

BRIDGE HOUSE ESTATES

England & Wales · Charity number 1035628

Details

Other names	BRIDGE HOUSE ESTATES TRUST FUND, BRIDGE HOUSE GRANTS, BRIDGE HOUSE TRUST, THE CITY BRIDGE TRUST, CITY BRIDGE FOUNDATION
Status	Registered
Legal form	Other
Registered	1994-03-24
Register	View on the Charity Commission register

Contact

Address	Corporation Of London Po Box 270 London EC2P 2EJ
Phone	02073321395
Email	henrietta.martin-fisher@citybridgefoundation.org.uk
Website	www.citybridgefoundation.org.uk

Activities

Objects: THE MAINTENANCE AND SUPPORT OF LONDON BRIDGE, BLACKFRIARS BRIDGE, SOUTHWARK BRIDGE, TOWER BRIDGE AND THE MILLENNIUM BRIDGE. ANY SURPLUS INCOME TO BE APPLIED: IN OR TOWARDS THE PROVISION OF TRANSPORT AND ACCESS TO IT FOR ELDERLY OR DISABLED PEOPLE IN THE GREATER LONDON AREA; AND, OR, FOR OTHER CHARITABLE PURPOSES FOR THE GENERAL BENEFIT OF THE INHABITANTS OF GREATER LONDON IN SUCH WAYS AS THE TRUSTEES THINK FIT.

Activities: The maintenance and support of London Bridge, Southwark Bridge, Blackfriars Bridge, Tower Bridge and Millennium Bridge. Surplus income is used for charitable funding purposes benefiting the inhabitants of Greater London in such ways as the Trustee thinks fit.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Other Charitable Activities
- **What:** Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** LONDON BRIDGE, BLACKFRIARS BRIDGE, SOUTHWARK BRIDGE, TOWER BRIDGE, THE MILLENNIUM BRIDGE AND GREATER LONDON.
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£42,600,000	£120,800,000	£1,493,300,000	153
2024-03-31	£40,100,000	£118,900,000	£1,531,700,000	159
2023-03-31	£35,300,000	£103,700,000	£1,613,400,000	129
2022-03-31	£34,100,000	£66,600,000	£1,720,200,000	131
2021-03-31	£47,400,000	£89,600,000	£1,643,200,000	130

Trustees

Name	Role	Appointed
THE MAYOR AND COMMONALTY AND CITIZENS OF THE CITY OF LONDON		1995-07-01

BRIDGE HOUSE ESTATES

England & Wales - Charity number 1035628

Accounts



CITY BRIDGE
FOUNDATION

Charity registration
number: 1035628

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2025





CONTENTS

Chair’s Statement	4
Origins of the Charity	6
Trustee’s Annual Report	8
Financial Review	26
Trustee Responsibilities	32
Independent Auditor’s Report	33
Statement of Financial Activities	36
Balance Sheet	37
Statement of Cash Flows	38
Notes to the Financial Statements	39
Reference and Administration Details	66



CHAIR'S STATEMENT

For 900 years, our ancient charity has been bridging London and connecting communities, but while our bridges have always boasted firm foundations, the landscape in which we operate is constantly shifting.

Our primary role is that of custodian of five bridges including Millennium Bridge, which was due to celebrate its 25th birthday in summer 2025.

Next year will see the resumption of a major refurbishment of Blackfriars Bridge, a project which began in 2023 but was delayed due to navigation issues linked to the Tideway super sewer project.

Meanwhile, the most iconic bridge of all – Tower Bridge – this year benefitted from a deep clean of its famous bascule chambers, some 'extreme window cleaning' to scrub the underside of its glass floors and an extensive refurbishment of the Victorian brickwork at its northern end.

The Bridge celebrated its 130th anniversary this year, an occasion marked by a free exhibition – Launching A Landmark: The Unseen Opening Weeks – showcasing previously unseen photographs from its construction and opening.

Earlier in the year, the Bridge was the scene for a breathtaking and carefully orchestrated Red Bull wingsuit flight, which

saw two professional skydivers drop from a helicopter and fly through the Bridge structure at 246kph, before steeply climbing and parachuting safely down onto waiting barges.

Tower Bridge was also lit in red – the colour of the poppy – to honour Remembrance Day, and we marked Earth Hour in March by switching off all non-essential, decorative lighting across our five bridges.

The Tower Bridge visitor attraction welcomed 936,948 visitors and received a 92 per cent rating from Visit England for the second year running, earning it a gold award, given to visitor attractions that demonstrate exceptional quality and performance.

While revenue from the visitor attraction supports the wider work of the charity, the lion's share of our income is derived from our investment portfolio which includes both investment properties and financial assets. The current value of the portfolio exceeds £1.5 billion. The economic environment is volatile, so the charity is carrying enhanced reserves as a response.

In recent years, the difficult economic climate, the pandemic, and political turmoil at home and abroad have unleashed seismic shifts upon our capital city, with the charity sector bearing the brunt.

London has changed, and we must change too. That's why this year we launched our new 10-year funding policy, Standing with Londoners, marking an evolution in our approach to our role as a funder of the capital's civil society. Unanimously approved by our Trustee, the City of London Corporation, at the Court of Common Council on 6 March 2025, the new policy positions us firmly as a social justice funder, prioritising the empowerment of communities in the capital directly affected by inequality and focusing on tackling the systems at the root of the problem.

Facing unprecedented demand for funding, we took the difficult decision to close our rolling grants programmes to new applications in October. This allowed us to concentrate on managing existing grants and preclosure applications, while reviewing and developing the new funding policy.

During the year, we awarded over £80m in funding, including £51.7m in responsive grants, £10.1m for our suicide prevention programme – the biggest London has ever seen – and £10.8m and £4.7m respectively for our Anchor Programme and the collaborative Propel initiative, working to drive systems change and tackle structural inequality.

The strength of any charity is its people, and this year saw a major change in the departure of our Managing Director, David Farnsworth, seconded as interim CEO at the Barbican Centre. In David's absence, Simon Latham has taken on the role of Acting Managing Director, stepping up from his previous role of Chief Operating Officer.

There were also changes to our board as we bade farewell to Emma Edhem, who stood down after four years, and John Griffiths, who no longer serves as a member of the Court of Common Council, the principal decision-making body of our trustee, the City of London Corporation.

On a personal note, it was my honour to be elected as Chair in November 2024, taking over from Giles Shilson who, in three and a half years at the helm, guided us through Covid, a major governance review and our rebranding as City Bridge Foundation.

As one door closed, another opened for Giles, elected as one of our new Bridgemasters alongside Sue Threader, one of our Board members and an experienced engineer herself, who becomes the first ever female Bridgemaster in over the 700-year history of that role. For over a century this largely ceremonial post, which dates back to 1282, has gone uncontested – although historically it would have been an important and privileged position, with Bridgemasters collecting the rents and revenues associated with Old London Bridge.



In recent decades the role of the Bridgemaster has been largely symbolic, but the role will now become an active one. Giles and Sue will be promoting the philanthropic work of both City Bridge Foundation and the City Corporation, our work in maintaining the five bridges, and raising awareness of collaborative opportunities between the charity and the City of London's Livery Companies.

Sue is one of our co-opted members, who bring specialist external expertise to our Board and related Committees. We are deeply grateful for their contribution to our charity's governance.

This year saw the charity sponsor two students to the Arkwright Engineering Scholarship – the most esteemed scholarships of its type in the UK, who will receive ongoing mentorship from our bridge engineers.

From experienced engineers to the next generation, as an ancient bridge owner and a funder of charities tackling the challenges of modern life, from medieval Londoners to 21st century inhabitants, ours is a unique organisation which has always drawn inspiration from its past while casting an eye to the future.

While the landscape in which we operate may change, we will continue to do what we've always done – stand with Londoners, connect the capital's diverse communities and, as a bridge owner and funder, work tirelessly for the benefit of our great capital city and the people who call it home.

Paul Martinelli, City Bridge Foundation Chair



ORIGINS OF THE CHARITY

City Bridge Foundation's roots can be traced back more than 900 years. In 1122, funds were raised to maintain the early wooden London Bridge, before the first stone bridge was built in 1209.

By the end of the twelfth century, the shops and houses adjoining Peter de Colechurch's new stone London Bridge were beginning to generate not only increased cross-river trade, but also increased taxes, rents and bequests. A significant fund began to accumulate, administered from a building on the south side of the bridge called Bridge House. Over succeeding centuries this fund has been administered by the City of London Corporation ('the City Corporation') as Trustee.

The work of City Bridge Foundation reaches out across the whole of London in many important and diverse ways:

The River Bridges

The maintenance and support of five of the bridges that cross the Thames into or by the City of London – London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge, and Millennium Bridge – is the primary purpose of the charity. They are gateways to the City of London and require sustained investment and expert care.

Millennium Bridge

- **2000:** initial opening of the first pedestrian bridge to be built across the Thames in London for over a century.
- It was funded by the Millennium Commission, with a contribution from CBF to which ownership was subsequently transferred for the charity to maintain.

Blackfriars Bridge

Blackfriars Bridge

- **1769:** bridge is completed and known as 'Pitt Bridge' after William Pitt the Elder.
- **1869:** replaced with a new bridge designed by Joseph Cubitt and opened by Queen Victoria.

Millennium Bridge

Southwark Bridge

Southwark Bridge

- **1819:** bridge designed by John Rennie and completed as a privately owned toll bridge which was unprofitable and ill-used. The bridge was acquired by CBF in 1868 as a toll-free asset. This also allowed for better control of the bridge to catch criminals escaping to Southwark, outside the jurisdiction of the City of London.
- **1921:** replaced with a design by Sir Ernest George and Basil Mott and re-opened by King George V.

London Bridge

The Grant-Making and Other Charitable Activities of City Bridge Foundation

After the responsibilities relating to the bridges have been met, the charity can use surplus income in any year for its ancillary charitable purposes, the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London, further to a cy-près scheme settled by the Charity Commission in 1995 (as amended). This scheme enables the charity to work for a fairer London through tackling disadvantage. CBF works collaboratively to further these purposes through three key areas of activity, namely:

- Grant-making;
- Social investment; and
- Encouraging philanthropy.

Further information on the activities of CBF is available at www.citybridgefoundation.org.uk

London Bridge

- **1097:** King William II raises a tax to help repair London Bridge.
- **1209:** the first stone bridge is completed. Cross river trade, taxes, rents and bequests result in a fund administered from the Bridge House.
- **1831:** the original stone bridge is replaced by a new stone bridge designed by John Rennie.
- **1972:** the current, modern bridge is completed and opened by Queen Elizabeth II in 1973.
- **2023:** the 50th anniversary of the current bridge from its opening.

Tower Bridge

- **1894:** completed with a design by Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB.
- The Trustee has a statutory obligation to raise the bridge for registered vessels with a mast or superstructure of 30 feet or more, free of charge subject to 24 hours' notice, night or day, 365 days a year.
- It is a designated Grade I listed building and is maintained and protected as part of the nation's heritage.
- **2024:** The 130th anniversary of the Bridge was celebrated with a free summer exhibition supported by a dedicated website.



Tower Bridge



TRUSTEE’S ANNUAL REPORT

STRUCTURE AND GOVERNANCE

Governing Document

Reflecting its long and complex history and its enduring connection to the City Corporation, City Bridge Foundation (CBF) “governing document” is made up of a number of different sources or instruments, some of which are referenced below. In March 1994, the charity was registered with the Charity Commission as Bridge House Estates.

Founders

By various ancient gifts of property, added to over the centuries.

Governing Instruments

Historic trust documents governing gifts, grants and bequests including, a Royal Charter of 24 May 1282

A supplemental Royal Charter of 26 November 1957

A supplemental Royal Charter of 01 June 2023

Private Acts of Parliament including:

- The Blackfriars Bridge Act 1863
- The Blackfriars and Southwark Bridges Act 1867
- The Corporation of London (Tower Bridge) Act 1885

- The Corporation of London (Bridges) Act 1911
- The City of London (Various Powers) Act 1926, section 11
- The City of London (Various Powers) Act 1949, section 13
- The City of London (Various Powers) Act 1963, sections 9 & 32
- The London Bridge Act 1967
- The City of London (Various Powers) Act 1979, section 19

Various Schemes and Orders made by the Charity Commission:

- The Charities (Bridge House Estates) Order 1995 (S.I.1995/1047) and the Charity Commission Scheme which took effect by that Order
- An Order of the Charity Commission sealed 10 July 1997 (350.97)
- An Order of the Charity Commission sealed 20 July 1998 (251.98)
- The Charities (Bridge House Estates) Order 2001 (S.I.2001/4017)
- The Charity Commission Scheme dated 26 August 2005
- The Charities (Bridge House Estates) Order 2007 (S.I.2007/550)

Ancient custom and practice.

Governance Arrangements

CBF is an unincorporated charity. The Mayor and Commonalty and Citizens of the City of London (also referred to as ‘the City Corporation’ or ‘the City of London Corporation’), a corporation by prescription, is the corporate Trustee of CBF. The City Corporation is Trustee acting by its Court of Common Council and that assembly has delegated responsibility to CBF of the day-to-day administration and management of this charity for the period of this report, subject to those matters expressly reserved to the Court.

The CBF Board is responsible for the management and control of the charity, in the discharge of the City Corporation’s functions as Trustee, under the oversight of the Court. This governance arrangement provides a framework for effective decision-making and better demonstrates decisions that have been taken independently for the charity in its best interests.

In considering ongoing and effective administration and governance, the CBF Board has established two Committees (in effect sub-committees) of the Board: the Funding Committee and the Investment Committee. The Funding Committee of the Board is responsible for discharging operational functions in advancing the charity’s ancillary object. The Investment Committee of the Board is responsible for the strategic oversight and monitoring of the performance of the charity’s investment portfolio.

As with the exercise of any delegated authority, the CBF Board retains responsibility and accountability for all decisions taken by its Funding Committee and Investment Committee, with ultimate responsibility and oversight for the City Corporation as Trustee of CBF remaining vested in the Court.

Membership of the CBF Board and its Committees, is drawn from the 125 elected Members of the Common Council together with external appointees. In making appointments, the Court of Common Council will take into consideration any skills, knowledge and experience of the elected Members, and where relevant, external appointees. External appointments are made after a ‘skills’ audit. Members of the Court of Common Council are unpaid for support provided to CBF and are elected by the electorate of the City of London.

To support its responsibilities, the CBF Board resolved to proactively consult with, and seek the advice of, other Committees of the Court of Common Council. By doing so, it draws on their skills, knowledge and experience, to facilitate delivery of existing workstreams under the revised delegation arrangements from the Court, and to better



inform the Board’s decision-making on certain matters. The following Committee’s advice was sought on matters as described below in the year 2024/25:

Audit & Risk Management Committee – in relation to audit and risk matters previously within its purview as they affected the 2023/24 external audit of CBF, as it operates and is managed within the City Corporation’s operational and management audit and risk framework adopted in the discharge of all the City Corporation’s functions.

The above Committee is ultimately responsible to the Court of Common Council. Good governance is considered by the Trustee to be fundamental to the success of the charity. The charity regularly reviews its governance arrangements throughout the year and the CBF Board receives an annual report at its February meeting setting out matters for decision to support the Board in the ongoing effective administration and governance of CBF, consistent with the City Corporation’s legal obligations as Trustee of the charity. All decisions taken relating to the governance of the charity are developed in line with principles of charity governance best practice, as set out in the Charity Governance Code and Charity Commission Guidance, alongside learnings from the comprehensive governance review undertaken by the charity between 2018 – 2023.

Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee discharges its duties and functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference, setting out the scope of delegations from the Court of Common Council, alongside Standing Orders for conduct of meetings, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations, etc). These City Corporation governance documents can be obtained via a request to the email address stated on page 67.



Each elected Member by virtue of their membership of the Court of Common Council, including its relevant Committees (sometimes named 'Boards') and its sub-committees, has a duty to support the City Corporation in the proper discharge of its duties and functions as Trustee of CBF. They do this by faithfully acting in accordance with charity law, the charity's governing documents, and the City Corporation's own corporate governance framework and procedures as noted above, including the delegation framework such as the Terms of Reference of the CBF Board (and its sub-committees).

A Conflicts of Interest Policy was approved by the Court of Common Council during 2023. This policy will support the Trustee (and Members individually) in managing conflicts of interest and loyalty in discharging the City Corporation's functions as Trustee of CBF and when acting in the City Corporation's other capacities. It took effect when the new Supplemental Royal Charter was sealed on 01 June 2023.

Induction and Training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to perform their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of CBF, with an emphasis on involvement for those Members (and external appointees) actively working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members (and external appointees) are advised of these opportunities. CBF has its own Member Induction Programme and continues to review training needs of all Members. Members of the Board (including external appointees) undertook training on Equity, Diversity and Inclusion as relevant to the charity's activities in May 2024.

Purposes and activities

The charity's primary purpose is to support and maintain Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge. After these responsibilities are met, any income surplus to that which can be usefully applied in accordance with the subsisting trusts in any given year may be applied for the charity's ancillary object. This ancillary object is for the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London in accordance with a policy settled by the Trustee following consultation.

The charity's overall work and purpose is informed by its long-term strategy, Bridging London 2020 – 2045, which was

refreshed and republished in 2024, following four years of considerable change, both internally and externally, which prompted a need to update the strategy ahead of schedule. CBF's funding work is also informed by its new, ten-year funding policy, Standing with Londoners, published in March 2025. The new policy, built on extensive consultation and research, aims to maximise the impact of the charity's resources to advance CBF's mission in relation to its ancillary object.

In terms of funding, CBF's forward focus will be on changing the systems that keep people marginalised, while also addressing the issues that London's communities face right now. Working towards a shared vision of a more equitable London, CBF aims to deliver impact through collaboration and co-ordination across London's civil society, charities, communities, funders, government and business.

Standing with Londoners marks a critical step forward in the charity's journey as a social justice funder and marks an exciting new chapter in CBF's mission to support organisations and communities working on the frontlines of social justice in London.

Public benefit statement

The five river bridges maintained and supported by the charity are available to the general public on an open access basis at no cost to the taxpayer. Regarding the funding activities of the charity and other support provided for the charitable sector, the Trustee awards grants in line with its approved policy to address disadvantage across London's

diverse communities and provides more general support to the charitable sector through various strategic initiatives. This process is based upon published criteria, and through thoughtful analysis and collaboration with other partners in the sector regarding the needs of marginalised communities in Greater London. The charity uses a transparent and fair assessment process and ensures that a robust monitoring system is in place to establish the public benefit derived from each grant approved alongside the other activities of the charity.

Consequently, the Trustee considers that CBF operates to benefit the general public and satisfies the public benefit test. Regard has been had to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

Reference and administrative details

The administrative details of the charity are stated on pages 66 to 67.





ACHIEVEMENTS AND PERFORMANCE

The Bridges

City Bridge Foundation’s roots can be traced back to the first stone bridge spanning the Thames, Old London Bridge. Over 900 years later, the charity now owns five of the main river bridges in central London: Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge. These iconic bridges are maintained by CBF at zero cost to the taxpayer.

