allocated to Other Charitable Activities. Therefore, prior year figures have been restated between Education and Support Cost lines, in order for them to be comparable to the current year.

During the year, a number of activities were undertaken in furtherance of the third charitable object of the Trust. The main focus of this work was the continuing development of the programme of engineering and agricultural education and delivery of a programme of events and resources, including the Adventure Golf project.

EDUCATION	2020 £	2019 £
Education activities	19,764	10,471
	£19,764	£10,471

OTHER CHARITABLE ACTIVITIES	2020 £	2019 £
Awards & Sponsorship	14,937	16,259
Exhibitions	30,946	26,014
Archive Projects	15,254	15,379
Charitable Donations	523	-
Other Charitable Projects	66,846	27,634
	£128,506	£85,286

Other Charitable Projects include the Adventure Golf Project.

8. SUPPORT AND GOVERNANCE COSTS

2020

	Bridges	Properties	Financial Investments	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
	£436,312	£349,437	£89,880	£104,193	£374,795	£1,354,617

Office and administration costs include fees incurred during the year for the Bridge Chapel and Chamber refurbishment project.

2019

	Bridges	Properties	Financial Investments	Grants	Other Charitable Activities	Total
	£	£	£	£	£	£
Wages and salaries	172,763	151,596	39,039	43,410	155,224	562,032
Insurance	18,631	18,010	4,743	5,526	18,957	65,867
Office and administration	235,533	227,690	59,968	69,866	239,655	832,712
	£426,927	£397,296	£103,750	£118,802	£413,836	£1,460,611

Education wages and salaries were previously disclosed as direct Education costs. These costs are now included in Support Costs and allocated to Other Charitable Activities. Therefore, the prior year figures above been adjusted for this in order for them to be comparable to the current year.

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

Included in the above are the following:

GOVERNANCE COSTS	2020 £	2019 £
Salaries and wages	44,824	49,564
Meeting costs	2,017	2,716
Auditors' remuneration in respect of the audit	11,885	10,815
Auditors' remuneration in respect of non-audit services	-	5,050
FRS102 Pension Report	600	670
Trustee Training	1,974	451
Other	-	186
	£61,300	£69,452

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

9. EMOLUMENTS OF EMPLOYEES

	2020	2019
	£	£
Salaries and wages	442,187	396,387
Employer national insurance	43,669	38,143
Superannuation	99,317	93,502
Net interest and service costs of defined benefit pension scheme	52,000	34,000
	£637,173	£562,032

	No.	No.
Average number of employees (headcount)	12	14

	No.	No.
Average number of employees (full time equivalents)	8	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. An additional post was added to the Senior Management Team in November 2019. The total employment benefits, including employer pension contributions, of the key management personnel were £265,496 (2019: £212,171).

One employee of the Trust earned between £120,000 and £130,000 and one employee earned between £60,000 and £70,000 during the year (2019: 1; between £110,000 and £120,000). No other employee earned £60,000 or more (2019: 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 £6,815 for 12 Trustees. This included estate visits by two groups of members to West Yorkshire. (2019: £1,954 for 12 Trustees).

11. PENSION COST

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

A full actuarial valuation was carried out at 31 March 2019 and updated to 31 March 2020 by a qualified independent actuary. The next actuarial valuation will be carried out as at 31 March 2022.

An allowance has been made in the updated valuation to 31 March 2020 for the recent Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 March 2020 has been allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 March 2020. The projected service cost has also increased as a result of this additional allowance. The actuary has estimated the impact, as a percentage of the projected service cost, to be 3.3%.

Employer contributions payable for the year ended 31 March 2021 are projected to be £58,000.

