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Company Registration No. ZC000184 (England and Wales)

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005



THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

COMPANY INFORMATION

Committee of Management	M J Beckley MA FCCA J L Elkins FFA FMAAT P I FitzGerald BA(Hons) ACIB MIOD FRSA M J Freeman C T Micklem G R Weir BSc CEng MIMechE
Clerk to the Company	G R Weir BSc CEng MIMechE
Company number	ZC000184
Registered office	The Toll House Whitchurch Bridge Pangbourne Berkshire RG8 7DF
Auditors	Harwood Hutton 7 Bridge Street Maidenhead Berkshire SL6 8PA
Business address	The Toll House Whitchurch Bridge Pangbourne Berkshire RG8 7DF
Bankers	Barclays Bank plc PO Box No.27 3,4 & 5 King Street Reading Berkshire RG1 2HD
Solicitors	Wilmot & Co 38 Castle Street Cirencester Gloucestershire GL7 1QH

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

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THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2005

The Committee of Management presents its Report and the Financial Statements for the year ended 30 June 2005.

Principal Activities

The principal activity of the Company continued to be the operation of the Bridge over the River Thames between Whitchurch-on-Thames, Oxfordshire, and Pangbourne, Berkshire.

The Company is not permitted by its Acts to realise the Bridge and associated property held, and is committed to maintaining the Bridge in perpetuity.

Results Overview

The Directors report a year which has seen an increase in gross income, mainly as a result of the new toll fees introduced in April, although the toll application was submitted in July last year.

Toll revenues for the year were £203,880, an increase of 11% over the previous year's revenues of £183,024.

Cost of sales have been reduced by a one off net adjustment in the depreciation charge, as a result of the bridge revaluation. As a result the gross profit shows an exceptional increase in this year.

We continue to invest in maintaining the property of the Company to a high standard, and this year these costs include the replacement fenders which protect the Bridge structure, and planning for the refurbishment of the bridge, including the necessary remedial work. The overall trend is in line with our long term plan.

The increase in net investment income includes capital gains associated with changes in the portfolio as a result of reducing some of our equity holdings and switching into fixed income and bonds. This is in line with our policy to achieve sufficient funding for the anticipated bridge restructure in 2013.

Toll Charges

An increase in Tolls was implemented on 25 April 2005, following the submission of an Application to the Secretary of State for Transport in July 2004, and the granting of an Order on 5 April 2005. The principal changes were an increase in the standard Toll from 10p to 20p, and the abolition of the discounted prepaid Toll of 7p for local residents under a scheme administered by four local Parish Councils. But there was no change in the discounted prepaid Toll of 9p available to all users.

Toll Collection

We continue to maintain the tight controls and efficiency of the collection operation, and have seen no significant increase in traffic volumes. As a result of our Toll Application in 2004 the DfT approved in March 2005 an increase in tolls to 20p for motor vehicles and to £2 for vehicles over 3.5 tonnes maximum gross weight. There are new discount arrangements in place for all regular users.

Tangible assets

The major asset of the company is the bridge itself, which is shown in the accounts at depreciated replacement cost. The calculated cost to replace the bridge in June 2005 is £2.89 million (June 2004: £1.79million - indexed from 1996), both figures excluding VAT. Whilst the bridge is 103 years old this year, it is expected that, other things being equal, the earliest date for replacement or major restructure will be 2013. Other company assets include the approach roads, toll house, the bridge lighting, toll booth and associated equipment. The statutory 7.5 tonne weight limit introduced in 2003 continues to assist in extending the life of the bridge by preventing heavy vehicles crossing.

Repairs and Renovations

Oxfordshire County Council's Bridge Engineering Department has continued to carry out planned maintenance and inspections and to advise on Risk Management Strategy and related issues. As a result of this advice the Company took action during the year to address the identified risk of a boat/bridge collision by installing downstream fenders to protect the three piers.

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2005

Investments

The book value of investments has increased to £1,034,596, whilst the market value has increased by 8.47%. This is in line with prevailing market conditions and results continue to compare favourably with established benchmarks. Investment value now stands at approximately 34% of estimated bridge replacement cost.

Replacement cost of the Bridge

The May 2005 estimated cost of replacing the bridge is £2.89 million, and the June 2005 estimated cost of the refurbishment work which is planned for 2013 is £2 million, all plus VAT.