The bridges are an essential part of London’s transport system, allowing free movement across the River Thames. They help to keep the capital moving and support its role as a global capital of business, culture and tourism.

CBF has begun developing detailed 3D models of all five bridges. Built using laser scanning and structural element modelling, these digital models will reflect the current condition of each of the five structures. They will also act as a visualisation and record tool for future maintenance projects. The models will be developed over time to ensure ongoing accuracy and to monitor trends, such as changes to the immediate riverbed environment or any structural movement.

It was a very busy year for structural inspections of the charity’s stock. Principal Inspections of London Bridge and Blackfriars Bridge together with their approach structures plus General Inspections of Tower Bridge and Millennium Bridge and their approaches were completed along with the relatively new London Bridge Staircase, on the north-east corner of the bridge.

An extensive brickwork refurbishment of Tower Bridge’s north approach was completed this year. Work had to be undertaken from the moat of the Tower of London which is not only Grade I listed (as part of the Bridge) but is considered part of the Scheduled Monument of the Tower of London. The work was successfully completed in coordination with Historic Royal Palaces’ programme of works within the Tower of London.

The street lighting columns on Blackfriars Bridge were replaced this year. In collaboration with the Secure City Project (undertaken by the Trustee), the new lighting columns also facilitated extensive improvement to the security cameras on the bridge. Infrastructure for security cameras was also installed on Southwark Bridge, as part of a wider security improvement project throughout the City.

An invitation to tender was issued for potential contractors to carry out refurbishment works to the deck of the Millennium Bridge, as well as repaint the structure and re-tension the suspension cables. Despite good levels of interest in the project, there were fewer than expected tender returns. In the circumstances, it was decided that the tender process should be terminated pending a review of how best to proceed with the work. This is now expected to be completed in 2026, allowing the 25th anniversaries of both the bridge and its neighbour, Tate Modern, to be celebrated without interruption in 2025.

A major project to update Tower Bridge’s high voltage electrical power system was signed off, with a making good certificate issued on 12 March 2025. The project replaced the old electrical system, which superseded steam power in 1976, and increases resilience in case of system failure. Tower Bridge now has two separate high voltage power supplies, one providing instant backup if the other fails. If both systems fail, an emergency generator supplies power.

The complex project, which began in January 2022, required extensive amounts of equipment to be installed in the north bascule chamber and across the Bridge, with overnight works minimising public disruption. The project was delayed by 14 months due to a global shortage of essential materials and other unforeseen factors in the post-Covid period.





Tourism at Tower Bridge

An iconic symbol of London since its opening in 1894, Tower Bridge seamlessly blends Victorian engineering with modern technology. As a working bascule bridge and a highly popular visitor attraction, it not only serves as London’s defining landmark but also continues to thrive as a paid visitor attraction, which this year welcomed 936,948 visitors from around the world.

Investment in the latest ticketing technologies and operational measures has reduced queues, simplified admission processes and allowed better management of visitor flow, ensuring that the Bridge remains competitive and aligned with its peers in the cultural sector, ultimately enhancing visitor satisfaction and operational efficiency.

Year	24/25	23/24	22/23	21/22*
Visitor numbers to Tower Bridge	936,948	998,155	746,895	261,815
No. of pupils participating in education programme	6,019	5,357	3,721	2,604
Admissions Income	£7,748,679	£6,892,289	£4,373,918	£1,867,911
Retail Income	£2,676,501	£2,708,716	£2,161,087	£703,458
Venue Hire Income	£565,936	£875,436	£995,400	£529,502

*Business recovery year following the pandemic – reopened from mid-May 2021 in line with Government restrictions, to reduced capacities and increased safety measures. Onsite school sessions did not recommence until October 2021. Visitor appetite gradually increased throughout the year.

In June 2024, Tower Bridge achieved an impressive 92% score in its annual Visit England quality assessment, a slight increase from the previous year. By August 2024, it ranked as the highest-rated paid attraction in London (by traveller rankings) on TripAdvisor.

The Learning programme at Tower Bridge saw significant engagement, with more than 6,000 children participating in various educational activities, an increase of 12% on the previous year. Relaxed Opening Sessions, designed for visitors seeking a tranquil atmosphere including people with autism and other neurodiverse needs, as well as their siblings, families and carers, remained strong. In February 2025, the Bridge was chosen by the Telegraph as one of London’s top ten accessible visitor experiences, referencing the Bridge’s tactile displays, the braille resources for vision impaired guests, and the descriptive audio guides. Community engagement initiatives included training sessions for local organisations to facilitate self-guided visits and collaborations with local schools for programs like the Kids in Museums Takeover Day.

Tower Bridge has benefited from the sustainable practices of its new catering and events management partner, Social Pantry, a B Corp certificated company. When required, Social Pantry was able to serve sustainably sourced sparkling wine, offer all-vegan wines, and provide meals with the majority of dishes being vegetarian or vegan. Branding was transitioned to digital screens and LED lighting, removing the need for printed materials and the hiring of equipment was consolidated to minimise delivery emissions. During the first year of this partnership, Social Pantry’s focus has been on establishing the business and effective working methods in the compact setting of a 130-year-old, Grade I listed structure. Now established, income generation is expected to rise.

These demonstrable developments in supporting social values and eco-friendly initiatives align entirely with CBF’s aims.

Tower Bridge’s long-term strategy for the visitor attraction, Tower Bridge in Motion (TBiM), is well underway. Work commenced on specific projects and activities in 2024/25, including audience development research and planning for growing existing and new audiences. In addition, a feasibility study brief was developed to commission a multi-disciplinary design team to approach the first stage of a full masterplan for the Bridge in 2025/26 (which will include the transformation of existing and expansion of new spaces for the visitor attraction and activating the Bridge’s public realm) and the first stage of a comprehensive workforce review saw the design and appointment to new roles which are responsible for delivering against all aspects of the Bridge’s existing change strategy over the next five years.

In celebration of its 130th birthday, Tower Bridge hosted a free summer exhibition titled Launching a Landmark: The Unseen Opening Weeks. This showcased a range of previously unseen photographs from the Bridge’s construction and opening. This exhibition, part of the TBiM strategy, provided free public engagement through the use of informative columns on the Bridge itself, attracting significant attention. On 9 July 2024, a recreation of a historical photograph from the opening day included members of the local community, staff and CBF-funded organisations. The exhibition website attracted 10,000 visitors during its run, and a series of videos reached 1.75m users on social media.

Tower Bridge continues to fulfil the Trustee’s statutory obligation to raise the Bridge for river vessels, with 570 Bridge lifts during the year. The Bridge’s around-the-clock security provision remains vigilant in the protection and care of the charity’s workforce, the public (insofar as the charity’s responsibilities extend) and the Bridge itself. The Security Team was awarded ‘Outstanding Team of the Year’ at the Team London Bridge’s Great Places to Work Awards.



City Bridge Foundation's Funding

This was a significant year for CBF's funding work, as the charity adapted to the exceptional challenges facing the charitable and funding sectors amid a surging demand for grants. In October 2024, given the volume of applications already being evaluated, the charity closed all rolling grants programmes to new applications, giving notice to charities that we were doing so. We continued to review and develop a new ten-year funding policy, Standing with Londoners, which was agreed in March 2025. The charity aims to launch the first of its new funding programmes in Autumn 2025.

Development of Standing with Londoners

In March 2025, the charity launched its new ten-year funding policy, Standing with Londoners, with a focus on tackling inequality and injustice.

The new policy was informed and supported by wide-ranging engagement and consultation, including six events with 230+ external stakeholders, a survey of over 1,000 Londoners, and more than 15 learning sessions with the CBF team, Board and Funding Committee.

Standing with Londoners marks a critical step forward in the charity's journey as a social justice funder, with a refined focus on changing the systems that keep people marginalised, while also addressing the issues disadvantaged communities are facing. Working towards a shared vision of a more equitable London, it aims to deliver impact through collaboration and co-ordination across London's civil society, charities, communities, funders, government and business.

CBF has identified four visions for a fairer London around which the charity will shape and develop future funding programmes: Climate Justice, Access to Justice, Racial Justice and Economic Justice. Collectively, these four areas cover some of the most critical issues facing London's most marginalised communities. They are vital entry points to combat inequality and achieve social justice.

CBF will use its grant-making, social investments, networks and its voice and convening power in support of the following activities, advocating for social justice across priority areas:

- **Connecting Communities:** Creating more joined-up systems of support, co-operation and collective power; supporting organisations to build capacity and resilience; leadership development, infrastructure support, convening and network-building.
- **Meeting Needs:** Funding frontline work with an emphasis on advice and holistic support for London's most marginalised communities. The charity will prioritise service delivery that applies community insights and evidence to drive meaningful change.
- **Catalysing Change:** Supporting or accelerating initiatives that aim to bring about social change. This could include funding advocacy and campaigns, community organising, evidence gathering, research and strategic communications.

In the year ahead, new funding programmes will be developed to implement the policy, complete with eligibility criteria and clear signposting about how to access funding.



Funding during the year

The charity spent £51.7m on its responsive grant programmes in 2024/25.

CBF awarded grants in support of migrants, refugees, and people seeking asylum in London, supporting holistic, culturally competent services addressing urgent and long-term needs. This included legal advice, housing support, trauma recovery, skills development, and advocacy. Initiatives ranged from choirs that foster healing and belonging, to training, promoting economic independence, and lived-experience-led platforms challenging injustice and amplifying migrant voices.

Support for children and young people was provided, with a particular focus on empowering girls and young women. This work combined creative, educational, therapeutic and practical support to build confidence, resilience, and aspirations. From STEM programmes, sports and leadership development to trauma-informed therapy and youth-led research, these initiatives - often designed by and for the communities they serve - centred inclusion, safety, and long-term empowerment.

Grants were directed toward improving access, inclusion, and opportunity for Deaf and Disabled Londoners. Support included access audits, physical infrastructure upgrades, creative and leadership development programmes, and mental health support. Initiatives tackled structural exclusion while enhancing independence and wellbeing, through inclusive play, artistic expression, digital literacy, employment training, and co-designed service delivery.

CBF invested in civil society infrastructure to strengthen the resilience, equity and effectiveness of London’s voluntary and community sectors. This included funding for grassroots networks, place-based giving schemes, and faith-based organisations, as well as initiatives to improve data use, digital tools, and fundraising capacity.

Under its mental health funding strand, CBF awarded grants to projects including multilingual counselling for migrants, specialist therapy for global majority and LGBTQ+ communities, and trauma-informed interventions including work with disabled people and young people affected by crime. Services ranged from one-to-one psychotherapy to group support and creative therapies, delivered both in person and online.

Targeting the drivers of poverty in the capital, CBF supported projects offering advice, advocacy, and basic needs support. These included food banks, community pantries, and culturally tailored welfare and debt advice. Funding strengthened frontline services and the infrastructure behind them, supporting for example Latin American migrant women, Disabled people, families from Black and minoritised groups, and other marginalised groups through legal representation, multilingual advice, and financial guidance.

Older people received targeted support through projects addressing loneliness, dementia, poverty, and intersecting inequalities due to race, disability, or long-term illness. Programmes included memory cafés, intergenerational music sessions, befriending services, tailored exercise classes, and culturally specific wellbeing groups— fostering dignity, joy, and resilience.

Funding for environmental sustainability projects supported both infrastructure and community-led action. Grants funded practical improvements like solar panels, LED lighting, and energy-efficient systems, while also nurturing grassroots engagement through initiatives such as gardening clubs, forest schools, and volunteer-led greening projects promoting climate awareness and wellbeing. CBF invested in specialist services tackling abuse, exploitation and hatred. These included individual casework for sex workers, domestic abuse survivors, and young people at risk of gang violence — with a strong focus on support for Black and minoritised women. Projects worked with both victims and perpetrators, with services shaped by lived experience. Funding also addressed modern slavery and hate crime, supported safe spaces and outreach work, and trained frontline professionals.

CBF invested in criminal justice by supporting people leaving prison to rebuild their lives and reduce the risk of reoffending. Projects challenged inequality in the justice

system through mentoring, trauma support, peer-led programmes, and employment pathways, often focused on those facing multiple barriers to reintegration.

Closures and additional one-year grants

After providing exceptional levels of funding to London’s charitable sector from 2021 to 2024, CBF closed five of its rolling grant programmes to new applications in July 2024, and the remaining programmes in October 2024. These closures followed a large, continuing increase in post-Covid applications, at a time when many funders, including CBF, were having to scale down the extra support put in place during the pandemic. The closures allowed CBF to concentrate on managing existing grants and applications, and to focus on developing a new funding policy.

These grant programmes had offered up to five years of funding and organisations in receipt of shorter grants could typically apply to extend them. In the circumstances, CBF instead offered a one-off, 12-month core grant to eligible organisations with shorter grants using a simplified application and assessment approach. 156 organisations received core funding, amounting to £6.3m. Funding could be used to continue their original work or support their other charitable activities within Greater London.

Propel

Propel is a cross-sector collaboration, made up of funders, including CBF, equity partners, and organisations led by and for London’s communities. The initiative’s shared ambition is to put money and power into the hands of ‘led by and for’ communities facing structural inequalities in London, as these are best placed to drive effective change in the capital. Following the first round of Propel funding in 2023, extension funding was offered to CBF-funded organisations for one or two additional years, totalling £3.5m. The total amount of funding across the collaboration is close to £45m across 131 funded organisations.

Funded organisations reported that the focus on ‘led by and for’ has helped create safe spaces for people with lived experience of the systemic issues they want to tackle, and through capacity building, organisations are empowering individuals and communities to advocate for themselves and the changes they want to see.

Anchor Programme

The Anchor Programme supports infrastructure organisations to drive systems change, focussing on second-tier organisations ‘led by and for’ their communities. Following a first round of funding in 2023, eligibility criteria were refined to exclude mainstream infrastructure groups

and sharpen the equity-led focus. Round Two launched in May 2024 with clearer guidance, including pre-application webinars. Applications fell from 173 to 73, reflecting the tighter criteria. In the second round £10.8m was awarded to nine organisations.

As first round grantees completed their first year in early 2025, CBF piloted a new learning and impact process, co-designed with the organisations. This included a short-written impact and learning report from each funded organisation and a meeting with their Funding Manager at their premises, to reflect on progress and the partnership so far. Insights will inform future impact approaches.

Suicide Prevention

In 2024/25, CBF delivered an ongoing £10.1m suicide prevention programme, developed in consultation with the charity’s corporate Trustee, the voluntary sector, statutory bodies, and a lived experience advisory group. The programme was split into two parts.

The first, ‘Making London More Liveable’, provided funding for grassroots organisations working to reduce isolation and strengthen community connections for people facing multiple suicide risk factors. 32 grants were awarded, totalling £5.9m.

The second strand provided seven-year grants to organisations tackling systemic issues around suicide prevention in defined strategic areas. Four grants were awarded, totalling more than £4.2m.



Funded organisations are supported by a learning partner, Making Impact Matter, which is developing a shared evaluation framework, connecting organisations as a cohort, and helping to demonstrate the programme’s impact. This aligns with CBF’s wider commitment to being a learning organisation.

Impact and Learning

During the year the Impact and Learning team hosted two online welcome sessions for newly funded organisations, with 370 attendees. These bi-annual sessions aim to build understanding of CBF’s mission and values, introduce the grant management process, and outline the range of support available to organisations.

The team also delivered two ‘Spotlight Talks’, an ongoing series of free panel discussions which provide an online platform for funded organisations to share their work, experiences, and learning.

In June 2024, the focus of the session was Small Charities Week, bringing together an audience of approximately 50 attendees. The November 2024 event explored strategies for recruiting and retaining volunteers, engaging over 80 participants.

Funder Plus and communications support

Organisations funded by CBF benefit from the charity’s Funder Plus initiative which offers free tailored support to funded organisations, addressing specific needs such as governance, fundraising, business planning, and organisational development. Provided by a network of trusted partners, CBF invested £120k into Funder Plus support during the year.

Communications support includes a monthly email bulletin introducing new funding opportunities from across the sector and free training and support offers from CBF and the wider sector. CBF also supports funded organisations and the wider sector via social media channels including LinkedIn, Instagram, Bluesky and YouTube.

Details of how to apply for grants are available on www.citybridgefoundation.org.uk



CBF Investments

CBF's current Investment Strategy Statement (ISS) seeks to integrate the objectives approved within CBF's overarching strategy, Bridging London 2020 – 2045. The ISS echoes the ambitious Climate Action Strategy adopted in 2020 by CBF's Trustee, the City Corporation, for itself and the charity.

The ISS incorporates a 'total returns' approach to investments representing the permanent endowment, permitting capital growth to be utilised to fund bridge maintenance or charitable funding activities, alongside bespoke investment and social investment powers.

Investment strategy

Under the trusteeship of the City Corporation, CBF is committed to fulfilling a positive and sustained role in bridging and connecting London, for the benefit of Londoners today and generations to come. Where appropriate, CBF seeks to use its permanent endowment and other investments held as a way to advance its vision and aims. CBF believes that the purpose of the charity's investments should be to achieve suitable financial returns whilst integrating impact considerations where practical. In doing this, the CBF investment portfolio should enhance the charity's vision, increase its overall impact and minimise reputational risk.

The ISS covers the investment of the charity's permanent endowment fund – both now and in the future – and unrestricted income fund. It encompasses property, financial and social investments. The charity's investments are invested in accordance with the powers set out in an Order of the Charity Commission dated 20 July 1998, the charity's Supplemental Charters of 1957 and 2023, the Trustee Act 1925 and the Trustee Act 2000; and in accordance with its ISS.

The charity defines investment risk principally as the danger of failing to meet its primary purpose. As an endowed charity, the Trustee has a duty, when investing the permanent endowment, to balance capital growth and income return to meet the charity's purposes now and in the future. To achieve this, the real value of the permanent endowment is required to be preserved, after providing for annual expenditure, and setting aside provisions for the future. Due to the in-perpetuity nature of the objects and value of the charity's funds, the charity can take a more long-term view and tolerate a reasonable level of short-term volatility to the value of the endowment fund as an investment opportunity rather than as a threat. The long-term objectives of the charity's investments portfolio are to:

- Meet the financial needs of the five Thames Bridges across the short, medium and long-term.
- Subject to the needs of the bridges and reserves policy being met, surplus income not required for the primary object will be identified and allocated for spend against the approved Funding Policy to be applied in furtherance of the ancillary object.
- Work towards a portfolio that delivers required financial returns whilst integrating the Impact Considerations including measurable societal and environmental impacts in line with the objects of CBF, supporting its existence in perpetuity.

CBF has identified the following UN Sustainable Development Goals (SDGs) as having a direct impact on the charity and its activities:

- SDG 9: Industry, innovation and infrastructure
- SDG 10: Reduced inequalities
- SDG 11: Sustainable cities and communities
- SDG 13: Climate action

Where possible, CBF will aim, within the scope of the ISS, to align its approach to investment with these goals. In doing this assessment, the charity referred to the updated guidance provided by the Charity Commission within CC14 – Investing charity money: a guide for Trustees in setting its Strategy.