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

	2020	2019
	£	£
Opening defined benefit obligation	1,582,000	1,484,000
Current service cost	134,000	128,000
Past service costs	19,000	-
Contributions by scheme participants	32,000	29,000
Interest cost	39,000	38,000
Change in financial assumptions	(257,000)	95,000
Change in demographic assumptions	(48,000)	(95,000)
Experience gain on defined benefit obligation	560,000	-
Benefits paid	(17,000)	(97,000)
Closing defined benefit obligation	**£2,044,000**	**£1,582,000**

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

	2020	2019
	£	£
Opening fair value of plan assets	1,756,000	1,607,000
Interest on assets	44,000	42,000
Return on assets less interest	(180,000)	85,000
Other actuarial gain	377,000	-
Administration expenses	(1,000)	(1,000)
Contributions by employer	97,000	91,000
Contributions by scheme participants	32,000	29,000
Estimated benefits paid	(17,000)	(97,000)
Closing fair value of plan assets	**£2,108,000**	**£1,756,000**

The amounts recognised in the balance sheet are as follows:

	2020	2019
	£	£
Present value of funded obligations	(2,044,000)	(1,582,000)
Fair value of plan assets (bid value)	2,108,000	1,756,000
Net asset	64,000	174,000
Restriction on pension surplus	(64,000)	(174,000)
Net asset recognised in the balance sheet	-	-

The pension surplus of £64,000 as at 31 March 2020 was not recognised in the balance sheet as the surplus did not meet the FRS102 criteria for recognising the surplus as an asset.

The amounts recognised in the Statement of Financial Activities are:

	2020	2019
	£	£
Service cost	153,000	128,000
Net interest on the defined liability/(asset)	(5,000)	(4,000)
Administration expenses	1,000	1,000
Total	£149,000	£125,000

Remeasurement of the net assets / (defined liability)	**2020**	**2019**
	£	**£**
Return on Fund assets in excess of interest	(180,000)	85,000
Change in financial assumptions	257,000	(95,000)
Change in demographic assumptions	48,000	95,000
Experience gain on defined benefit obligation	(560,000)	-
Other actuarial gain	377,000	-
Total	(£58,000)	£85,000

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

	2020	**2019**
Equities	62%	69%
Gilts	1%	1%
Other Bonds	13%	9%
Property	14%	12%
Cash	3%	2%
Absolute Return Fund	8%	8%

The assets in the scheme were:	**Value at 31/3/20**	**Value at 31/3/19**
	£	**£**
Equities	1,297,000	1,203,000
Gilts	16,000	12,000
Other bonds	275,000	160,000
Property	287,000	211,000
Cash	55,000	31,000
Absolute Return Fund	178,000	139,000
Total market value of assets	**£2,108,000**	**£1,756,000**

The expected return for the year to 31 March 2020 was -7% across all asset classes.

The major assumptions of the actuary were: -

	At 31/3/20	**At 31/3/19**
RPI Increases	2.7%	3.4%
CPI Increases	1.9%	2.4%
Salary increases	2.9%	3.9%
Pension increases	1.9%	2.4%
Discount rate	2.35%	2.45%

Assumed life expectancies at age 65 are:	**At 31/3/20**	**At 31/3/19**
Retiring today		
Males	21.8	22.0
Females	23.7	24.0
Retiring in 20 years		
Males	23.2	23.7
Females	25.2	25.8

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 2019	579,001	24,157	18,869	-	622,027
Additions	-	13,687	1,536	16,650	31,873
Reallocations	656,000	-	-	-	656,000
At 31 March 2020	£1,235,001	£37,844	£20,405	£16,650	£1,309,900
Depreciation					
At 1 April 2019	-	5,866	2,465	-	8,331
Depreciation charge for the year	-	6,654	4,081	2,498	13,233
At 31 March 2020	-	£12,520	£6,546	£2,498	£21,564
Net Book Value					
At 31 March 2020	£1,235,001	£25,324	£13,859	£14,152	£1,288,336
At 1 April 2019	£579,001	£18,291	£16,404	-	£613,696

The net book value of tangible fixed assets represents fixed assets used for general management and administration of the Trust. The freehold land and buildings were valued at 31 March 2018 as part of a "Red Book" revaluation of the Trust's property portfolio and these values were reviewed and unchanged at 31 March 2019. For the year ended 31 March 2020, the property portfolio has been held at 31 March 2019 values. See note 1(m) for further details. During the year the Trust brought £656,000 of investment properties into operational use, this re-allocation can be seen above. 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 Trust expects to review the valuation on a regular basis, however this has not been carried out as a large proportion of the assets are currently in storage pending the refurbishment of the Bridge Chamber. 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 collection would require approval of the Court, although this would happen only in exceptional circumstances.