Health and Safety

We continue to take action to comply with Health & Safety obligations.

Dividends

The Whitchurch Bridge Act 1988 provides for a reasonable return on the Proprietors' investment in the bridge. However, priority must be given to building sufficient funds for repairs and replacement or refurbishment of the bridge. In view of this, the Committee proposes a total ordinary dividend for the year of £640 per share.

Clerk to the Company

J L Elkins retired as Clerk to the Company on 30 June 2005: G R Weir took over from that date.

Outlook for the year to 30th June 2006

The Directors consider that the performance of the Company remains in line with our overall strategy and plans. With significant bridge reconstruction work in prospect the company has a target to build up sufficient financial resources to fund this work in 2013.

Committee of Management

The following have held office since 1 July 2004:

M J Beckley MA FCCA

J L Elkins FFA FMAAT

P I FitzGerald BA(Hons) ACIB MIOD FRSA

M J Freeman

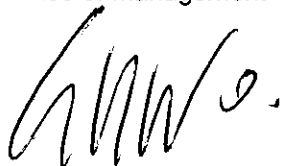
C T Micklem

G R Weir BSc CEng MIMechE

Auditors

In accordance with Section 385 of The Companies Act 1985, a resolution proposing that Harwood Hutton be re-appointed as auditors of the Company will be put to the Annual General Meeting.

On behalf of the Committee of Management



G R Weir BSc CEng MIMechE
Company Secretary

10 September 2005

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies which are set out on page 6.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

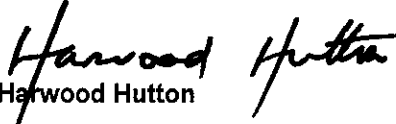
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2005 and of its profit for the year then ended.


Harwood Hutton

Chartered Accountants
Registered Auditor

17 October 2005

7 Bridge Street
Maidenhead
Berkshire
SL6 8PA

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 £	2004 £
Turnover		203,880	183,024
Cost of sales		(73,690)	(110,725)
Gross profit		<u>130,190</u>	<u>72,299</u>
Administrative expenses		(55,714)	(60,415)
Operating profit	2	<u>74,476</u>	<u>11,884</u>
Investment income	3	84,056	18,363
Other interest receivable and similar income	3	1,700	2,010
Profit on ordinary activities before taxation		<u>160,232</u>	<u>32,257</u>
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation		<u>160,232</u>	<u>32,257</u>
Dividends		(30,080)	(30,080)
Retained profit for the year	11	<u><u>130,152</u></u>	<u><u>2,177</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.


THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

BALANCE SHEET AS AT 30 JUNE 2005

	Notes	2005		2004	
		£	£	£	£
Fixed assets					
Tangible assets	5		825,705		766,327
Investments	6		1,034,596		959,629
			<u>1,860,301</u>		<u>1,725,956</u>
Current assets					
Stocks		2,384		504	
Debtors	7	12,090		36,085	
Cash at bank and in hand		102,776		59,177	
		<u>117,250</u>		<u>95,766</u>	
Creditors: amounts falling due within one year	8	<u>(117,446)</u>		<u>(91,769)</u>	
Net current (liabilities)/assets			<u>(196)</u>		<u>3,997</u>
Total assets less current liabilities			<u>1,860,105</u>		<u>1,729,953</u>
Capital and reserves					
Called up share capital	10		4,700		4,700
Share premium account	11		5,013		5,013
Revaluation reserve	11		264,000		264,000
Other reserves	11		1,586,392		1,456,240
			<u>1,860,105</u>		<u>1,729,953</u>
Shareholders' funds - equity interests	12		<u>1,860,105</u>		<u>1,729,953</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 10 September 2005



M J Beckley MA FCCA

Director

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

1.2 Turnover

Turnover represents amounts receivable for tolls and wayleaves.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Bridge	The Bridge is classified as specialised property and is revalued annually on the basis of depreciated replacement cost. For the purpose of this calculation, replacement or major refurbishment is assumed to take place in 2013.
Toll House	The Toll House has been revalued as a non-specialised property on an existing use basis. The building is subject to depreciation over a useful economic life of 50 years, on a straight line basis.
Bridge lighting, Toll Booth and equipment	2%, 10% and 20% on cost, depending on category

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.7 Taxation

The company is exempt from Corporation Tax by virtue of its incorporating statutes.