The Investment Committee of the CBF Board approved an indicative roadmap for delivering the steps towards a gradual reallocation of its investments to achieve its Investment Objectives. Performance of the charity's investments during the year is stated on pages 20-23 and set out in Notes 12-14.

Property Investments

CBF has a property investment portfolio comprised of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents 89.6% of the permanent endowment funds of the charity.

There are now 55 assets (2023/24: 60 assets) within the portfolio of which 55.7% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio but are valued externally.

The underlying value of the property portfolio, as disclosed in the balance sheet, decreased by £3.8m (0.5%) to £796.7m as of 31 March 2025. The relatively small change in value across the CBF property investment portfolio, reflects that although values appear to be stabilising, there remains much uncertainty in the UK and world economies.

The ISS set the objectives for this portfolio for 2024/25, and the financial target is to achieve a minimum portfolio return of CPI plus 4% on a rolling 10-year period net of fees. A review is being undertaken to implement this revised target.

In terms of performance against peers the aim is to outperform the MSCI Benchmark for total returns on an annualised 5-year basis, for Greater London Properties (including owner occupied). The portfolio outperformed the MSCI benchmark across all reported periods.

	31 March 2025	31 March 2024
Capital Value*	£796.7m	£800.5m
Gross Rental Income **	£25.2m	£24.1m
5-year annualised Total Return	-0.3%	1.21%
MSCI Benchmark 5-year annualised Total Return	0.6%	0.02%
MSCI Universe (All UK Property) 5-year annualised Total Return	1.93%	0.45%

* Inclusive of lease smoothing adjustment

** Inclusive of service charge income

Review of key activities from 2024/25:

- Sale of the freehold interests in five assets for £15.6m.
- The major refurbishment of 30 New Bridge Street which was completed in April 2024 has now been let in its entirety to a business centre operator securing a substantial rental income stream for CBF. BREEAM Excellent and EPC B ratings were achieved. This concludes a series of whole building refurbishments completed by CBF which were affected by the impacts of high inflation and delays. In the short term no further whole building refurbishments are planned.
- 5 office floors were let at 120 Cannon Street assisted by CBF undertaking “Cat B” fitout works leaving two floors vacant. In addition, two vacant retail units have now been let.
- The above lettings will provide CBF with a future total income of just under £2.8m p.a.
- At the end of the financial year, the vacancy rate for CBF’s directly managed property investments stood at a relatively modest 6.6% by floor area (2,938 sqm) but this space is proving difficult to let due to market conditions and as most of this space has not been fitted out ready for tenants to take occupation.
- Works to install air source heat pumps and upgrade at 4-5 Chiswell Street have continued and are due to be completed in 2025/26. The aim is for the building to achieve an EPC B rating.
- A ground lease restructure at 1-5 London Wall buildings not only provided CBF with a significant premium but will help ensure that a major refurbishment and letting of this asset will proceed by the head lessee. In turn this will improve the quality of the asset and quality of future income to CBF.

- The major redevelopment of Millenium Bridge House, now rebranded to One Millenium Bridge, completed in the year releasing a further capital payment to CBF. This high-quality scheme retained the structural frame and achieved BREEAM Excellent and EPC A ratings, and the head lessee is successfully letting up the property and will provide CBF with high quality income.

Financial Investments

The CBF financial investment portfolio primarily represents the unrestricted income funds of the charity, with approximately 10.4% of the portfolio representing the permanent endowment fund. The aim of the portfolio is to apply a targeted return of CPI+4% on a rolling 10-year period net of fees.

To achieve its objectives, the portfolio is invested across a diverse array of asset classes, on a global basis, which includes exposure to publicly listed equities, fixed income, multi-asset funds, infrastructure and private equity. The charity primarily accesses these asset classes through pooled fund vehicles, each managed by specialist appointed fund managers. The performance of the financial investment portfolio is shown in the table below:

	31 March 2025	31 March 2024
Portfolio Value*	£836.8m	£850.2m
One-year total return**	3.33%	9.41%
Return target**	7.23%	7.23%
Asset Allocation Benchmark**	6.76%	13.66%

*The Portfolio Value includes £783.4m long term investments (2023/24: £794.9m) plus £46.1m short term investments with fund managers and money market funds (2023/24: £47.5m) and £7.3m of impact investments (2023/24: £7.8m). It should be noted that the charity withdrew £29.6m from the financial investment portfolio during the year to 31 March 2025 to support cashflow requirements.

**The performance excludes private equity, money market funds, & impact investments.

The year to 31 March 2025 was characterised by a dynamic and often volatile global investment environment, shaped by evolving monetary policy, geopolitical tensions, and changing investor sentiment.

Under these conditions the charity’s financial investments generated an annual return of 3.33% in the year to 31 March 2025. Although this trailed the charity’s return target (7.23%) and asset allocation benchmark (6.76%) it should be noted that the charity aims to meet its investment targets over the long term, where performance continues to be positive. Events described above are a reminder of the risks inherent in investing and highlight the importance of the charity’s diversified asset allocation strategy, designed to mitigate volatility in financial markets.

The charity’s Climate Action Strategy (CAS) includes the Financial Investments workstream with a net zero target of 2040 at the latest, with interim emission reduction targets of 24% by 2025 and 55% by 2030. During 2024/25 the charity continued to monitor and engage with its Fund Managers to ensure that the transition to net-zero continued.

Social Investments

CBF’s social investments play a vital role in supporting the charity’s ancillary object, enabling a range of activities that directly benefit Londoners. Throughout the year, investment opportunities are carefully assessed by the Funding Committee, in line with CBF’s social investment policy set by the Investment Committee.

CBF’s social investments target key areas of need across the capital, including homelessness, providing LGBTQ+ friendly accommodation for asylum seekers, and supporting victims of modern slavery and human trafficking. In 2024–25, CBF also made investment offers to organisations advancing local regeneration and equalities-focused finance.

As at 31 March 2025, CBF holds £1.4m as social investments.

Plans for future periods

CBF retains a clear and ambitious vision for a connected capital, by maintaining and promoting world-class bridges, developing and delivering world-class charitable funding, and embedding and encouraging world-class responsible business practices. CBF’s cross-cutting strategic ambitions of Equity, Diversity and Inclusion and Climate Action remains fundamental to the charity’s endeavours now and in future years.

Supported by its investments, and under the Trusteeship of the City Corporation, CBF will continue to fulfil its charitable role of bridging London and connecting communities.

The vision for the next year across the activities of the charity includes:

The Bridges

On completion of the Tideway Tunnel project, the Blackfriars Bridge Refurbishment will resume, allowing the charity to conserve the remaining spans of this historic structure. This is a project which needs to be completed carefully to protect the Bridge and to maintain public access as much as possible. In the meantime, collaboration continues with the Tideway Tunnel project, which will be reinstating a section of heritage parapet on Blackfriars Bridge, adjacent to a replacement staircase from the Bridge down to the riverside walk.

Work will continue to commence refurbishment of the Millennium Bridge. The charity’s intention is to minimise disruption to users of this very popular pedestrian route, and key crossing point on the river.

The existing consultancy contract for the inspection and management of the five bridges is due to conclude in March 2026. This will need to be re-tendered before the existing contract ends. Options are being investigated as to how CBF can lead the industry in terms of future inspection, and how findings from these can be effectively implemented to prolong the bridges, while improving the environmental impact of future contracts.

Work to update some of the existing structural studies is also planned, for example, updating the structural risk assessments for London Bridge.

The Engineering team will continue to protect the bridges and where appropriate work with third party developers where nearby developments could potentially interact with the structures and bridge users.

Tower Bridge Tourism

A 10-year development plan has been initiated for the Tower Bridge visitor attraction, referred to as Tower Bridge in Motion (TBiM). TBiM aims to deliver capital improvements to our historic buildings and surrounding estate and its transformation programme will enhance visitor experiences and access, increase space for learning and engagement, improve staff and back-of-house facilities, expand commercial opportunities, and foster sustainability. TBiM in 2025/26 will involve a full feasibility study leading into a masterplan, audience development and the activation of its public realm to trial heritage/cultural installations on and around the bridge itself.

Alongside this, Tower Bridge will focus on several key areas of operation which include carefully managing track



repair and improvement works to the North Tower lift while mitigating any negative effect on visitor experience and events business. Other areas of focus include trialling flexible pricing and adapting the timed ticketing system to better manage capacities and reduce potential for crowding, with the aim of improving attraction management, staff comfort levels, queue management, and visitor flow. Digital resource developments, such as an entirely new website, will also be prioritised, alongside ongoing development in Health & Safety management across all teams.

Tower Bridge plans to progress its fire suppression and hydraulic motors replacement projects amongst other improvements for 2025/26, delivering the charity's primary object, and will also review and prioritise plans for the next three years, collaborating with the Trustee on operational matters.

New staff training will be introduced to address trauma, focusing on supporting our workforce following potentially

traumatic incidents, including but not limited to interactions with distressed persons and suicide intervention. Additionally, a comprehensive review of Tower Bridge's workforce will align staffing levels with the ambitious goals of the long-term TBiM strategy.

Funding

Following the launch of CBF's new ten-year funding policy, Standing with Londoners, in March 2025, the charity will continue to learn and adapt to serve London and Londoners. CBF has bold ambitions as a social justice funder, with an overall aim of supporting efforts that are focused on tackling the causes of injustice experienced by the most disadvantaged and marginalised communities – especially efforts to empower affected communities themselves.

The new policy identifies four visions for a fairer London around which CBF will shape and develop our future grant making and social investment work.

These are:

- Climate and environmental justice,
- Access to justice,
- Racial justice and
- Economic justice.

The Access to justice programme will launch in Autumn 2025.

The charity will continue to award funds under the previous Bridging Divides strategy until Summer 2025, as it moves into the implementation phase of the new funding policy.

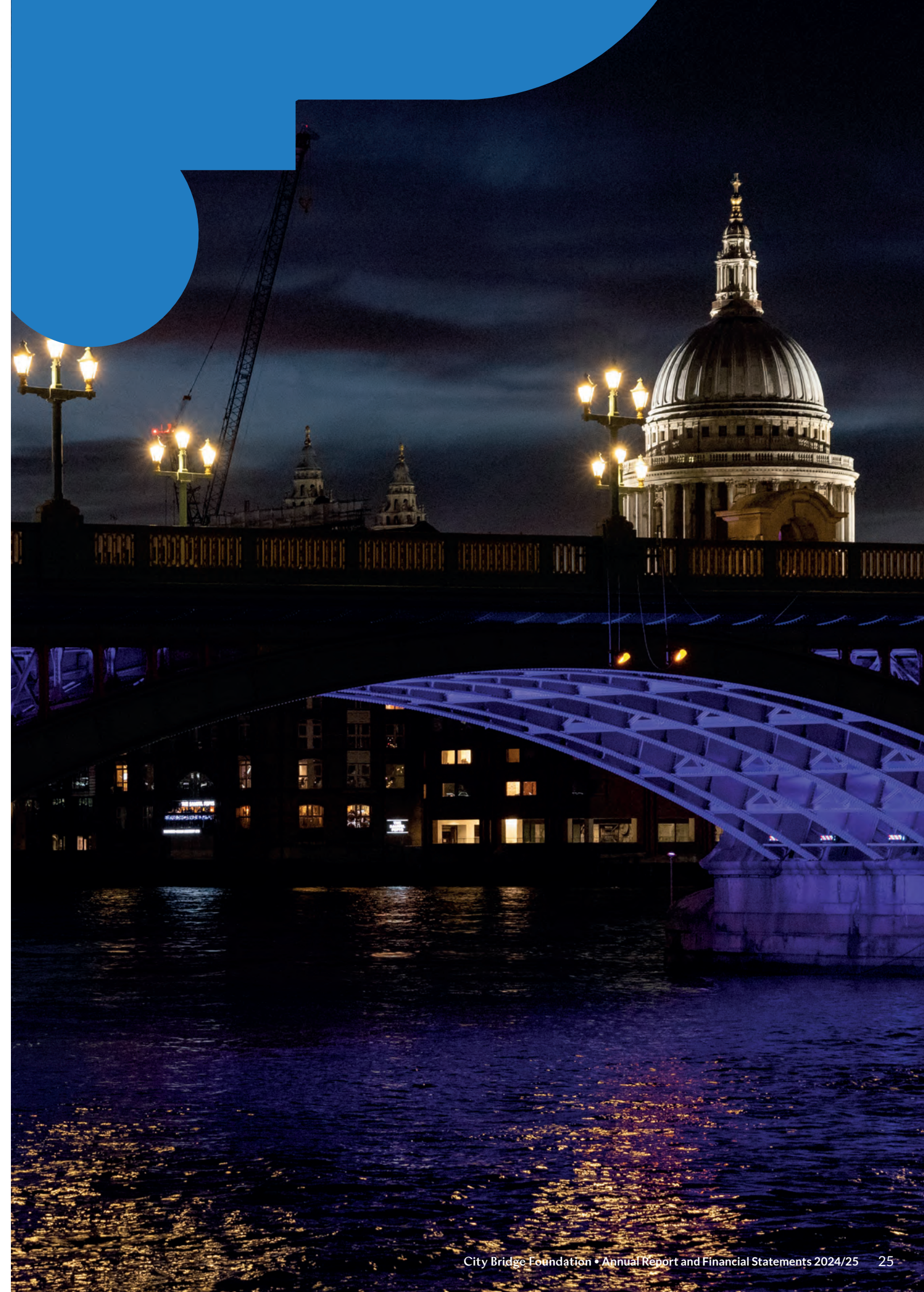
A new Enterprise Support Pilot Programme will also launch in 2025, to be delivered over approximately two years and supported by more than £2m in funding. The pilot is designed to help build the resilience of London's voluntary, community and social enterprise (VCSE) sector and to investigate effective methods of expediting VCSE groups to develop viable ideas for earned income. There will be a focus on historically underfunded communities.

Property Investments

A focus for the year ahead will be to work closely with the Investment Committee on the future structure of the Investment Portfolio to meet the Charity's requirements including the Investment Strategy Statement. Options for letting vacant space will be reviewed, included undertaking "Cat B" fit out works. The sale of long leases at 23 Finsbury Circus and 74 Moorgate will be progressed.

Financial Investments:

During 2025/26 CBF will undertake a strategic asset reallocation, with the aim of better achieving the Investment Objectives. Supporting plans to achieve the ambitious climate action strategy of CBF will continue to be a key focus.





FINANCIAL REVIEW

Overview of financial performance

Over the year, the charity continued to refurbish and maintain the five Thames bridges, awarded significant level of grants in support of London's communities, and provided an enhanced experience to visitors to the Tower Bridge attraction. Amidst an evolving economic landscape with geopolitical tensions and concerns over tariffs, the charity saw mixed performance in both its financial and property investments. The charity has sufficient funds available to meet its objectives.

Income

Total income for 2024/25 was £42.6m, up by £2.5m on the previous year (£40.1m).

Tower Bridge income increased from £10.5m in 2023/24 to £11.1m in 2024/25, mainly driven by an increase in the average ticket yield. Despite intentionally managing visitor numbers down on the previous year's figures to reduce the potential for crowding and improve staff comfort levels, higher ticket prices drove overall income growth. The new ticketing system allowed no-show ticket income to be included for the first time and allowed for greater control to manage visitor flow and trade partners, with the aim of providing a better visitor experience for all.

Investment income comprising of the property portfolio and the financial investment holdings of the charity, totalled £31.2m, an increase of £2.3m compared to previous year. Some refurbished properties became available for lease in the latter part of 2024/25, driving the increase in property rental income by £1.1m to £25.2m. The increase in financial investments income was driven by higher private equity distributions compared to the previous year.

The remainder of the charity's investment income is derived from interest earned from treasury deposits and social investments held, at £1.5m (2023/24: £1.2m).

Other income of £0.3m (2023/24: £0.7m) includes fees receivable by the charity for undertaking administrative duties on behalf of other organisations.

Expenditure

Expenditure for the year totalled £120.8m, being up by £1.9m from 2023/24. Bridge related expenditure was £12.5m (2023/24: £12.5m). Bridges maintenance projects were deferred into future years. Expenditure levels for Tower Bridge tourism were mainly driven by steep price rises in supplies and services, higher costs in electricity and cleaning and additional spend on consumables.

Spend on charitable funding activities (including linked operational spend) for 2024/25 was £81.5m compared to £83.1m for 2023/24. These increased grant commitments are mainly funded from the additional £200m of accumulated surplus income that was allocated by the Trustee in March 2020 to further the ancillary object.

Expenditure on raising funds increased to £17.6m (2023/24: £15.1m). Property investment expenditure increase is due to increases in fees and services as well rates on vacant properties.



Overall performance

Overall performance saw a deficit of £78.2m (2023/24: £78.8m), prior to movements on investments held. As at 31 March 2025, the charity has reported total gains on investments of £38.6m, compared to net losses on investments of £5.8m in 2023/24. The gains on the charity's financial investments of £25.7m was largely driven by a strong performance in equities and a boost in fixed income returns in the earlier part of the year with volatility, geopolitical tensions and rising concerns over tariffs, inflation and fiscal policy eroding some of the gains in the latter half of the year. Property investments made gains of £12.4m in 2024/25 compared to the loss of £73.8m for 2023/24, reflecting improved market sentiments and a gradual increase in confidence in the sector. Further details on the performance of investments are stated on pages 20 -22.

There was a £0.5m gain on social investments held (2023/24: nil).

Funds held

Total funds held by the charity as at 31 March 2025, decreased by £38.4m to £1,493.3m (2024: £1,531.7m). This reduction was driven by planned additional expenditure on charitable funding. Within total funds, £856.7m represent the permanent endowment fund (2024: £904.3m). This is accounted for on a 'total return' basis with all income, expenditure, and gains/losses arising from the investments

representing the endowment within this fund and is available to be spent on the charity’s purposes. In the year no distributions were made from the endowment fund to fund unrestricted activities of the charity. Details of the endowment fund can be found on pages 59-62.

The unrestricted income funds of the charity totalled £636.6m (2024: £627.4m). Within the unrestricted income funds, designations have been made for specific purposes. As at 31 March 2025, these designations totalled £268.9m (2024: £220.7m). Detail of designated funds is within Note 21.

Details of all funds held, including their purposes, is set out within Note 21 to the financial statements.

Reserves policy

The charity holds a substantial permanent endowment fund. It is the Trustee’s policy to invest the assets of the charity held within this fund to retain the real value of the endowment whilst also generating sufficient returns to fund the charity’s primary purpose to maintain and support its five river bridges in perpetuity. Any income surplus to that required to be applied to the charity’s primary object in any one year may be used towards the ancillary object.

The free reserves of the charity, within its unrestricted income funds, are held to cover working capital needs and a provision for unplanned urgent activities. The charity maintained a target level of free reserves at £35m, alongside an additional £55m, giving a total of £90m, reflecting growth uncertainties across future periods. This amount is subject to annual review.