Summary analysis of heritage asset transactions

	2020	2019	2018	2017	2016
	£	£	£	£	£
Balance brought forward	592,908	585,969	585,969	579,969	579,969
Purchases	1,105	6,939	-	6,000	-
Donations	-	-	-	-	-
Balance carried forward	£594,013	£592,908	£585,969	£585,969	£579,969

There have been no disposals of heritage assets recognised in the balance sheet during the last five years.

(c) Heritage assets not recognised in the balance sheet

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

13. INVESTMENTS	**2020**	**2019**
	£	**£**
(a) Investment properties		
Valuation at 1 April	78,280,372	70,834,003
Acquisitions	-	9,828,000
Reallocations to operational property	(656,000)	-
Disposals at net book value	(6,818,728)	(1,928,000)
Revaluation	-	(453,631)
At 31 March	£70,805,644	£78,280,372

A "Red Book" revaluation of the property portfolio was carried out by qualified valuers from Savills to 31 March 2018. For the financial year to 31 March 2019, sample valuations were carried out by qualified valuers from Savills for properties where there had been a material change in circumstances and for the whole of the West Yorkshire Estate. For the year ended 31 March 2020, the property investments have been held at 31 March 2019 values. See note 1(m) for further details.

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.

b) Quoted investments	**2020**	**2019**
	£	**£**
Market value of investments at 1 April	28,203,294	32,459,043
Additions	5,539,789	1,888,924
Disposals at net book value	(7,809,895)	(6,928,073)
Unrealised gain on revaluation	(3,840,711)	783,400
Market value of investments at 31 March	22,092,477	28,203,294
Cash held by investment managers	169,206	257,781
	£22,261,683	£ 28,461,075
Historic cost at 31 March (excluding cash)	£20,856,882	£22,375,502
Realised gain/(loss) on disposals	£31,880	£338,329

	2020 £	2019 £
The portfolio structure is made up as follows:		
UK Equities	12,077,335	14,143,678
Overseas Equities	9,093,591	9,513,901
UK Fixed Income	-	2,714,681
Indirect Property/Infrastructure	157,811	1,416,127
Private Equity	763,740	414,907
Cash	169,206	257,781
	£22,261,683	£28,461,075

14. DEBTORS: Amounts falling due within one year

	2020 £	2019 £
Rents receivable	313,594	217,727
Prepayments	120,285	162,995
Accrued income	167,968	161,289
Other debtors	565,426	39,009
	£1,167,273	£581,020

15. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Trade and other creditors	1,447,903	261,933
Accruals	806,678	256,871
Deferred income (note 16)	286,893	282,270
Grants allocated but unpaid (note 17)	86,609	120,509
Other taxes and social security	63,639	51,056
Pension contributions payable	11,174	11,023
	£2,702,896	£983,662

16. DEFERRED INCOME

	£
Balance at 1 April 2019	282,270
Amount released to property income	(282,270)
Amounts deferred in the year	286,893
Balance at 31 March 2020	£286,893

17. GRANTS ALLOCATED BUT UNPAID RECONCILIATION

	£
Balance at 1 April 2019	120,509
Paid in the year	(58,462)
Grants expired or no longer required	(39,642)
Awarded in the year	64,204
Balance at 31 March 2020	£86,609
Of which:	
Falling due within one year	£86,609

18. FUNDS

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 loss 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