2 Operating profit

	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	(2,757)	22,404
Auditors' remuneration	5,524	5,651
Directors' emoluments	24,429	22,824

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2004- 1).

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

3 Investment income	2005 £	2004 £
Income from fixed asset investments	84,056	18,363
Bank interest	1,492	1,314
Other interest	208	696
	<u>85,756</u>	<u>20,373</u>

4 Taxation

Following the conclusion of negotiations with the Inland Revenue, the company's income and gains are exempt from Corporation Tax. Refunds of Corporation Tax previously paid have been obtained.

5 Tangible fixed assets

	Bridge £	Toll House £	Bridge lighting, Toll booth and equipment £	Total £
Cost or valuation				
At 1 July 2004	174,282	475,000	174,138	823,420
Additions	56,231	-	390	56,621
Revaluation	14,282	-	-	14,282
At 30 June 2005	<u>244,795</u>	<u>475,000</u>	<u>174,528</u>	<u>894,323</u>
Depreciation				
At 1 July 2004	-	3,370	53,723	57,093
Charge for the year	-	3,435	8,090	11,525
At 30 June 2005	<u>-</u>	<u>6,805</u>	<u>61,813</u>	<u>68,618</u>
Net book value				
At 30 June 2005	<u>244,795</u>	<u>468,195</u>	<u>112,715</u>	<u>825,705</u>
At 30 June 2004	<u>174,282</u>	<u>471,630</u>	<u>120,415</u>	<u>766,327</u>

The bridge was valued on a replacement cost basis by Oxford County Council in May 2005. The valuation included in the accounts represents the depreciated replacement cost in accordance with the accounting policy stated in note 1.3. The increase/reduction in value during the year is charged to the profit and loss account.

The Toll House was revalued on an open market basis as at 30 June 2003 by Dudley Singleton, Estate Agent and Valuer.

The Toll House was built over 200 years ago and the equivalent historic cost and depreciation values would be immaterial at today's date.

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

6 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 July 2004	959,629
Additions	486,023
Disposals	(411,056)
	<u>1,034,596</u>
At 30 June 2005	1,034,596
	<u>1,034,596</u>
	Market value £
At 30 June 2005	1,148,388
	<u>1,148,388</u>
At 30 June 2004	1,058,663
	<u>1,058,663</u>

7 Debtors	2005 £	2004 £
Other debtors	12,090	36,085
	<u>12,090</u>	<u>36,085</u>

8 Creditors: amounts falling due within one year	2005 £	2004 £
Trade creditors	57,329	27,336
Amounts owed to group undertakings and undertakings in which the company has a participating interest	51,689	50,135
Taxation and social security	1,371	865
Other creditors	7,057	13,433
	<u>117,446</u>	<u>91,769</u>

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

9 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2005 £	2004 £
Contributions payable by the company for the year	1,269	1,692

10 Share capital

	2005 £	2004 £
Authorised		
47 Ordinary shares of £100 each	4,700	4,700
Allotted, called up and fully paid		
47 Ordinary shares of £100 each	4,700	4,700

11 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Bridge replacement and repairs fund £	Profit and loss account £
Balance at 1 July 2004	5,013	264,000	1,456,240	-
Retained profit for the year	-	-	-	130,152
Movement during the year	-	-	130,152	(130,152)
Balance at 30 June 2005	5,013	264,000	1,586,392	-

The updated cost estimate at 30 June 2005 for replacement of the bridge, together with associated works is £2,891,000 plus VAT (2004 £1,790,000).

THE COMPANY OF PROPRIETORS OF WHITCHURCH BRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

12 Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Profit for the financial year	160,232	32,257
Dividends	(30,080)	(30,080)
	<u>130,152</u>	<u>2,177</u>
Net addition to shareholders' funds	130,152	2,176
Opening shareholders' funds	1,729,953	1,727,776
	<u>1,860,105</u>	<u>1,729,953</u>

13 Control

The ultimate controlling party is Whitchurch Bridge (Holdings) Limited, a company incorporated in England and Wales.

14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.