Reserve levels held as at 31 March 2025 are set out in Note 21. The charity holds free reserves of £367.7m (2024: £406.7m), which is £277.7m above the current policy. The charity maintains this reserves policy in anticipation of future consideration of its primary and ancillary activities, and the associated investment allocation review. Economic uncertainties and investment returns require that the Trustee adopts a prudent approach in maintaining high levels of free reserves.

Remuneration policy

The charity’s key management personnel, as defined within Note 10 to the financial statements, are employees of the City Corporation and, alongside all other staff, their pay is reviewed annually. Salary costs incurred by the Trustee in administering the charity are re-charged to CBF. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for

their contribution. As part of this commitment, staff are regularly appraised during the year.

The Managing Director’s post is evaluated and assessed independently against the external market allowing the post to be allocated a salary range which incorporates market factors as well as their relevance to the charity.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established by the City Corporation to actively promote equity, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan. This also includes addressing the City Corporation’s gender pay gap.

Fundraising

Section 162(1)(a) of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Although the charity does not currently undertake widespread fundraising activities, any such amounts receivable would be presented in the financial statements as “voluntary income” including grants.

In relation to the above we confirm that any solicitations would be managed internally, without involvement of commercial participators, professional fundraisers, or third parties. The day-to-day management of all income generation is undertaken by the CBF team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2023/24: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities, including those designed to protect vulnerable people.

Principal risks and uncertainties

The charity is committed to an active and forward-looking programme of risk management as an integral element of its strategy to safeguard the long-term delivery of its charitable objects. The charity’s Executive Leadership Team and the City Bridge Foundation Board ensure that risk management is embedded in decision-making at all levels through the consistent application of the Risk Management Protocol, regular review of registers, and targeted engagement with risk owners.

Risk management supports both effective governance and operational resilience. The charity maintains a Principal Risk Register, capturing the most significant risks to its strategic objectives, and four Operational Risk Registers covering Bridge Management, Tower Bridge operations, Funding, and Investments. In 2024/25, the charity also established an Audit & Risk Working Group, bringing together Members and Officers to review and enhance the charity’s risk

approach. This group concluded its mandate in February 2025 and proposed several audit and risk recommendations for CBF. One of the principal recommendations was the formation of a Risk Management Officer Group in 2025/26 to support deep dives, horizon scanning, and alignment with a proposed Risk Appetite Framework. This is now being implemented alongside other measures.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risk
Structural damage to Bridges The possibility of major structural damage to one of City Bridge Foundation’s five Thames bridges, whether caused by external factors such as a terrorist attack, natural disaster, vessel strike, or engineering failure. If such an event occurred, it could result in the bridge becoming inaccessible to vehicles, pedestrians, or river traffic for an extended period.	The highest risk faced by the charity is the possibility of major structural damage to one of its five Thames bridges. This could arise from environmental factors, vessel impacts, material degradation, or external events. Over the past year, considerable progress has been made to reduce this risk. Comprehensive inspections were carried out across all bridges, identifying no major defects and enabling early action on emerging issues. Notably, a complex brickwork refurbishment on the Tower Bridge North Approach was completed to conservation standards and positively received by Historic England. Looking ahead, the charity has commissioned an updated 50-year strategic maintenance plan to guide investment and risk prioritisation. Continued engagement with insurers, engineering consultants, and statutory partners supports ongoing resilience.
Lack of Maintenance of the Bridges The possibility that maintenance of the bridges and related infrastructure is not carried out effectively, either due to delays, poor planning, or unclear responsibilities between City Bridge Foundation and its partners. This could lead to safety hazards, closure or restricted use of crossings, public disruption, reputational damage to the charity and its Trustee, and higher costs if works are delayed or poorly coordinated.	Closely related to structural concerns is the risk that routine or planned maintenance may fall behind schedule, causing cumulative asset deterioration and increased costs. The past year saw meaningful improvement in how this risk is managed. Key projects, such as the Millennium Bridge deck refurbishment and Blackfriars Bridge phase 2, are progressing through procurement. These have been re-sequenced to align with regulatory changes and interdependencies, such as the Tideway Tunnel works. Additionally, the new 50-year maintenance strategy will enhance long-term planning and funding alignment. Increased coordination between the charity and City Corporation departments responsible for engineering delivery ensures shared accountability and clearer oversight.
Reputational Damage The reputational harm resulting from incidents, whether within or outside the charity’s control, that are poorly managed or communicated. Ineffective responses or unclear messaging could undermine trust, damage stakeholder relationships, impact delivery of the charity’s work, and breach the Trustee’s duty to protect its assets, including its reputation.	The charity recognises that public and stakeholder trust can be undermined by policy shifts, perceived delays, or inconsistent communication. The transition from Bridging Divides to the new Future Funding Policy presented significant reputational exposure, but decisive progress has been made. The backlog of funding applications was reduced from 928 to 146 by April 2025, with all assessments due to complete in the first half of the calendar year. The Future Funding Policy was approved by Court of Common Council in March 2025 and launched with stakeholder briefings, new programme development, and refreshed communications materials. A more proactive communications approach and closer alignment between operational and strategic teams have supported a more coherent public narrative.

Risk	Actions to manage risk
Insufficient investment returns The potential for poor investment performance or economic pressures, such as inflation, tenant vacancies, or market volatility, to reduce returns. This could impact the charity's ability to fund bridge maintenance and its wider funding commitments, affect reserves, and damage its reputation if it is unable to meet its charitable objectives.	This risk reflects the potential for market volatility or governance gaps that could reduce the performance of the charity's investment portfolio, with knock-on effects for funding and infrastructure. The Investment Strategy Statement was approved in 2023, and a strategic asset reallocation is being planned. Forecasting and reporting tools have been strengthened, enabling improved visibility and responsiveness. The Investment Committee is being strengthened through greater delegation and wider membership, plus closer integration with financial modelling for the primary object, the City Corporation's Treasury team, and Forward Financial Plan to help align investment oversight with the charity's long-term financial strategy across its activities.
Failure to deliver CBF's strategy and organisational change The ineffective delivery of the charity's strategic vision and transformation plans. It may arise from limited capacity, poor collaboration, unclear planning, or insufficient support from the City of London Corporation. If not managed well, this could lead to lack of direction, low staff morale, reduced productivity, fragmented decision-making, and inefficient use of resources.	The risk that the charity fails to deliver its strategic vision or implement organisational change has been a priority throughout the past year. The 2025/26 Business Plan clearly outlines priorities across bridges, funding, and responsible business, and key programmes including Tower Bridge in Motion, the Future Funding Policy, and the People Plan are now moving to implementation. Internal structures such as officer groups and programme boards have improved collaboration and ownership, while a renewed focus on outcomes and alignment is informing the development of performance and risk frameworks. Leadership continuity and recruitment into key roles have contributed to increased stability during transformation.
Inadequate Safeguarding Measures The failure to embed safeguarding effectively across all of the charity's activities and operations. If staff and Trustees are not adequately trained or safeguarding is not actively monitored, there is an increased risk to beneficiaries as well as potential legal breaches, regulatory investigation, reputational harm, and financial liability.	The charity has embedded strong foundations in the past year. A revised safeguarding policy was rolled out across all teams, with a clear escalation framework in place, and tailored training to be implemented for all staff and Board before the end of the year. Safeguarding responsibilities are built into team-level planning and governance processes, and the charity has reported no incidents or near misses in the past year. The Safeguarding Group continues to meet regularly, and a calendar of ongoing training supports confidence and culture around safeguarding at all levels.
Charity's Skills, Diversity and Retention Gaps A lack of diversity and lived experience within the charity's Board and staff. Without a broad range of perspectives, skills, and backgrounds, the charity may struggle to make fully informed decisions, effectively serve its beneficiaries, and reflect the communities it supports. This could lead to reputational harm, reduced impact, and challenges in attracting or retaining staff.	While organisational transformation has created pressure points, the approved People Plan will actively address succession planning, wellbeing, and inclusive recruitment. Recruitment to strategic roles in Funding, Risk, Investment, and Safeguarding has stabilised capacity. The charity has appointed a Director of Equity, Diversity and Inclusion to drive forward culture change, who is due to start in June 2025. Coordination with the City Corporation's EDI initiatives and alignment with the refreshed values framework ensure this remains a cross-cutting priority.

Risk	Actions to manage risk
Failure to Achieve and Maintain Climate Action Goals and Resources The charity's ability to meet its Climate Action Strategy goals may stall without sufficient resources, partnerships, or operational changes, progress on reducing emissions and improving resilience. This could lead to higher energy costs, increased environmental vulnerability of infrastructure, and reputational damage if CBF is seen as falling short of its public commitments.	The charity recognises the growing importance and complexity of delivering against its Climate Action Strategy. This risk was added in 2024/25 to reflect the operational challenge of embedding climate commitments across all operations. While the strategy has been adopted and is included in the 2025/26 Business Plan, the risk lies in inconsistent implementation, limited capacity, and evolving measurement frameworks. Climate-related responsibilities are embedded across key teams, including Funding, Investment, and Bridges, with work underway to collect baseline data and align activities with the Climate Action Strategy. The charity continues to collaborate with the City Corporation's Climate Team and is developing a more robust reporting framework as delivery accelerates.
Inadequate Health & Safety Measures The failure to uphold consistent health and safety standards at CBF sites, including Guildhall and the bridges. Inadequate assessments, training, or resources could lead to serious incidents involving staff, visitors, or contractors. Such incidents may result in harm, operational disruption, regulatory breaches, financial liabilities, reputational damage, and increased scrutiny or intervention from the City of London Corporation.	This risk was formally elevated to principal level in 2024/25 following an increased focus on regulatory assurance and an aligned focus with the City Corporation. It reflects the potential for inadequate health and safety controls to result in injury, legal risk, or reputational harm. In the past year, the charity responded swiftly to a vessel impact at Southwark Bridge and to public safety concerns at Tower Bridge. These incidents prompted a review of inspection cycles and design features. Health and safety now have greater visibility in business planning and risk reporting, supported by a cross-charity Health & Safety Officer Group that shares learning and supports oversight, with regular quarterly meetings. The charity is currently implementing the use of the City Corporation's Safe365 audit tool, where it currently holds one of the highest departmental scores, reflecting strong overall performance while still addressing targeted improvements.
Ineffective Charity Governance Weaknesses in the governance arrangements between City Bridge Foundation and the City of London Corporation acting as Trustee. A lack of understanding of Trustee duties or an inadequate internal governance framework could lead to poor decision-making, regulatory breaches, or conflicts of interest. This may result in Charity Commission investigation, reputational damage, failure to deliver the charity's objectives, and increased risk to its assets.	Governance remains a key area of focus as the charity continues to mature in its strategic oversight and decision-making structures. The implementation of an internal Governance Review, approved in 2024/25, is progressing and includes updated delegation frameworks and clearer lines of accountability. The forthcoming Risk Management Officer Group will support improved cross-team risk ownership and escalation. The Principal Risk Register is formally reviewed by the ELT three times per year and by the Board as part of the risk management protocol reporting cycle.

Going concern

Financial resources are well placed to manage the business risks. The planning processes of the charity take into account the current uncertain economic climate and its potential impact on both income, investment returns and expenditure – both now and in the future – with a focus on the liquidity of the charity over the next 12-month period. The Trustee is satisfied that the charity could absorb significant changes in investment values with no impact on its ability to continue as a going concern due to the substantial size of its endowment fund. As part of the budget-setting process, detailed forecasts for the subsequent 3-year period are also presented. The charity

has further developed its long-term modelling of funds held to stress test assumptions, inform decision making on investment allocation and can confirm it would continue in operation. The ancillary purpose of CBF is undertaken only where surplus income is available in any year after responsibilities relating to the Bridges have been met. Should it be required, this method of operation provides flexibility to the charity when approving future plans. As such, the Trustee considers that all appropriate steps have been taken to effectively manage risk and that overall, there are no material uncertainties that affect the financial position of the charity. Therefore, the financial statements have been prepared on a going concern basis.

TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity. This includes the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records. These must be sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity. They must also enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The Trustee is 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Paul Martinelli



Chair of CBF Board
Guildhall, London

Simon Duckworth OBE DL



Deputy Chair of CBF Board
18 November 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CITY BRIDGE FOUNDATION

Opinion

We have audited the financial statements of City Bridge Foundation for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees’ responsibilities statement set out on page 32, the Trustee is 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 Trustee is 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.

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditor’s 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.

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

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 auditor’s report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charity’s ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. The laws and regulations we

considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Health and Safety Legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the charity for fraud.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, the valuation of financial investments and investment properties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates including those specific to the investment valuations for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 charity’s 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 charity’s Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London
24 November 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended
31 March 2025

	NOTES	Unrestricted Funds £m	Endowment Funds £m	2024/25 Total Funds £m	2023/2024 Total Funds £m
Income and Endowments from:					
Charitable activities	2	11.1	–	11.1	10.5
Investments	3	6.4	24.8	31.2	28.9
Other income	4	0.3	–	0.3	0.7
Total income		17.8	24.8	42.6	40.1
Expenditure on:					
Raising funds	5	5.0	12.6	17.6	15.1
Charitable activities:					
Repair and maintenance of bridges		12.5	–	12.5	12.5
Tower Bridge tourism		9.5	–	9.5	8.1
Charitable funding		81.5	–	81.5	83.1
Total charitable activities:	6	103.5	–	103.5	103.7
Other					
Net pension scheme (returns)/costs	18	(0.3)	–	(0.3)	0.1
Total expenditure		108.2	12.6	120.8	118.9
Net (expenditure) before (losses)/gains on investments		(90.4)	12.2	(78.2)	(78.8)
Net gains/(losses) on property investments	12	–	12.4	12.4	(73.8)
Net gains on financial investments	13	21.3	4.4	25.7	68.0
Net gains on social investments	14	0.5	–	0.5	–
Total gains/(losses) on investments		21.8	16.8	38.6	(5.8)
Net (expenditure)/income after losses/(gains) on investments		(68.6)	29.0	(39.6)	(84.6)
Transfers between funds		81.7	(81.7)	–	–
Other recognised gains:					
Actuarial gains on defined benefit pension scheme	18	1.2	–	1.2	2.9
Net movement in funds		14.3	(52.7)	(38.4)	(81.7)
Reconciliation of funds:					
Fund balances brought forward at 1 April 2024		627.4	904.3	1,531.7	1,613.4
Total funds carried forward	21	641.7	851.6	1,493.3	1,531.7

All of the above results are derived from continuing activities.
There were no other recognised gains and losses other than those shown above.
The notes on pages 39 to 65 form part of these financial statements.

BALANCE SHEET

As at
31 March 2025

	NOTES	2025 Total £m	2024 Total £m
Fixed assets:			
Tangible assets	11	2.9	2.9
Investment properties	12	796.7	800.5
Financial investments	13	790.7	802.7
Social investments	14	1.4	1.2
Total fixed assets		1,591.7	1,607.3
Current assets			
Stock		0.4	0.4
Debtors	15	12.3	13.1
Short term investments and deposits	13	46.1	47.5
Cash at bank and in hand		10.1	10.4
Total current assets		68.9	71.4
Creditors: Amounts falling due within one year	16	(81.7)	(80.5)
Net current (liabilities)		(12.8)	(9.1)
Total assets less current liabilities		1,578.9	1,598.2
Creditors: Amounts falling due after more than one year	17	(85.6)	(65.0)
Net assets excluding pension scheme asset/(liability)		1,493.3	1,533.2
Defined benefit pension scheme asset/(liability)	18	–	(1.5)
Total net assets	21	1,493.3	1,531.7
The funds of the charity:			
Permanent endowment funds		851.6	904.3
Designated funds		268.9	220.7
General funds		372.8	406.7
Total funds	21	1,493.3	1,531.7

The notes on pages 37 to 69 form part of these financial statements.
Approved and signed on behalf of the Trustee.



Caroline Al-Beyerty
Chamberlain and Chief Financial Officer
18 November 2025

STATEMENT OF CASH FLOWS

For the year ended
31 March 2025

	Notes	2024/25 Total £m	2023/24 Total £m
Cash flows from operating activities:			
Net cash (used in) operating activities	22	(86.8)	(73.6)
Cash flows from investing activities:			
Dividends, interests and rents from investments		31.2	28.9
Additions to short term deposits		(81.3)	(117.4)
Proceeds from sale of short term deposits		82.7	105.6
Sale of investment property		21.7	4.0
Purchases and improvements of property		(5.5)	(37.2)
Additions to tangible fixed assets		(0.3)	(0.2)
Additions to social investments		(0.2)	(0.1)
Social investments repayments		0.5	0.5
Additions to financial investments		(236.9)	(138.0)
Proceeds from sale of financial investments		274.6	230.3
Net cash provided by investing activities		86.5	76.4
(Decrease)/increase in cash in the year		(0.3)	2.8
Change in cash and cash equivalents in the reporting period		(0.3)	2.8
Cash and cash equivalents at the beginning of the reporting period		10.4	7.6
Cash and cash equivalents at the end of the year	23	10.1	10.4

NOTES TO FINANCIAL STATEMENTS

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

a. Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified for the revaluation of investment property and financial investments measured at fair value, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

The City Corporation is Trustee of the charity, with officers of the City Corporation providing administrative services for both the charity and other Funds for which it is responsible. All assets, liabilities, income and costs are accounted for by the charity individually. Where required, costs are apportioned based on actual activity of the charity. Please see note 1 (c) (vi) below for further explanation.

The Financial Statements are presented in sterling which is the functional currency of the charity.

b. Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. A rolling detailed annual review of the charity's forecast financial position over a three-year period is carried out, alongside ten-year modelling of funds held, to confirm that sufficient investment returns will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding.

In assessing the appropriateness of the going concern basis, the Trustee has considered the charity's financial position, the value of investment assets held, future investment return levels, expenditure requirements and the liquidity of the charity, taking into account the inflationary pressures and the changing economic environment. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. Accordingly, as further stated on page 31, the Trustee has a reasonable expectation that the charity will continue as a going concern for at least 12 months from the date of signing this report and has adopted this basis for the preparation of the financial statements.

c. Critical accounting judgements and assumptions

Key accounting judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the significant judgements that have been made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

i. Valuation of investment properties

Investment properties are properties ultimately owned by the charity and are held for capital appreciation, rental income, or both. They are valued at each balance sheet date at fair value as determined by professionally qualified internal and external valuers.

Valuations are prepared in accordance with "RICS Valuation – Global Standards (incorporating International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, (the "RICS Red Book"). The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security of income. Where lease premia or costs relating to rent

free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

Ongoing political and economic developments in the UK together with the US’s withdrawal from the Paris Agreement and their imposition of tariffs on certain imports continue to create a complex and evolving landscape.

In the UK commercial real estate market, sentiment had been improving amid expectations of continued base rate reductions, albeit at a potentially slower pace than initially anticipated. However, the volatility in UK ten-year gilt yields suggests that markets may be pricing in an extended timeline for rate cuts. This renewed uncertainty comes just as investor confidence was strengthening and it could see some investors adopt a more cautious, “wait and see” approach until the outlook becomes clearer.