2019

	General Fund £	River Medway (Designated) Fund £	Bridges Reserve (Designated) Fund £	Total £
Balance at 1 April 2018	2,696,646	70,104	111,047,108	113,813,858
Net income before investments gains and losses	(3,748,802)	(50,011)	3,359,009	(439,804)
Unrealised gain on investments	-	-	783,400	783,400
Realised loss on investments	-	-	338,329	338,329
Unrealised property gains	-	-	(453,631)	(453,631)
Realised gains on property sales	-	-	182,942	182,942
Transfers between Reserve Funds	8,082,026	28,991	(8111,017)	-
Actuarial gain on pension fund	85,000	-	-	85,000
Restriction of surplus on pension fund	(51,000)	-	-	(51,000)
Balance at 31 March 2019	£7,063,870	£49,084	£107,146,140	£114,259,094

DESIGNATED FUNDS
There are two designated funds as follows:

Bridges Reserve Fund

The Bridge Reserve Fund proves 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 2020 the value transferred was £16,269,388.

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 2020, the value transferred was £56,927.

19. ANALYSIS OF NET ASSETS BY FUND

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	£12,715,940	£35,664	£93,467,950	£106,219,554

2019	General Fund	River Medway Fund	Bridges Reserve Fund	Total
	£	£	£	£
Tangible fixed assets	613,696	-	-	613,696
Heritage assets	592,908	-	-	592,908
Investment properties	-	-	78,280,372	78,280,372
Investments	-	-	28,461,075	28,461,075
Current assets	6,539,474	68,268	686,963	7,294,705
Current liabilities	(682,208)	(19,184)	(282,270)	(983,662)
Total net assets at 31 March 2019	£7,063,870	£49,084	£107,146,140	£114,259,094

20. RELATED PARTIES

Two (2019: two) of the Wardens and Assistants who served during the year are members of Kent County Council, and in the prior year one member was a Kent Ambassador under a scheme organised by Kent County Council. During the year ended 31 March 2020, the Trust paid £99,317 (2019: £93,502) 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 2020 was £11,174 (2019: £11,023). The Trust also paid £600 (2019: £670) during the year for other services in relation to the pension fund and £50 (2019: £2,000) for other miscellaneous goods and services from Kent County Council or associated companies.

Three (2019: four) of the Wardens and Assistants who served during the year are members of, or nominated by Medway Council. The Trust's principal office and the three bridges fall within the area managed by Medway Council. During the year ended 31 March 2020, Medway Council charged the Trust non-domestic rates charges of £4,946 (2019: £1,943), and other fees of £43 (2019: £296) for room hire at the Strood Community Hall.

One (2019: one) of the Wardens and Assistants who served during the year is a member of Rochester Cathedral Council and one (2019: none) is a member of the Rochester Cathedral Trust. During the year ended 31 March 2020, Rochester Cathedral charged the Trust £22,621 (2019: £23,524), for costs associated with rent and utility costs. These included rental of the administrative office, St. Andrew's House and the All Saints Day service (room hire, choir etc).

One of the Wardens and Assistants is Chairman of the Kent Wildfowling and Conservation Association. During the year ended 31 March 2020, the Trust received fees in respect of Sporting Leases of £20,700 (2019: £20,700) from the Kent Wildfowling and Conservation Association.

21. FINANCIAL COMMITMENTS

a) Lease Commitments

	2020 £	2019 £
Lease payments due under non-cancellable operating leases falling due:		
- within one year	25,951	25,951
- in more than one year	7,475	30,180
Total lease payments under non- cancellable operating leases	£33,426	£56,131

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.

b) Other Commitments

Following a competitive tender, a contract with FM Conway Ltd was signed on 26 February 2019 for the major refurbishment of Rochester Bridge. The contract is an ECC4 Option B contract with Bill of Quantities and had an estimated value of £8.6m (excluding contingencies) by application of tendered rates against quantities estimated by the bridge engineering consultant, Arcadis (UK) Ltd. Work started in April 2019.

The Old Bridge is 164 years old and the New Bridge and Service Bridges are 50 years old. As is usual in refurbishment of old bridges, additional work was identified once full access to the sub-structure was possible using scaffolding and excavation. Significant additional works added to the scope of the contract to date have included repairs and re-waterproofing to the New Bridge Deck, additional steelwork replacement to the Old Ships' Passage Span, additional painting work and removal of redundant services and gantries. On the other hand, various planned works have been removed from the scope of this contract where unexpected issues require further investigation and to ensure that the project can be completed before the end of 2020.