The aforementioned geopolitical tensions, economic uncertainty, and the financing costs are contributing to a cautious pricing environment. While lender appetite remains healthy, underwriting standards are stringent, with the quality of both the asset and sponsor playing a pivotal role in securing financing.

It is important to recognise that the valuation has been prepared against the backdrop outlined above. In the interests of clarity, the valuations were not reported as being subject to ‘material valuation uncertainty’ as defined in the RICS Valuation – Global Standards.

ii. Investment property disposals

When accounting for the disposal of long leaseholds of investment properties, the charity utilises the methodology as set out within the RICS Professional Standards (“the Red Book”) in apportioning values between land and buildings. This includes a number of factors such as insurance values and future construction costs, which are subject to judgement.

iii. Valuation of financial investments

Within financial investments are amounts invested in private equity fund vehicles. These funds are valued by the fund managers based on a number of assumptions, some of which are based on non-observable inputs (such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples).

iv. Valuation of social investments

Unquoted social investments are in some cases internally valued, and management is required to make certain judgemental assumptions. Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

v. Defined benefit pension scheme

The charity has an obligation to pay pension benefits to those working for it. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See Note 18 for the disclosures relating to the defined benefit pension scheme, alongside further detail on the sensitivity of assumptions made.

The Pension Fund is the responsibility of the City Corporation as a corporate body exercising its functions including as Trustee of CBF, and the charity does not have an exclusive relationship with the City of London Pension Fund. The proportion of the Pension Fund that relates to City Corporation employee members engaged on CBF activities is not separately identifiable. However, an estimated share of the total Pension Fund net deficit has been allocated to CBF on employer’s pension contributions paid into the Fund by, CBF as a proportion of total employer’s contributions paid.

vi. Allocation of support costs

Support costs, incurred by the City Corporation on behalf of the charity, are allocated on a cost recovery basis to the charity. Human resources and digital services are apportioned on a headcount basis. Legal support and public relations are allocated per usage; premises costs are allocated on a space occupied basis; accounting services costs are allocated on the basis of time spent and number of invoices processed; with committee administration costs allocated on the basis of the number of committees overseeing the charity’s activities.

d. Income and expenditure

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income; it is probable that the economic benefit associated with the transaction will come to the charity and the amount can be measured reliably. Income consists of fees and charges from the tourism operation at Tower Bridge, grants income, income from property (see policy g below) and financial investments and income on money market deposits held.

Tower Bridge tourism fees and charges – Income included under this heading includes admissions fees, events income, retail and filming fees, all of which are recognised in the period to which the income relates.

Investment property income – Income is recognised on an accrual basis and on a straight-line basis (note (1) (g)).

Financial investments income – consists of dividend and interest which are recognised when receivable.

Other income – is recognised in the period in which the charity becomes entitled to receipt.

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of ‘expenditure on raising funds’, ‘expenditure on charitable activities’ and ‘other expenditure’.

Expenditure on raising funds comprises those related to management of the investment property portfolio and financial investments, including apportioned support costs. The element of costs relating to property and financial investments that are attributable to maintaining the capital value of the endowment are charged to that fund, with the balance of these costs coming from the unrestricted income fund.

Expenditure on charitable activities comprises repair and maintenance of the bridges, those related to the operation of the Tower Bridge tourist attraction, alongside grant-making, including apportioned support costs.

Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. For multi-year grants where payment is planned over more than one year from the date awarded, the charity reviews the present value of future payments for materiality. In 2024/25, the present value of future payments is material, and the liability is recognised at present value. The discount rate of 4.4% used is considered as the most current available estimate of the opportunity cost of money and is based on the expected real rate of return on the investment portfolio.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in the activities undertaken. These include external audit, internal audit and costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, technology, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 9.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid, with details provided in Note 10.

e. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the year-end rate of exchange. All gains or losses on translation are taken to the Statement of Financial Activities in the year in which they occur.

f. Pension costs

Defined benefit scheme

The Trustee operates a funded defined benefit pension scheme for its staff employed on its activities, which includes staff acting for the Trustee on behalf of City Bridge Foundation. The original scheme is based on final salary and length of service on retirement. Changes to the Scheme came into effect from 1 April 2014 and any benefits accrued from this date are based on career average revalued salary, with various protections in place for those members in the Scheme before the changes took effect.

For the defined benefit scheme the amounts charged within expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The assets of the scheme are held separately from those in the charity and are invested by independent fund managers appointed by the Trustee. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary, using the projected unit method and discounted at a rate equivalent to the current rate of return, on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the balance sheet.

g. Operating leases – City Bridge Foundation as the lessor

Assets subject to operating leases are included in the Balance Sheet according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis until the next rent review, even if the payments are not received on this basis, unless another method is more representative of the time pattern in which the benefits derived from the leased asset are diminished. Rent-free periods are allocated over the term of the lease.

Rent concessions including the forgiveness of a portion of or all lease payments for an agreed period (i.e., a temporary rent reduction or rent holiday) have been recognised over the periods that the changes relate to and in accordance with the appropriate guidance.

h. Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

i. Fixed assets

Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

Computer software	3 years
Computer and other equipment	5 years
Fixtures and fittings	8-20 years
Operational assets	10-30 years

Land is not depreciated.

Where a fixed asset (other than freehold land) is not depreciated or has a life of more than 50 years, an annual impairment review is carried out.

Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e., they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2025 was £1,282.5m (2024: £1,256.7m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1(d).

Investment properties

Investment properties for which fair value can be measured reliably on an on-going basis are measured at fair value annually with any change recognised in the Statement of Financial Activities. The valuations are estimated by appropriately qualified professional valuers.

No depreciation or amortisation is provided in respect of freehold or leasehold investment properties.

Financial investments

i. Quoted investments

Quoted investments comprise publicly quoted, listed securities including shares, bonds and units. Quoted investments are stated at fair value at the balance sheet date. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade.

ii. Unquoted investments

Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018). Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples. Where a valuation is not available at the balance sheet date, the most recent valuation is used, adjusted for cashflows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date. These valuations are provided by fund managers and are subject to either independent valuation or annual audit.

iii. Cash held by fund managers

The fund managers utilised by the charity may hold investments in the form of cash from time to time when making transactions. These amounts are recognised within investments due to the intention to reinvest.

Social investments

Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

j. Stocks

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the Tourism operation at Tower Bridge.

k. Cash

Cash and cash equivalents include cash in hand, short term deposits and other instruments held as part of the City Corporation's treasury management activities with original maturities of three months or less and, if any, overdrafts.

l. Financial assets and liabilities

Since the charity only has financial instruments which qualify as basic financial instruments, it has chosen to adopt Section 11 of FRS 102 in respect of financial instruments. Financial assets and liabilities, including debtors and creditors, are recognised when the charity becomes party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

m. Funds' structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. The total return approach has been adopted by the Trustee during 2023/24, with all relevant income, expenditure and gains/losses being accounted for with the unapplied total return element of the endowment. The Trustee has adopted a policy to determine use of the unapplied total return.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income transferred from the permanent endowment fund and returns generated by investments representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which has been held to meet the requirements of future years, known as free reserves.

Designated funds – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

2. Income from charitable activities

	Restricted Income Funds 2024/25 £m	Restricted Income Funds 2023/24 £m
Tower Bridge tourism fees and charges	11.1	10.5
	11.1	10.5

3. Income from investments

	Unrestricted Income Funds £m	Endowment Fund £m	Total 2024/25 £m	Unrestricted Income Funds £m	Endowment Fund £m	Total 2023/24 £m
Investment property	2.7	22.5	25.2	4.2	19.9	24.1
Financial investments	2.2	2.3	4.5	2.2	1.4	3.6
Interest receivable	1.5	-	1.5	1.2	-	1.2
Total investment income	6.4	24.8	31.2	7.6	21.3	28.9

All investments are held to provide an investment return to the charity.

4. Other income

	Unrestricted Income Funds £m	Endowment Fund £m	Total 2024/25 £m	Unrestricted Income Funds 2023/24 £m	Endowment Fund £m	Total 2023/24 £m
Other income	0.3	-	0.3	0.3	0.4	0.7

5. Expenditure on raising funds

	Unrestricted Expenditure 2024/25		Endowment Fund 2024/25		Unrestricted Expenditure 2023/24		Endowment Fund 2023/24			
	Direct costs £m	Support costs £m	Direct costs	Support costs	Total 2024/25 £m	Direct costs £m	Support costs £m	Direct costs	Support costs	Total 2023/24 £m
Investment property expenses	0.5	0.1	10.0	1.9	12.5	1.2	0.4	6.7	1.6	9.9
Financial investment expenses	3.7	0.7	0.6	0.1	5.1	4.2	0.4	0.5	0.1	5.2
	4.2	0.8	10.6	2.0	17.6	5.4	0.8	7.2	1.7	15.1

Investment property expenses – staff costs, repairs and maintenance costs, and professional fees relating to the management of the investment property portfolio.

Financial investment expenses – fees paid to fund managers.

6. Expenditure on charitable activities

	Direct costs £m	Support costs £m	Total 2024/25 £m	Direct costs £m	Support costs £m	Total 2023/24 £m
Repair and maintenance of bridges	11.0	1.5	12.5	11.0	1.5	12.5
Tower Bridge tourism	7.2	2.3	9.5	6.2	1.9	8.1
Charitable funding	79.6	1.9	81.5	81.4	1.7	83.1
	97.8	5.7	103.5	98.6	5.1	103.7

Repair and maintenance of bridges – staff costs, repairs and maintenance, insurance, equipment and materials costs relating to the Thames River bridges maintained by the charity.

Tower Bridge tourism – staff costs and other expenses related to the management and operation of the Tower Bridge tourist attraction.

Charitable funding – grants awarded by CBF, for purposes benefiting the inhabitants of Greater London including the costs of administering the grants process.

7. Charitable funding

During the year ended 31 March 2025, grants were awarded to institutions under the following programmes:

	2024/25 £m	2023/24 £m
Bridging Divides:		
Core Activities	51.7	70.8
Strategic Initiatives	2.9	11.5
Suicide Prevention	10.1	-
Anchor Programme	10.8	-
Propel	4.7	1.4
Charitable funding	80.2	83.7
Charitable funding adjustments and cancellations	(1.3)	(0.8)
Net charitable funding	78.9	82.9
Other charitable funding related activities	3.5	3.4
Effect of discounting of grant liability	(2.9)	(4.8)
	79.5	81.5

Grants were made to 570 organisations in the year (2023/24: 705), supporting 597 projects (2023/24: 765). The average amount of grant equalled £134k (2023/24: £109k). The increase in the average size of grant and decrease in the number of funded organisations in the year was due to awarding a number of grants worth £1m+ through programmes including the Anchor Programme, Propel and the Suicide Prevention Strategic Partnership funding.

All grantees receiving funding must work for the benefit of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

Details of all the grants approved are shown on the CBF website www.citybridgefoundation.org.uk, within the News & events section, including organisation name, amount given and purpose of the award.

Reconciliation of grants payable:

	2024/25 £m	2023/24 £m
Commitments at 1 April	113.4	80.7
Commitments made in the year	80.2	83.7
Charitable funding adjustments and cancellations	(1.3)	(0.8)
Charitable funding paid during the year	(53.4)	(45.4)
Discounting of grant liabilities	(2.9)	(4.8)
Commitments at 31 March	136.0	113.4

Outstanding grant commitments at 31 March 2025 are payable as follows:

	2024/25 £m	2023/24 £m
Within one year (note 16)	63.8	62.0
After more than one year (note 17)	72.2	51.4
Commitments at 31 March	136.0	113.4

The split of future payment dates is based upon contractual terms, which may relate to multi-year commitments.

8. Net income for the year

Net income is stated after charging:

	2024/25 £	2023/24 £
Auditors' remuneration for the audit of the financial statements	97,200	93,500
Depreciation	334,136	414,722

9. Support costs

Support costs include activities undertaken by the City Corporation on behalf of the charity as well as activities directly undertaken by the charity. Costs incurred by City Corporation departments outside the charity are recovered from the Charity's funds on an appropriate basis such as by head count or floor space.

	Tourism £m	Investment Property £m	Financial Investments £m	Bridges £m	Grants £m	Governance £m	2024/25 £m	2023/24 £m
Finance	0.3	0.2	0.2	0.2	0.3	0.1	1.3	1.0
Legal	0.1	0.1	0.1	0.1	0.1	-	0.5	0.6
City Surveyor	0.2	1.4	-	0.2	-	-	1.8	2.0
Governance & Strategy	0.1	0.2	-	-	0.2	0.2	0.7	0.5
People	0.1	-	-	-	0.1	-	0.2	0.3
Communications & Public Relations	0.3	-	0.1	0.2	0.3	-	0.9	0.7
Digital Services	0.2	-	-	0.1	0.1	-	0.4	0.7
Premises	0.1	-	-	-	0.1	-	0.2	0.2
CBF Operations & MD Office	0.5	0.1	0.2	0.3	0.4	-	1.5	1.2
Other	0.3	-	0.1	0.3	0.2	0.1	1.0	0.4
Sub-total	2.2	2.0	0.7	1.4	1.8	0.4	8.5	7.6
Relocation of governance costs	0.1	-	0.1	0.1	0.1	(0.4)	-	-
Total Support costs	2.3	2.0	0.8	1.5	1.9	-	8.5	7.6

All support costs are allocated between the endowment and unrestricted income funds, as shown in the expenditure notes. Governance costs are allocated on the basis of FTE staff within each activity.

10. Details of staff costs

All staff that work on behalf of the charity are employed by the City Corporation. The average full-time equivalent (FTE) number of people directly undertaking activities on behalf of the charity during the year was:

	2024/25 Number	2023/24 Number Restated
Investments	5	5
Tower Bridge tourism	54	56
Tower Bridge Operations	28	30
Funding	42	43
Enabling services	24	20
	153	154

2023/24 Staff FTE number has been restated using the same methodology for 2024/25.

In addition, support staff are charged to the charity on the basis described within Note 9. The full-time equivalent number of support staff charged is 28.9 (2023/24: 38.2).

The repair and maintenance of bridges is undertaken by City Corporation staff based within the Environment Department and are included within support staff. The heading Tower Bridge Operations includes staff directly responsible for the operations and security of that bridge.

Enabling services includes staff providing direct support and management to the charity in communications, governance and strategy, finance and human resources.

The above figures are for average staff FTE rather than headcount as they reflect time on activities undertaken for the charity by staff employed by the City Corporation.

Amounts paid in respect of employees directly undertaking activities for the charity were as follows:

	2024/25 £m	2023/24 £m
Salaries and wages	9.0	7.4
National Insurance costs	1.0	0.8
Employer’s pension contributions	1.6	1.4
Total emoluments of employees	11.6	9.6

The number of directly charged employees whose emoluments for the year were over £60,000 was:

	2024/25	2023/24
£60,000 - £69,999	15	9
£70,000 - £79,999	6	5
£80,000 - £89,999	5	1
£90,000 - £99,999	–	1
£100,000 - £109,999	1	3
£120,000 - £129,999	1	–
£140,000 - £149,999	1	1
	29	20

All employees paid over £60,000 have retirement benefits accruing under the defined benefit scheme.

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, senior officers employed by the City Corporation and key members of the CBF leadership team. The senior officers of the City Corporation include the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor, and the City Surveyor. These officers work on a number of the City Corporation’s activities and their salaries and associated costs are allocated to the activities under its control, including CBF on the basis of employee time spent on the respective services, as stated within Note 10. Further details on this can be found within the Annual Report for City Fund. The CBF executive leadership team comprising the Managing Director (Acting), Interim Finance Director, Operations Director, Chief Funding Director, Director of EDI and Director of Communications and Engagement are included within key management personnel.

Total employment benefits, including employer pension contributions and employer national insurance contributions for key management personnel in 2024/25 was £1.1m (2023/24: £1.1m).

The highest paid role is the Managing Director (Acting) of CBF, with total employment benefits, including employer pension contributions and employer national insurance contributions being £197k (2023/24: £193k).

No Members received any remuneration for time spent on CBF matters with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2024/25 from the charity (2023/24: Nil).

11. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold Improvements £m	Total £m
Cost				
At 1 April 2024	0.8	2.7	4.5	8.0
Additions	0.1	0.1	0.1	0.3
Disposals	–	–	–	–
At 31 March 2025	0.9	2.8	4.6	8.3
Depreciation				
At 1 April 2024	0.7	1.6	2.8	5.1
Charge for the year	0.1	0.1	0.1	0.3
Disposals	–	–	–	–
At 31 March 2025	0.8	1.7	2.9	5.4
Net book value				
At 31 March 2025	0.1	1.1	1.7	2.9
At 31 March 2024	0.1	1.1	1.7	2.9

12. Investment properties

	2025 £m	2024 £m
Market value at 1 April	800.5	841.1
Purchases and improvements	5.5	37.2
Book value of disposed assests	(7.6)	(3.4)
Total unrealised (losses)*	(1.7)	(74.4)
Market value at 31 March	796.7	800.5

*Includes rent free adjustment of £3.7m (2023/24: £4.0m).

The net gains/(losses) on property investments is arrived at as follows:

	2025 £m	2024 £m
Total unrealised (losses)	(1.7)	(74.4)
Realised gains on disposal	14.1	0.6
	12.4	(73.8)

A full valuation was performed as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards (“the Red Book”). This was undertaken by Savills (UK) Ltd, chartered surveyors, acting as independent valuers. The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties and various indices.

As many of the investment properties were gifted to the charity and others were acquired centuries ago, it is impracticable to provide historical cost information. It has therefore been assumed that the historical cost is nil. The properties are all situated in Greater London.

The charity determines its valuation policies and procedures and is responsible for overseeing the valuations. Valuations performed by the charity’s independent external valuers are based on information extracted from the charity’s financial and property reporting systems, such as current rents and the terms and conditions of lease agreements, together with assumptions used by valuers (based on market observation and their professional judgement) in their valuation models.

13. Financial investments

Total financial investments as at 31 March are split as follows:

	2025 £m	2024 £m
Long term investments held by fund managers	783.4	794.9
Impact investments	7.3	7.8
Financial investments at 31 March	790.7	802.7
Short term investments	46.1	47.5
Total investments at 31 March	836.8	850.2

Movement in total investments

	2025 £m	2024 £m
Long term investments held by fund managers		
Market value 1 April	794.9	819.7
Additions to investments at cost	236.7	137.7
Disposals at market value	(274.3)	(230.3)
Gains from change in fair value	26.1	67.8
Long term investments at 31 March	783.4	794.9

Impact investments

Analysis of movement in impact investments

	2025 £m	2024 £m
Market value 1 April	7.8	–
Reallocation from social investments	–	7.3
Additions to investments at cost	0.2	0.3
Disposals at market value	(0.3)	–
(Losses)/gains from change in fair value	(0.4)	0.2
Impact investments at 31 March	7.3	7.8
Financial investments at 31 March	790.7	802.7

Short term investments and deposits

	2025 £m	2024 £m
Investments at 1 April	47.5	35.7
Additions to investments at costs	81.3	117.4
Disposals at market value	(82.7)	(105.6)
Short term investments and deposits at 31 March	46.1	47.5
Total investments at 31 March	836.8	850.2

At the year-end £3.6m (2023/24: £4.8m) had been committed in private equity investments and yet to be paid out by the charity. During the year £29.6m (2023/24: £80.2m) was withdrawn from fund managers to support the operational activities of the charity.

The geographical spread of financial and short term investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2025 £m	Total at 31 March 2024 £m
Fixed interest	25.3	88.6	113.9	106.9
Index linked	7.3	-	7.3	16.2
Pooled units	113.3	453.3	566.6	591.4
Listed equities	11.3	31.1	42.4	23.7
Managed funds	23.9	-	23.9	25.7
Private equity	3.0	13.0	16.0	18.4
Infrastructure	-	59.4	59.4	60.1
Investment fund	3.0	0.2	3.2	3.2
Loan	-	-	-	0.2
Bond	0.8	-	0.8	1.3
Property fund	3.3	-	3.3	3.1
	191.2	645.6	836.8	850.2

The majority of the charity's financial investments are held in mutual funds operated by professional asset managers whereby the charity's assets are pooled with other investors and invested in equities, bonds and other securities. These investment assets are termed "pooled units" in the above table.

Impact investments as at 31 March 2025 are split as follows:

	Value as at 1 April 2024 £m	Drawn down £m	Repaid £m	Investment (losses) £m	Value as at 31 March 2025 £m
Investment fund	3.2	-	-	-	3.2
Loan	0.2	-	(0.2)	-	-
Bond	1.3	-	(0.1)	(0.4)	0.8
Property fund	3.1	0.2	-	-	3.3
	7.8	0.2	(0.3)	(0.4)	7.3

14. Social Investment Fund

	Value as at 1 April 2024 £m	Drawn down £m	Repaid £m	Investment gains £m	Value as at 31 March 2025 £m
Loan	0.6	0.2	(0.5)	0.2	0.5
Property fund	0.6	-	-	0.3	0.9
	1.2	0.2	(0.5)	0.5	1.4

At the year-end £nil (2023/24: £nil) had been committed but remained undrawn. Details of all investments placed are shown on the City Bridge Foundation website www.citybridgefoundation.org.uk.

15. Debtors

	2025 £m	2024 £m
Trade debtors	0.1	0.3
Rental debtors	3.8	3.7
Prepayments & accrued income	4.5	4.9
Sundry debtors	0.2	0.2
	8.6	9.1

Debtors – amounts due in more than one year

	2025 £m	2024 £m
Rental debtors	3.7	4.0
	3.7	4.0
Total debtors	12.3	13.1

16. Creditors – amounts falling due within one year

	2025 £m	2024 £m
Grants payable (note 7)	63.8	62.0
Trade creditors	2.6	3.2
Accruals	4.8	6.8
Deferred income	5.8	5.5
Rent deposits	3.4	3.0
Other creditors	1.3	-
	81.7	80.5

Deferred income comprises property rental income and lease premiums received in advance.

	2025 £m	2024 £m
Deferred income analysis within creditors:		
Balance at 1 April	5.5	6.1
Amounts released to income	(5.4)	(5.9)
Amounts deferred in the year	5.7	5.3
Balance at 31 March	5.8	5.5

17. Creditors – amounts due after more than one year

	2025 £m	2024 £m
Grants payable (note 7)	72.2	51.4
Deferred income	11.6	11.8
Other creditors	1.8	1.8
	85.6	65.0

Deferred income relates to lease premiums that will be released over periods of up to 161 years.

	2025 £m	2024 £m
Deferred income analysis within creditors:		
Balance at 1 April	11.8	11.8
Amounts released to income	(1.2)	(1.6)
Amounts deferred in the year	1.0	1.6
Balance at 31 March	11.6	11.8

18. Pensions

City of London Corporation defined benefit pension scheme

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating predominantly to the three principal funds for which it is responsible (City Fund, City's Estate and City Bridge Foundation).

The assets of the scheme are held in a specific trust separately from those of the City Corporation and contributions are paid to the scheme as agreed with the scheme's Trustees. As the proportion of the Pension Fund deficit that relates to City Bridge Foundation is not separately identifiable, the share of pension contributions paid to the scheme by the charity is calculated pro-rata to employer's contributions paid by each of the City Corporation contributors to the scheme. Further details can be found in the Annual Report of City Fund.

Accounting for the defined benefit scheme under IAS19

The full actuarial valuation of the defined benefit scheme was updated to 31 March 2022 by an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with the City Fund requirements, rather than under FRS102, with no material differences between the two accounting standards identified.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2024/25 is £1,094,000 (2025/26 projection: £1,6495,500). This figure is calculated pro-rata to total contributions that will be payable by the City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

Barnett Waddingham LLP, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method which will set contributions up to 31 March 2026.

a) Major assumptions by the actuary

Financial

The financial assumptions used for the purposes of the FRS102 calculations are as follows:

Assumptions as at:	2025 % p.a.	2024 % p.a.	2023 % p.a.
CPI increases	2.9	2.9	2.9
Salary increases	3.9	3.9	3.9
Pension increases	2.9	2.9	2.9
Discount rate	5.9	4.9	4.8

Life expectancy

The demographic assumptions used are consistent with those used for the most recent Fund valuation (31 March 2022), except for an update of the CMI projection model. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		2025	2024
Age 65 retiring today	Males Females	20.7 23.3	20.8 23.3
Retiring in 20 years	Males Females	22.0 24.7	22.0 24.7

Sensitivity analysis

The sensitivity of the liabilities to changes in the key assumptions used to measure the Pension Scheme's liabilities is shown in the table below:

Sensitivity analysis	Change to assumptions %	Impact on liabilities	
		Increase £m	Decrease £m
Salary increases	+/- 0.1	-	0.2
Life expectancy	+/- 0.1	1.9	-
Discount rate	+/- 0.1	(0.7)	(3.2)

b) Amounts included in the balance sheet

The amounts included in the charity's balance sheet arising from the City Corporation pension scheme's liabilities in respect of the defined benefit scheme for the current and previous two periods are as follows:

	2025 £m	2024 £m	2023 £m
Fair value of assets (bid value)	56.2	41.3	37.9
Fair value of liabilities	50.8	42.8	42.2
Unfunded surplus	5.4	-	-
Net asset/(liability) in balance sheet	-	(1.5)	(4.3)

2023/24 net pension liability represents 3% of the total net balance sheet asset in the City Corporation Pension Fund financial statements. For 2024/25, a pension surplus/asset is not recognised as the City Corporation cannot demonstrate an unconditional right to either a refund from the scheme or the right to reduce future contributions. CBF's share of the pension scheme for 2024/25 was 4% (2023/24: 3%).

c) Amounts included in the statement of financial activities

The amounts included within total expenditure in relation to the defined benefit scheme are as follows:

	2025 £m	2024 £m	2023 £m
Current service cost	1.3	0.9	2.1
Past service cost	-	-	0.1
Settlements and curtailments	-	0.1	-
Interest cost	0.1	0.2	0.6
Contributions	(1.7)	(1.1)	(1.0)
Total (returns)/expense	(0.3)	0.1	1.8

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 4% (2023/24: 3%) of the total charge in the City Corporation Pension Fund financial statements.

d) Asset allocation

The current allocation of the scheme's assets is as follows:

Employer asset share – bid value	2025		2024		2023	
	£m	% p.a.	£m	% p.a.	£m	% p.a.
Equity investments	28.5	51	23.0	56	22.2	59
Cash	0.9	2	0.4	1	0.3	1
Infrastructure	10.3	18	5.4	13	5.1	13
Absolute return portfolio	9.0	16	6.6	16	10.3	27
Bonds	7.5	13	5.9	14	-	0
Total assets	56.2	100	41.3	100	37.9	100

The charity's share of pension scheme assets at 31 March 2025 represents 4% (2023/24: 3%) of the total pension scheme assets of the City Corporation Pension Fund.

e) Movement in the present value of scheme liabilities

Changes in the present value of the scheme liabilities over the year are as follows:

	2025 £m	2024 £m	2023 £m
(Deficit) at beginning of the year	(42.8)	(42.2)	(61.0)
Current service cost	(1.3)	(0.9)	(2.1)
Interest cost	(2.8)	(2.0)	(1.6)
Remeasurement gains/(losses):			
Actuarial gains arising from changes in demographic assumptions	0.1	0.6	-
Actuarial gains arising from changes in financial assumptions	8.4	0.7	26.4
Other actuarial gains/(losses)	0.1	(0.1)	(5.0)
Other (losses)	(14.1)	-	-
Past service cost, including curtailments	-	-	(0.1)
Liabilities extinguished on settlements	-	(0.1)	-
Benefits paid	2.2	1.6	1.5
Contributions from scheme participants	(0.6)	(0.4)	(0.3)
(Deficit) at the end of the year	(50.8)	(42.8)	(42.2)

The charity's share of the closing value of the pension scheme liabilities represents 4% (2023/24: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

f) Movement in the scheme net assets/(liability)

The net movement in the scheme liabilities over the year are as follows:

	2025 £m	2024 £m
(Deficit) at beginning of the year	(1.4)	(4.3)
Current service cost	(1.3)	(0.9)
Net interest	(0.1)	(0.2)
Employer contributions	1.7	1.1
Actuarial gains/(losses)	7.1	2.9
Surplus not recoverable	(5.4)	-
Other (losses)	(0.6)	-
Net surplus/(deficit) at the end of the year	-	(1.4)

g) Movement in the present value of scheme assets

Changes in the fair value of the scheme assets over the year are as follows:

	2025 £m	2024 £m
As at 1 April	41.3	37.9
Interest on assets	2.7	1.8
Remeasurement gains/(losses):		
Return on assets less interest	(1.6)	1.6
Other gains	13.8	-
Contributions by employer including unfunded	1.7	1.1
Contributions by scheme participants	0.6	0.4
Estimated benefits paid net of transfers in and including unfunded	(2.3)	(1.6)
Settlement prices received	-	0.1
Closing value of scheme assets	56.2	41.3

h) Projected pension expense for the year to 31 March 2026

No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. As it is only an estimate, actual experience over the year may differ. No balance sheet projections have been provided on the basis that they will depend upon market conditions and the asset value of the scheme at the end of the following year.

	Year to 31/03/2026 £m	Year to 31/03/2025 £m	Year to 31/03/2024 £m
Service cost	0.9	0.9	0.8
Interest cost	-	-	0.2
Total expense	0.9	0.9	1.0
Employer contribution	1.6	1.1	1.0

19. Analysis of net assets between funds

At 31 March 2025	Unrestricted Income Funds		Endowment Funds	Total at 31 March 2025 £m	Total at 31 March 2024 £m
	General Funds £m	Designated Funds £m	Endowment Funds £m		
Fixed assets – Investment properties	81.7	-	715.0	796.7	800.5
Fixed assets – Financial investments	415.1	267.5	108.1	790.7	802.7
Other fixed assets	2.9	1.4	-	4.3	4.1
Current assets & liabilities	(41.3)	-	28.5	(12.8)	(9.1)
Long-term liabilities	(85.6)	-	-	(85.6)	(65.0)
Pension liability	-	-	-	-	(1.5)
	372.8	268.9	851.6	1,493.3	1,531.7

At 31 March 2024	Unrestricted Income Funds		Endowment Funds	Total at 31 March 2024 £m	Total at 31 March 2023 £m
	General Funds £m	Designated Funds £m	Endowment Funds £m		
Fixed assets – Investment properties	-	-	800.5	800.5	841.1
Fixed assets – Financial investments	492.5	219.4	90.8	802.7	819.7
Other fixed assets	2.8	1.3	-	4.1	11.9
Current assets & liabilities	(22.1)	-	13.0	(9.1)	(9.2)
Long-term liabilities	(65.0)	-	-	(65.0)	(45.8)
Pension liability	(1.5)	-	-	(1.5)	(4.3)
	406.7	220.7	904.3	1,531.7	1,613.4

20. Permanent Endowment fund – total return approach

Under the total return approach, the charity is permitted to allocate from the unapplied total return element of permanent endowment to the trust for application (income) such sums as it thinks appropriate in furtherance of its work providing it is satisfied that this will not prejudice the ability of the Trustee to further the purposes of the permanent endowment fund now and in the future and, in particular, that it will not prejudice the ability of the Trustee to further the Primary Object now and in the future. The charity's strategy is to manage the permanent endowment effectively in order to maximise the amount available for distribution whilst maintaining the real value of the permanent endowment fund, subject to the overriding duty of the Trustee to further the primary object now and in the future.

At 31 March 2025	Trust for Investment £m	Unapplied Total Return £m	Total Endowment £m
Original value with inflationary uplift	340.3	-	340.3
Unapplied total return	-	564.0	564.0
Total as at 1st April 2024	340.3	564.0	904.3
Movements in 2024-25			
Property Investments			
Income		22.5	22.5
Realised and unrealised losses		12.4	12.4
Less: Property investments cost		(11.9)	(11.9)
		23.0	23.0
Financial Investments			
Income		2.3	2.3
Realised and unrealised losses		4.4	4.4
Less: Investment management costs		(0.7)	(0.7)
Total		6.0	6.0
Unapplied total return allocated to income in the reporting period		-	-
Net movements in reporting period	-	29.0	29.0
Transfers	(32.0)	(49.7)	(81.7)
At end of the reporting period:			
Original value with inflationary uplift	308.3	-	308.3
Total unapplied return	-	543.3	543.3
Endowment as at 31 March 2025	308.3	543.3	851.6

At 31 March 2024	Trust for Investment £m	Unapplied Total Return £m	Total Endowment £m
Original value with inflationary uplift	340.3	-	340.3
Unapplied total return	-	613.7	613.7
Total as at 1st June 2023	340.3	613.7	954.0
Movements in 2023-24			
Gift on endowment fund	-		-
Recoupment trust for investment	-		-
Allocation from trust for investment	-		-
Property Investments			
Income		20.2	20.2
Realised and unrealised losses		(61.3)	(61.3)
Less: Property investments cost		(8.3)	(8.3)
		(49.4)	(49.4)
Financial Investments			
Income		1.4	1.4
Realised and unrealised losses		(1.1)	(1.1)
Less: Investment management costs		(0.6)	(0.6)
Total		(0.3)	(0.3)
Unapplied total return allocated to income in the reporting period		-	-
Net movements in reporting period	-	(49.7)	(49.7)
At end of the reporting period:			
Original value with inflationary uplift	340.3	-	340.3
Total unapplied return	-	564.0	564.0
Endowment as at 31 March 2024	340.3	564.0	904.3

21. Movement in funds

At 31 March 2025	Total as at 1 April 2024 £m	Income £m	Expenditure £m	Gains & Losses £m	Transfers £m	Total as at 31 March 2025 £m
Endowment funds	904.3	24.8	(12.6)	16.8	(81.7)	851.6
Endowment Funds	904.3	24.8	(12.6)	16.8	(81.7)	851.6
General funds	408.2	17.7	(19.6)	21.3	(54.8)	372.8
Pension Reserve	(1.5)	-	0.3	1.2	-	-
Total General Funds	406.7	17.7	(19.3)	22.5	(54.8)	372.8
Property Dilapidations	0.7	-	-	-	-	0.7
Climate Action	15.0	-	-	-	-	15.0
Bridges Repairs	52.8	-	(11.0)	-	118.8	160.6
Grant-making	130.1	-	(77.9)	-	17.7	69.9
Social Investment Fund	22.1	0.1	-	0.5	-	22.7
Total Designated Funds	220.7	0.1	(88.9)	0.5	136.5	268.9
Total Unrestricted Income Funds	627.4	17.8	(108.2)	23.0	81.7	641.7
Total Funds	1,531.7	42.6	(120.8)	39.8	-	1,493.3

At 31 March 2024	Total as at 1 April 2023 £m	Income £m	Expenditure £m	Gains & Losses £m	Transfers £m	Total as at 31 March 2024 £m
Endowment Funds	969.2	21.7	(8.9)	(77.7)	-	904.3
Endowment Funds	969.2	21.7	(8.9)	(77.7)	-	904.3
General Funds	159.5	18.2	(19.1)	71.9	177.7	408.2
Pension Reserve	(4.3)	-	(0.1)	2.9	-	(1.5)
Total General Funds	155.2	18.2	(19.2)	74.8	177.7	406.7
Property Dilapidations	0.7	-	-	-	-	0.7
Climate Action	15.0	-	-	-	-	15.0
Bridges Repairs	50.8	-	(11.0)	-	13.0	52.8
Bridges Replacement	242.6	-	-	-	(242.6)	-
Grant-making	179.9	-	(79.8)	-	30.0	130.1
Social Investment Fund	-	0.2	-	-	21.9	22.1
Total Designated Funds	489.0	0.2	(90.8)	-	(177.7)	220.7
Total Unrestricted Income Funds	644.2	18.4	(110.0)	74.8	-	627.4
Total Funds	1,613.4	40.1	(118.9)	(2.9)	-	1,531.7

Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. The fund is managed on a total return basis, with an approved policy in place to determine the use of returns. Further detail of the origins of this fund is stated on page 6.

Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

Property Dilapidations	represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition, as leases come to an end.
Climate Action	represents funds set aside to further progress and potentially accelerate delivery of the charity’s Climate Action Strategy, within the next five to ten years, and to complement TBIM.
Bridges Repairs	represents funds required to maintain the bridges for the next 5 years on a rolling basis.
Grant-making	represents surplus income which has been designated for future grant-making activities over the subsequent year in the name of CBF.
Social Investments	represents surplus income available for the ancillary object which has been set aside to be utilised as social investments within the next five to ten years.

The charity also maintains a Pension Reserve Fund, representing its share of the net pension scheme assets or liabilities.

Transfers between funds

Transfers are made to and from unrestricted income funds in order to maintain designated funds at the required levels.

When reconstituting the permanent endowment fund in 2018/19, it was noted that there may be a small number of properties which were acquired under specific statutory powers and therefore may not be part of the permanent endowment fund. Following complex and lengthy research it has now been possible to confirm that there are 14 such properties, of which seven have a mixed acquisition history (i.e. relevant land forming part of the site may have been acquired in various ways, in addition to the exercise of statutory powers, such as by gift, grant, private treaty, adverse possession, etc).

It has been determined that the most proportionate and appropriate method to quantify the value of the part of the investment properties acquired by statute, is to apply the relevant percentage of the land area which relates to statutory acquisition to the property valuation. No other reasonable method has been identified, and this has been used to determine that approximately £76.9m of the investment property held at 31 March 2025 should be classified in unrestricted funds rather than as part of the permanent endowment.

The same approach has been applied to the income and costs relating to these properties, noting again the absence of logical and proportionate alternative methodologies, and the fact that property valuations are calculated on the basis of income potential; this income is now classified as unrestricted rather than endowment income, totalling approx. £2.4m, and the associated costs of raising funds are similarly reclassified, totalling approx. £0.5m.

No prior period adjustments have been made as all previous accounting treatment was done on the basis of available information at the time of accounting, so there have been no errors nor changes in accounting policy, simply changes to reflect newly available information.