After the end of the 2019/20 financial year, there was 6 weeks' delay to the programme caused by the suspension of site activities due to Covid-19 restrictions. The lost time and financial cost of that delay has been mitigated by removing traffic management constraints from the contract, allowing the contractor to work in more than one area simultaneously. Falling after the year-end, there were additional demobilisation and remobilisation costs to be met by the Trust, which were calculated in accordance with the contract.

Because of the nature of the contract, whereby the contractor is paid for works actually carried out based on tendered rates and the client has the option to add or remove items from the scope of work at any time and in response to conditions, it is not possible or appropriate to identify an accurate commitment to the end of the contract. Detailed internal estimates are prepared and the Court is confident that the total project cost will be contained within the budget allocated.

The current planned Completion Date is December 2020.

22. OPERATING LEASE RECEIPTS

	2020 £	2019 £
Minimum lease receipts under non-cancellable operating leases to be received:		
- not later than one year	1,855,599	1,851,913
- later than one year and not later than five years	4,259,028	4,251,062
- later than five years	7,297,546	7,019,132
Total lease receipts under non- cancellable operating leases	£13,412,173	£13,122,107

23. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets measured at amortised cost		
Rent receivable and other debtors (excluding accrued income)	999,305	419,731
Cash and cash equivalents	12,805,501	6,713,685
Financial assets measured at fair value		
Investment properties	70,805,644	78,280,372
Investments	22,261,683	28,461,075
Financial liabilities measured at amortised cost		
Trade and other creditors	1,447,903	261,933
Accruals (excluding deferred income)	806,678	256,871
Grants allocated but unpaid	86,609	120,509

24. POST BALANCE SHEET EVENTS

Financial Investments

The equity markets fell dramatically in the run up to the end of the financial year as the implications of the Covid-19 outbreak became more apparent, with the total value of the financial investment portfolio dropping to £22.3million as at 31 March 2020. The portfolio recovered significantly during the following quarter, with a portfolio value of £25.9million by 30 June 2020.

25. STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE

	General Fund	River Medway Fund (Designated)	Bridges Reserve Fund (Designated)	2019 Total
	£	£	£	£
Income from:				
Investments				
Rents receivable	-	-	2,399,091	2,399,091
Dividends receivable	-	-	1,174,394	1,174,394
Bank and other interest	10,945	-	982	11,927
Total income	10,945	-	3,574,467	3,585,412
Expenditure on:				
Raising funds				
Investment management	-	-	215,458	215,458
Expenditure on investment properties	1,507,260	-	-	1,507,260
Charitable Activities				
Maintenance of bridges	1,587,884	-	-	1,587,884
Grants payable	155,010	50,011	-	205,021
Other charitable activities	509,593	-	-	509,593
	2,252,487	50,011	-	2,302,498
Total expenditure	3,759,747	50,011	215,458	4,025,216
Net (expenditure)/ income before investments gains	(3,748,802)	(50,011)	3,359,009	(439,804)
Unrealised gain on investment assets	-	-	783,400	783,400
Realised gain on investment assets	-	-	338,329	338,329
Unrealised property gains	-	-	(453,631)	(453,631)
Realised gain on property sales	-	-	182,942	182,942
Net income	(3,748,802)	(50,011)	4,210,049	411,236
Transfers between Reserve Funds	8,082,026	28,991	(8,111,017)	-
Other recognised (losses)/gains				
Actuarial loss on pension fund	85,000	-	-	85,000
Restriction on surplus on pension fund	(51,000)	-	-	(51,000)
Net movement in funds for the year	4,367,224	(21,020)	(3,900,968)	445,236
Total funds brought forward	2,696,646	70,104	111,047,108	113,813,858
Total funds carried forward	£7,063,870	£49,084	£107,146,140	£114,259,094