It should also be noted that, having regard to the historic and complex nature of the relevant property interests, in the future further information and analysis may provide additional clarity as to any extant obligations arising in the event of disposal or sale. The complexity of this ongoing work means that it is not possible to establish at this stage any possible impact upon the accounting treatment, but we do not consider that it would impact the classification of the properties acquired under statutory powers as unrestricted, nor impact their income (or proceeds of sale) continuing to be available for the charity’s general purposes on an unrestricted basis.

22. Note to the statement of cash flows

Reconciliation of net income to net cash outflow from operating activities.

	2024/25 £m	2023/24 £m
Net (expenditure) for the reporting period (as per the statement of financial activities)	(39.6)	(84.6)
Adjustments for:		
Interest and income from investments	(31.2)	(28.9)
Depreciation charges	0.3	0.4
(Gains) on financial investments	(25.7)	(68.0)
(Gains)/losses on property investments	(12.4)	73.8
(Gains) on social investments	(0.5)	-
(Increase) in stock	-	(0.1)
Decrease in debtors	0.8	1.6
Increase in creditors falling due within one year	1.2	12.8
Increase in long terms creditors	20.6	19.3
Net pension scheme (income)/costs	(0.3)	0.1
Net cash (used in) operating activities	(86.8)	(73.6)

23. Analysis of changes in net funds/cash and cash equivalents

	Total as at 1 April 2024 £m	Cash flows £m	Total as at 31 March 2025 £m
Cash and cash equivalents			
Cash	10.4	(0.3)	10.1
Total	10.4	(0.3)	10.1

Other non-cash changes are detailed in Note 22.

24. Operating Leases

Minimum lease payments receivable under operating leases:

	31 March 2025 £m	31 March 2024 £m
Not later than one year	24	22
Later than one year and not later than five years	83	79
Later than five years	1,223	1,187
	1,330	1,288

25. Commitments

The following commitments exist as at 31 March in respect of future accounting periods:

	2025 £m	2024 £m
Works to bridges	-	6.2
Investments properties	0.4	-
	0.4	6.2

26. Related Parties

The City Corporation is the sole Trustee of the charity, as described on page 6. The City Corporation makes its resources available to the charity, the costs of which are recovered from the charity’s funds as permitted under section 31(1) of the Trustee Act 2000. These costs include those relating to banking services, with all transactions to the charity being recovered at cost and crediting or charging interest at a commercial rate. These costs are included within expenditure, as set out in Note 10.

The charity is required to disclose information on related party transactions with bodies or individuals that control or have significant influence over the charity. Members are required to disclose their personal interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and Senior Staff are requested to disclose all related party transactions, including instances where their close family has made such transactions. The charity has decided to disclose all instances whereby a Member or officer has a connection with a charity which is a grantee of CBF to provide full transparency.

Figures in brackets represent the amounts due at the balance sheet date. Any amount with an asterisk indicates it is owed to the charity at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2024/25 £000	2023/24 £000	Detail of transaction
London Funders (LF)	An Officer of the City Corporation is a Trustee of LF.	20 (759)	619 (1,110)	LF received grant funding from CBF.
		4 (-)	4 (-)	The charity paid a membership fee to LF.
Trust for London (TL)	The City Corporation nominates three Members to TL.	- (1,001)	510 (2,708)	TL received grant funding from CBF.
		92 (-)	127 (-)	TL paid rent, service charges & insurance.
Partnership for Young London (PYL)	A Member of the City Corporation is a Trustee of PYL.	- (193)	- (266)	PYL received grant funding from CBF.
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of the City Corporation are Trustees of CF.	81 (208)	- (250)	CF received grant funding from CBF.

Related party	Connected party	2024/25 £000	2023/24 £000	Detail of transaction
Bankside Open Spaces Trust (BOST)	An Officer of the City Corporation is a Trustee of BOST.	- (305)	380 (351)	BOST received grant funding from CBF.
Cambridge House and Talbot (CHT)	An Officer of the City Corporation is a Trustee of CHT. A Co-opted Member of the City Corporation is an employee of CHT.	66 (69)	- (51)	CHT received grant funding from CBF.
Baring Foundation (BF)	A Co-opted Member of the City Corporation is an employee of BF.	- (1,104)	- (1,310)	BF received grant funding from CBF.
Augmentum Capital Limited (AC)	A Member of the City Corporation is a Director of AC Ltd.	19 (-)	174 (-)	AC paid rent, service charges & insurance to the Charity.
CBRE Global Investors (CBRE)	A Member of the City Corporation is an employee of CBRE.	52 183*	1,292 181*	CBRE provided surveys, consultancy and development, and property purchase advisory services and rent reviews to the Charity.
The Felix Project (FP)	A Co-opted Member of the City Corporation is a Trustee of FP.	102 (152)	0 (125)	FP received grant funding from CBF.
Impact Investing Institute (III)	A Co-opted Member of the City Corporation is member of III.	0 0	78 (39)	A Co-opted Member of the City Corporation is member of III.
Dr Johnson House Trust (JHT)	A Member of the City Corporation is a Trustee of JHT.	0 (1)	4 (4)	JHT received grant funding from CBF.

The Members and Officers noted above did not participate in the discussions or decision making relating to the award of the grants.

Related Party Transactions with the City Fund (the City Fund is a statutory Fund held by the City Corporation in the discharge of its functions as a local authority, police authority and port health authority).

During the year CBF contributed £313k towards Corporate IT projects (2023/24: £114k) and £75k towards the ‘Secure City’ project (2023/24: £91k), relating to CCTV and telecommunications. The balance owed to City Fund at year end was nil (2023/24: nil).

Related Party Transactions with City’s Estate (City’s Estate is a corporate Fund held by the City Corporation and finances activities mainly for the benefit of London as a whole but also of relevance nationwide):

City’s Estate holds a lease with CBF for the rental of a property. Rental income of £24k was received in the year (2023/24: £24k). The balance owed to CBF at year end was nil (2023/24: nil).

REFERENCE AND ADMINISTRATION DETAILS

Bridge House Estates

City Bridge Foundation is the operating name of Bridge House Estates, a registered charity 1035628 (England and Wales).

Principal office:

Guildhall, London, EC2P 2EJ

Trustee:

The Mayor and Commonalty & Citizens of the City of London

CBF Board members:

Deputy Paul Martinelli (Chair, from 27/11/2024, Deputy Chair, to 27/11/2024)

Dr Giles Shilson (Deputy Chair 27/11/2024 to 07/05/2025, Chair to 27/11/2024)

Colonel Simon Duckworth OBE DL (Deputy Chair, from 07/05/2025)

Deputy Henry Colthurst

Alderman Professor Emma Edhem

Alderman Alison Gowman CBE

Alderman Simon Pryke (from 25/04/2025)

John Griffiths

Campbell Middleton

Deborah Oliver TD

Deputy Henry Pollard (from 25/04/2025)

Deputy Nighat Qureishi

Deputy James Thomson CBE

Sue Threader

City Corporation – Senior officers:

Chief Executive	Ian Thomas – The Town Clerk and Chief Executive of the City of London Corporation
Chief Financial Officer	Caroline Al-Beyerty – The Chamberlain and Chief Financial Officer
Solicitor	Michael Cogher – The Comptroller and City Solicitor of the City of London Corporation
Surveyor	Paul Wilkinson – City Surveyor

CBF Executive Leadership team:

Managing Director (to 10/06/2024)	David Farnsworth OBE
Finance Director (to 30/09/2024)	Karen Atkinson
Interim Finance Director (from 16/09/2024)	Henrietta Martin- Fisher
Chief Operating Officer and Acting Managing Director (from 11/06/2024)	Simon Latham
Chief Funding Director	Sacha Rose Smith
Philanthropy Director (to 31/01/2025)	Fiona Rawes MBE
Operations Director (from 03/03/2025)	Nadia Khalaf
Director of EDI (from 09/06/2025)	Jerome Williams
Director of Communications and Engagement	Catherine Mahoney

Auditors

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

Financial investment advisors

Mercer, Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP

Contact for City Bridge Foundation, to request copies of governance documents – comms@citybridgefoundation.org.uk

Photographer credits

Getty Images - cover
 Javier Madinabeitia - 2, 4, 5, 6, 10, 11
 Jill Mead - 8, 9
 Musa Bwanali - 7, 16, 19, 27
 James Newton / Illuminated River - 12, 20, 68
 Audrey Damier - 13
 Doug Southall / Teatro Vivo - 17
 Catarina Rodrigues - 24
 Paul Crawley / Illuminated River - 25
 Shutterstock - 26

Funded organisations image credits

Girls GLOW - 7
 Citizens of the World Choir - 11
 Face Front Inclusive Theatre - 16 Teatro
 Vivo - 17
 Girls Into Coding - 19
 OK Foundation - 27



CITY BRIDGE FOUNDATION

City Bridge Foundation

City of London

PO Box 270

Guildhall

London EC2P 2EJ

www.citybridgefoundation.org.uk

Telephone: 020 7606 3030

Registered Charity 1035628



BRIDGE HOUSE ESTATES

England & Wales - Charity number 1035628

Accounts



CITY BRIDGE
FOUNDATION

Charity registration
number: 1035628

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2024





CONTENTS

Chair’s Statement	4
Origins of the Charity	6
Trustee’s Annual Report	8
Trustee Responsibilities	32
Independent Auditor’s Report	33
Statement of Financial Activities	36
Balance Sheet	37
Statement of Cash Flows	38
Notes to the Financial Statements	39
Reference and Administration Details	66



CHAIR'S STATEMENT

This year has seen our 900-year-old charity continue to take giant steps forward in our ambition to power a connected capital in our capacity as a world class bridge owner and London's biggest independent charity funder.

A new supplemental Royal Charter was signed by His Majesty the King and became legally effective in June 2023, modernising the charity's governance powers. The supplemental Charter gives the charity more modern, flexible powers, while still reflecting good governance practice. We now have greater flexibility in the application of our funds, with safeguards still set to protect the charity's primary object, namely the maintenance and support of the five Thames bridges that the charity owns: London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge.

It was also a year in which our primary and secondary objectives – relating, respectively, to the five bridges and our charitable funding work – were unified under a new brand, 'City Bridge Foundation'. This has been the culmination of years of work to improve the charity's governance, in particular to simplify and improve the Trustee's governance arrangements for the running of the charity, while also

boosting awareness of the charity, allowing us to have more influence and impact in the charity work.

This year has seen some important – and dramatic – work on the bridges, including replacing the bearing pads used to support Tower Bridge's pawls, which support its famous bascules, and the nose bolts which lock the bascules together when lowered.

The former project was carried out over the August Bank Holiday weekend and the latter during one of the bridge's routine quarterly overnight closures, to minimise the impact on road users and pedestrians.

Elsewhere, our contractor worked around the clock to replace the separation membrane between the aluminium bridge deck and steel structure of Millennium Bridge, work that required every one of the bridge's 1,800 deck panels to be carefully lifted.

The work was completed on time and on budget, and indirectly led to possibly the biggest media and social media story in our history, due to the bundle of straw hung from the bridge in accordance with an ancient bylaw, which

captured the imagination of people around the world and provided a timely boost to our newly launched brand.

Tower Bridge has continued its post-pandemic resurgence, achieving record visitor numbers which came within a hair's breadth of reaching the one million mark, and income that surpassed the previous record by 30 percent.

These achievements will stand the bridge in good stead as it celebrates its 130th birthday and help the Foundation look to the future with its long-term development plan, which will help it achieve the ambition for Tower Bridge to be a world-leading visitor attraction driven by values and impact. The plan, the first phase of which is being delivered under the name 'Tower Bridge in Motion', will see the visitor attraction expanded into currently unused spaces and its cultural offering brought out onto the bridge deck itself to be enjoyed by some of the 40,000 people who cross between the Middlesex and Surrey shores every day.

City Bridge Foundation's primary objective is the support and maintenance of its five Thames bridges, but our ancillary purpose of charitable funding is also a vital component of our work. Over the last year we awarded £23 million to support strategic funding work, not least the £14 million awarded under the first phase of the Anchor Programme, which provides long-term core funding for up to ten years to organisations operating within Greater London tackling systemic change, giving them the time and space they need to collaborate, take risks and make London a fairer place.

Meanwhile, we awarded over £400,000 in inflationary payments to help our funded organisations cope with the demands of the cost-of-living crisis and reopened our small grants programme after a five-year hiatus, with new criteria specific to LGBTQIA+ communities and for refugees, migrants and asylum seekers.

The vast majority of our funding comes from the element of our work that tends to be less newsworthy – our investments, which, despite the impact of inflation and other economic pressures, continue to provide secure returns for our bridge maintenance and an excess of funds for our funding activities.

One of the key developments of the year was the implementation of our new investment strategy which means that, for the first time, considerations other than financial ones – such as societal or environmental impact – can be considered when making investments. It means that while continuing to provide a financial return that powers the work we do across London, our investments can in and of themselves deliver a positive impact.



This ethical approach to everything we do is embodied in our refreshed Bridging London Strategy, approved by the Board in February 2024 and by the Court of Common Council – the primary decision-making body of our Trustee, the City of London Corporation – in March 2024.

It sets out an ambitious vision to be world class in our bridge maintenance, our charitable funding and our responsible business practices, guided by newly defined values of service, collaboration, inclusion, innovation and ambition; underpinned by our strategic ambitions of promoting equity, diversity and inclusion and delivering climate action in everything we do.

These values will come to the fore as we continue to develop our future funding policy, aimed at ensuring we can meet the needs of Londoners in the years ahead. Work is well underway on consulting with key stakeholders, not least through the Envisioning London: 2035 event, which brought together an extraordinary group of people and organisations at the Barbican Centre in March.

Work taking place in the year ahead includes the second phase of the Anchor Programme, with an additional £15 million available, and our £10 million Suicide Prevention Programme, aimed at achieving systemic change, funding community projects that support people vulnerable to suicide and hoping to reduce the statistic that ten people in London take their own lives every week.

Through our bridge maintenance work, our charitable funding activities and, increasingly, through our social investments, City Bridge Foundation continues to do what it does best – connecting communities and making a positive impact for London and the people who live in, work in, and visit our great capital city.



ORIGINS OF THE CHARITY

City Bridge Foundation's roots can be traced back more than 900 years. In 1122, funds were raised to maintain the early wooden London Bridge, before the first stone bridge was built in 1209.

By the end of the twelfth century, the shops and houses adorning Peter de Colechurch's new stone London Bridge were beginning to generate not only increased cross-river trade, but also increased taxes, rents and bequests. A significant fund began to accumulate, administered from a building on the south side of the bridge called Bridge House. Over succeeding centuries this fund has been administered by the City of London Corporation ('the City Corporation') as Trustee.

The work of City Bridge Foundation reaches out across the whole of London in many important and diverse ways:

The River Bridges

The maintenance and support of five of the bridges that cross the Thames into or by the City of London – London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge, and Millennium Bridge – is the primary purpose of the charity. They are gateways to the City of London and require sustained investment and expert care.

Millennium Bridge

- **2000:** initial opening of the first pedestrian bridge to be built across the Thames in London for over a century.
- It was funded by the Millennium Commission, with a contribution from CBF to which ownership was subsequently transferred for the charity to maintain.

Blackfriars Bridge

Blackfriars Bridge

- **1769:** bridge is completed and known as 'Pitt Bridge' after William Pitt the Elder.
- **1869:** replaced with a new bridge designed by Joseph Cubitt and opened by Queen Victoria.

Millennium Bridge

Southwark Bridge

Southwark Bridge

- **1819:** bridge designed by John Rennie and completed as a privately owned toll bridge which was unprofitable and ill-used. The bridge was acquired by CBF in 1868 as a toll-free asset. This also allowing for better control of the bridge to catch criminals escaping to Southwark, outside the jurisdiction of the City of London.
- **1921:** replaced with a design by Sir Ernest George and Basil Mott and re-opened by King George V.

London Bridge

The Grant-Making and Other Charitable Activities of City Bridge Foundation

After the responsibilities relating to the bridges have been met, the charity can use surplus income in any year for its ancillary charitable purposes, the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London, further to a cy-près scheme settled by the Charity Commission in 1995 (as amended). This scheme enables the charity to work for a fairer London through tackling disadvantage. CBF works collaboratively to further these purposes through three key areas of activity, namely:

- Grant-making;
- Social investment; and
- Encouraging philanthropy.

Further information on the activities of CBF is available at www.citybridgefoundation.org.uk

London Bridge

- **1097:** King William II raises a tax to help repair London Bridge.
- **1209:** the first stone bridge is completed. Cross river trade, taxes, rents and bequests result in a fund administered from the Bridge House.
- **1831:** the original stone bridge is replaced by a new stone bridge designed by John Rennie.
- **1972:** the current, modern bridge is completed and opened by Queen Elizabeth II in 1973.
- **2023:** the 50th anniversary of the current bridge from its opening.

Tower Bridge

- **1894:** completed with a design by Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB.
- The Trustee has a statutory obligation to raise the bridge for registered vessels with a mast or superstructure of 30 feet or more, free of charge subject to 24 hours' notice, night or day, 365 days a year.
- It is a designated Grade 1 listed building and is maintained and protected as part of the nation's heritage.

Tower Bridge





TRUSTEE'S ANNUAL REPORT

STRUCTURE AND GOVERNANCE

Governing Document

Reflecting its long and complex history and its enduring connection to the City Corporation, City Bridge Foundation' (CBF) "governing document" is made up of a number of different sources or instruments, some of which are referenced below. In March 1994, the charity was registered with the Charity Commission as Bridge House Estates.

Founders

By various ancient gifts of property, added to over the centuries.

Governing Instruments

Historic trust documents governing gifts, grants and bequests including, a Royal Charter of 24 May 1282

A supplemental Royal Charter of 26 November 1957

A supplemental Royal Charter of 01 June 2023

Private Acts of Parliament including:

- The Blackfriars Bridge Act 1863
- The Blackfriars and Southwark Bridges Act 1867
- The Corporation of London (Tower Bridge) Act 1885

- The Corporation of London (Bridges) Act 1911
- The City of London (Various Powers) Act 1926, section 11
- The City of London (Various Powers) Act 1949, section 13
- The City of London (Various Powers) Act 1963, sections 9 & 32
- The London Bridge Act 1967
- The City of London (Various Powers) Act 1979, section 19

Various Schemes and Orders made by the Charity Commission:

- The Charities (Bridge House Estates) Order 1995 (S.I.1995/1047) and the Charity Commission Scheme which took effect by that Order
- An Order of the Charity Commission sealed 10 July 1997 (350.97)
- An Order of the Charity Commission sealed 20 July 1998 (251.98)
- The Charities (Bridge House Estates) Order 2001 (S.I.2001/4017)
- The Charity Commission Scheme dated 26 August 2005
- The Charities (Bridge House Estates) Order 2007 (S.I. 2007/550)

Ancient custom and practice.

Governance Arrangements

CBF is an unincorporated charity. The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a corporation by prescription, is the corporate Trustee of CBF. The City Corporation is Trustee acting by its Court of Common Council and that assembly has delegated responsibility to CBF of the day-to-day administration and management of this charity for the period of this report, subject to those matters expressly reserved to the Court.

The CBF Board is responsible for the management and control of the charity, in the discharge of the City Corporation's functions as Trustee, under the oversight of the Court. This governance arrangement provides a framework for effective decision-making and better demonstrates decisions that have been taken independently for the charity in its best interests.

In considering ongoing and effective administration and governance, the CBF Board has established two Committees (in effect sub-committees) of the Board: the Funding Committee and the Investment Committee. The Funding Committee of the Board is responsible for discharging operational functions in advancing the charity's ancillary object. The Investment Committee of the Board is responsible for the strategic oversight and monitoring of the performance of the charity's investment portfolio.

As with the exercise of any delegated authority, the CBF Board retains responsibility and accountability for all decisions taken by its Funding Committee and Investment Committee, with ultimate responsibility and oversight for the City Corporation as Trustee of CBF remaining vested in the Court.

Membership of the CBF Board and its Committees, is drawn from the 125 elected Members of the Common Council together with external appointees. In making appointments, the Court of Common Council will take into consideration any skills, knowledge and experience of the elected Members, and where relevant, external appointees. External appointments are made after a 'skills' audit. Members of the Court of Common Council are unpaid for support provided to CBF and are elected by the electorate of the City of London.

To support its responsibilities, the CBF Board resolved to proactively consult with, and seek the advice of, other Committees of the Court of Common Council. By doing so, it draws on their skills, knowledge and experience, to facilitate delivery of existing workstreams under the revised delegation arrangements from the Court, and to better inform the Board's decision-making on certain matters. The



following Committees' advice was sought on matters as described below in the year 2023/24:

Audit & Risk Management Committee – in relation to audit and risk matters previously within its purview as they affected both the external and internal audit of CBF, as it operates and is managed within the City Corporation's operational and management audit and risk framework adopted in the discharge of all the City Corporation's functions.

The above Committee is ultimately responsible to the Court of Common Council.

Good governance is considered by the Trustee to be fundamental to the success of the charity. The charity regularly reviews its governance arrangements throughout the year and the CBF Board receives an annual report at its February meeting setting out matters for decision to support the Board in the ongoing effective administration and governance of CBF, consistent with the City Corporation's legal obligations as Trustee of the charity. All decisions taken relating to the governance of the charity are developed in line with principles of charity governance best practice, as set out in the Charity Governance Code and Charity Commission Guidance, alongside learnings from the comprehensive governance review undertaken by the charity between 2018 – 2023.

Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee discharges its duties and functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference, setting out the scope of delegations from the Court of Common Council, alongside Standing Orders for conduct of meetings, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations, etc). These City Corporation governance documents can be obtained via a request to the email address stated on page 67.

Each elected Member by virtue of their membership of the Court of Common Council, including its relevant Committees (sometimes named 'Boards') and its sub-committees, has a duty to support the City Corporation in the proper discharge of its duties and functions as Trustee of CBF. They do this by faithfully acting in accordance with charity law, the charity's governing documents, and the City Corporation's own corporate governance framework and procedures as noted above, including the delegation framework such as the Terms of Reference of the CBF Board (and its sub-committees).

A Conflicts of Interest Policy was approved by the Court of Common Council during 2023. This policy will support the Trustee (and Members individually) in managing conflicts of interest and loyalty in discharging the City Corporation's functions as Trustee of CBF and when acting in the City Corporation's other capacities. It took effect when the new Supplemental Royal Charter was sealed on 01 June 2023.

Induction and Training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to perform their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of CBF, with an emphasis on involvement for those Members (and external appointees) actively working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members (and external appointees) are advised of these opportunities. In 2023/24, CBF developed its own Member Induction Programme and continues to monitor engagement with all CBF training. All Members of the Board (including external appointees) undertake training on Equity, Diversity and Inclusion as relevant to the charity's activities.

Purposes and activities

The primary purposes of the charity are the support and maintenance of London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge. After these responsibilities are met, any income surplus to that which can be usefully applied in accordance with the subsisting trusts in any given year is applied for the charity's ancillary object. This ancillary object is for the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London in accordance with a policy settled by the Trustee following consultation.

CBF published a refreshed version of its long-term strategy, *Bridging London 2020 - 2045* in March 2024. This followed four years of considerable change, both internally and externally, which prompted a need to update the strategy ahead of schedule.

The strategy sets a clear and ambitious vision for a connected capital, which will be delivered by maintaining and promoting world-class bridges, developing and delivering world-class charitable funding, and embedding and encouraging world-class responsible business practices. Our cross-cutting strategic ambitions of Equity, Diversity and Inclusion will be fundamental to everything the charity does.

Equity, Diversity and Inclusion (EDI): As a public-facing charity CBF has a strong impetus to become a truly equitable, diverse and inclusive charity, and will invest time and resources to embed EDI within the design and delivery of all activities. CBF will be more successful with a greater diversity of people, ideas and perspectives, reflecting the wider environment in which it operates. The charity will focus on learning and development; integrating lived and learned experience into its practices; encouraging greater diversity amongst its people and Board; being accountable by collecting, tracking and publishing EDI data; using its power and networks to advance EDI; and listening to and amplifying the voices of marginalised and underrepresented groups.

Climate Action and sustainability: CBF can play a pivotal role in the transition to net zero and building climate resilience, both by reducing the environmental impact of the charity's activities and by using its convening power to lead change across our sector and the capital. CBF has adopted the Climate Action Strategy of its Trustee, the City of London Corporation, which commits the charity to net zero in our operations by 2027 and in investments and supply chain by latest 2040. CBF is also signed up to the Funder Commitment on Climate Change, managed by the Association of Charitable Funders.

The strategy sets out a new set of values for the charity – recognising that everyone who works for the charity has an important role to play in delivering the strategy and shaping CBF's culture. The new values are outlined below:

- We stand for London and Londoners in everything we do (Service)
- We connect to learn and achieve more together (Collaboration)
- We work towards equity, diversity and inclusion for all (Inclusion)
- We embrace new ways to drive positive change (Innovation)
- We challenge ourselves to deliver the best for our communities (Ambition)

Public benefit statement

The five river bridges maintained and supported by the charity are available to the general public on an open access basis at no cost to the taxpayer. Regarding the funding activities of the charity and other support provided for the charitable sector, the Trustee awards grants in line with its

approved policy to address disadvantage across London's diverse communities and provides more general support to the charitable sector through various strategic initiatives. This process is based upon published criteria, and through thoughtful analysis and collaboration with other partners in the sector regarding the needs of marginalised communities in Greater London. The charity uses a transparent and fair assessment process and ensures that a robust monitoring system is in place to establish the public benefit derived from each grant approved alongside the other activities of the charity.

Consequently, the Trustee considers that CBF operates to benefit the general public and satisfies the public benefit test. Regard has been had to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

Reference and administrative details

The administrative details of the charity are stated on pages 66-67.





ACHIEVEMENTS AND PERFORMANCE

The Bridges

City Bridge Foundation maintains and promotes world class bridges. The charity maintains and supports five of the main river bridges in central London: Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge – at zero cost to the taxpayer.

Our bridges form a critical part of London's transport infrastructure, help keep the capital moving and support its role as a global capital of business, culture and tourism.

In October 2023 we closed the Millennium Bridge for three weeks in order to replace a separation layer between the main structure and the aluminium deck panels. This was an original part of the bridge and had degraded over time, resulting in a less even, noisier walkway across the bridge. To replace this, each of the 1,800 deck panels on the bridge had to be carefully lifted so that a new separation membrane could be installed underneath it. Work was carried out day and night to minimise disruption to users of the bridge. The bridge also had a clean whilst it was closed to pedestrians.

Work on the significant refurbishment of Blackfriars Bridge had to pause after completion of two of the five arches. Due to other work in the vicinity, the contractor was unable to gain consent to temporarily close the bridge's central arches to river traffic, to allow overhead works. Once the adjacent work has moved from the river, the project will resume, and the remaining arches rejuvenated to the same high standard as the rest of the bridge.

Tower Bridge had two different structural maintenance projects completed during the year. First, bearing pads

at the back of the bascules were replaced as they were developing cracks. These are used by the Pawls, which lift the bascules up while river traffic passes below the bridge. These were replaced by specialist contractors over the August 2023 bank holiday weekend. The bridge had to be closed during this period as the bascules had to remain in the upright position throughout.

Second, the nose bolts, which lock the bascules together in the down position, were replaced. These giant bolts had been in operation for several decades and had worn down over the years. These were replaced during routine, quarterly nighttime closures of the bridge, keeping disruption to traffic to a minimum.

The Engineering Team has continued to work with Tideway and the Thames Tideway Tunnel, most notably at the large Blackfriars Foreshore Site. This new public area will fall partially under Blackfriars Bridge and will be physically connected with a new staircase. Remedial works, from the tunnelling work which went underneath all five bridges, is all complete and monitoring has now been removed from the bridges.





Tourism at Tower Bridge

Tower Bridge has been the symbolic gateway to London for almost 130 years. As well as being one of the capital's most recognisable landmarks and a working bascule bridge, it is also an award-winning and highly popular, paid visitor attraction.

The year saw Tower Bridge moving beyond post-Covid business recovery and into sustained growth, achieving its highest ever visitor figure (verging on one million, with 998,155 people welcomed through its doors) and a 38% increase on the previous record level of income generated for the charity within a single year.

	23/24	22/23	21/22*	20/21**
Visitor numbers to Tower Bridge	998,155	746,895	261,815	45,127
No. of pupils participating in education programme	5,357	3,721	2,604	1,429
Admissions Income	£6,892,289	£4,373,918	£1,867,911	£320,625
Retail Income	£2,708,716	£2,161,087	£703,458	£147,512
Venue Hire Income	£875,436	£995,400	£529,502	£10,448

*Business recovery year following the pandemic – reopened from mid-May 2021 in line with Government restrictions, to reduced capacities and increased safety measures. Onsite school sessions did not recommence until October 2021. Visitor appetite gradually increased throughout the year.

**Business and operations severely affected by the pandemic. Open for only four months of the financial year in line with Government restrictions and substantially reduced footfall and appetite across the tourism industry after initially reopening in July 2020.

The retail business at Tower Bridge, both onsite and online, also experienced strong levels of growth with income 38% above the previous financial year. Along with growing levels of international visitors, focussed engagement on local audiences also increased footfall, encouraged by £1 Community Tickets and family activities promoted to residents in the Bridge's neighbouring boroughs of Southwark, Tower Hamlets and City of London.

Business-critical development projects included the procurement and launch of a new ticketing, booking, point of sale and back of house system. This puts the attraction in excellent stead in the context of technology, enabling flexibilities such as timed ticketing and dynamic pricing, as well as integrating with the systems of trade partners to create a seamless experience for visitors.

The Bridge's learning programme saw continuing growth in pupil numbers engaging with facilitated education sessions, and the Bridge's Relaxed Openings, specifically designed for those wanting to visit in a tranquil atmosphere (including people living with neurodiverse needs) were doubled to accommodate demand.

New experiences included displays and content relating to the Bridge's social history and the diversity of its modern-day workforce. These included a family-focused trail activity and the launch of a free audio and digital tour using the sector-leading Smartify app, a key development for the attraction's access and inclusion credentials. The Bridge also celebrated the coronation of King Charles III in May 2023 with a special weekend of events. Commemorative tickets were issued and visitors were invited to take part in themed family activities. A specially designed commemorative emblem was displayed across all marketing materials and bespoke retail items.

The events business at Tower Bridge continued to facilitate receptions, weddings, dinners and community events across the year. A new events management and catering company, Social Pantry Ltd, was appointed in December 2023. This partnership harnesses Social Pantry's expertise as a leader in the events industry alongside the important social values at the core of their business model – including the company's sustainability innovations and the training and employment of ex-offenders.

Tower Bridge achieved an overall score of 91% for its annual Visit England quality assessment in June 2023, with an increase on the previous year for arrival experience and customer service. A Trip Advisor 'Best of the Best' Award was awarded to the Bridge in September, with Tower Bridge rated as one of the top attractions in London. At year end, the Bridge was ranked in third place on a list of over 2,500



'Things to Do in London' and as the top visitor-ranked paid attraction on the same list.

Strategic planning included a new vision and mission statement to support the Bridge's long-term development plan: Tower Bridge in Motion. The vision is 'to be an exemplar visitor attraction driven by social values, that excites, inspires, connects and educates everyone we reach and encounter'. This is supported by the mission statement that 'as a functioning bridge and a global icon, we tell the stories of London past and present and celebrate the engineering and people that keep this landmark in motion. Everything we do is done with purpose, to create positive impacts for our visitors and communities now and in the future'.

The new vision and mission, alongside input from staff and stakeholders, has formed the starting point for realising and communicating a full strategic framework. This has subsequently defined Tower Bridge in Motion's key areas of impact as Equity, Diversity and Inclusion (EDI), sustainability and environmental responsibility, and Pathways into Science, Technology, Engineering, Arts and Maths (STEAM), aligning with CBF's commitment to EDI and Climate Action. At year end, key strategic workstreams had commenced relating to audience development, resource levels and workforce structure reviews, and the start of an activity plan to realise a refreshed visitor attraction within the next three to five years.

Tower Bridge continued to fulfil the Trustee's statutory obligation to raise the Bridge for river vessels throughout the last year. The Bridge's around-the-clock security provision remains vigilant in the context of the protection and care of the charity's workforce undertaking duties onsite, road users and pedestrians (insofar as the charity's responsibilities extend) and the Bridge itself.



City Bridge Foundation's Funding and Philanthropic Activities

CBF develops and delivers world-class charitable funding. As London's largest independent charitable funder, the charity awards over £30 million a year to charitable organisations across the capital, with the aim of London being a city where all individuals and communities can thrive, especially those experiencing disadvantage and marginalisation.

Through funding programmes and collaborations, CBF supports London's civil society organisations and connects them with each other and the communities they serve. The charity bridges divides in society and supports organisations working to tackle inequality and make London a fairer, more equitable place.

Adopting a flexible, pragmatic approach, CBF helps bridge the funding gap many charities face, including offering long-term funding and grants to cover day-to-day running costs and to mitigate cost pressures such as inflation.

Responsive, relational and flexible funding

The year saw CBF award its highest ever annual amount of £83.7m to tackle inequality across the capital. Within this total, the charity awarded £11.5m to support strategic, forward-looking work that focuses on building the future of London's civil society through collaboration and innovation, with a focus on tackling systemic issues across the capital.

Having recognised the devastating impact of the cost-of-living crisis on London's civil society in the previous financial year, CBF made a series of inflationary payments to charities receiving funding in late 2022. Although inflation had fallen from 11.1% in October 2022 to 4.6% by October 2023, this continued to erode the true value of some multi-year grants. In response, the charity awarded over £400k of additional inflationary payments in the current financial year, to help organisations manage ongoing cost pressures.

CBF, following close consultation with the sector, also reviewed its Small Grants Programme, expanding both the thematic areas and the types of organisations it will fund. The charity introduced its first funding criteria specifically focused on the LGBTQIA+ community, taking note of the large number of small, grass roots organisations in this part of the sector, as well as a new criteria focused on migrants, refugees, and asylum seekers. Previously only registered charities and other non-profit entities could apply, but in response to a recognised need in the sector, CBF can now fund constituted voluntary organisations through the Small Grants Programme.

The charity continued to be a signatory and funder of the Institute for Voluntary Action Research's Open and Trusting grant-making principles, a funder and participant of the Foundation Practice Rating, and a member of the Funders for Race Equality Alliance. During the year, CBF undertook a review of its processes to understand the experience of applying for funding, from the moment that an applicant first looks at its website, right through to receiving and managing a grant. The results of this work have been taken forward in a series of actions which the charity aims to implement over the course of the next year and beyond.

CBF was a founder funder of the capital's place based giving (PBG) movement and of London's Giving, the umbrella body which supports the movement in London. This year, the charity continued this commitment by spending £615k on a



new London's Giving Resource Hub which will, over the next ten years, build, amplify, increase, and develop the range and depth of support currently available under the London's Giving initiative. CBF also awarded grants of more than £350k to PBG schemes across the capital for development work in individual boroughs.

CBF's funder plus programme, the Bridge Programme, continued to offer free additional support to funded organisations, with 47 taking advantage of the programme during the year. Support covered a range of areas such as safeguarding practices, improving financial and governance structures, support with business planning and advice on navigating tenancy agreements for office space.

Funding collaboration and systems change

CBF continued its dedication to collaboration through its £18m Alliance Partnerships by awarding two final grants, one of £500k to the Vision Foundation for a programme tackling poor mental health, loneliness and isolation among blind and partially sighted people, and one of £1m to Children in Need for the Child Poverty Impact Model, which will create a unified strategy to tackle child poverty.

A further contribution of £5m was made to support LocalMotion, a collaboration between six major funders and six local places to tackle community issues upstream and build a social, economic and environmental justice movement, by communities, for communities. CBF awarded 19 grants worth £1.4m to tackle inequality through systemic cross-sectoral change via Round One of the Propel programme, a collaboration between ten of London's largest funders and equity infrastructure bodies, co-ordinated by London Funders. This brings the total

awarded in Propel Round One by CBF to over £7m. One hundred percent of grant holders are organisations led by and for the communities they serve (where at least 75% of the board and at least 50% of staff are representative of the community/ies being supported). CBF has committed £30m towards Propel over the course of ten years. Adopting a relational approach to grant management, plans are underway to offer two-year extension grants to some Round One grant holders. The application process will minimise required documentation, reducing the burden of reapplication for organisations.

As well as continuing its commitment to Propel, CBF has worked closely with two other key funders in London, the Greater London Authority and The National Lottery Community Fund, to further develop joint aspirations to pool funds, create efficiencies and deliver more impactful funding through a longer-term collaborative model. This Vehicle for Collaboration will be delivered via a subsidiary of London Funders, and CBF will continue to support the development.

Impact and Learning

To begin consultation work into CBF's future funding policy, the Impact and Learning team held a roundtable with 17 London-based funders in February 2024, exploring their current funding priorities and strategies.

This was followed up in March 2024, when CBF hosted an 'Envisioning London 2035' event at the Barbican. More than 120 stakeholders attended, bringing a diverse range of expertise and experience. Together, they shared their visions of London in 2035 and how CBF's future funding policy could help achieve this. A subsequent online event was held for stakeholders who were unable to attend the in-person event.

The Impact and Learning team initiated a new interview series called Spotlight Talks, in response to feedback from funded organisations, requesting a platform to share their work and expertise. Experts in their field are invited to share their knowledge with a wider audience via an online session, supported by social media. The team support selected speakers to facilitate useful and engaging sessions. The first Spotlight Talk celebrated International Women's Day in March 2024.

The team also facilitates biannual welcome sessions for organisations in their first year of funding. It's an opportunity to hear more about the charity's work, how the funding relationship works, and the type of support CBF can offer. It's also an opportunity for funded organisations to meet each other and ask questions about the grant management process. Typical attendance is over 100.

Through its one-off Anchor Programme, CBF awarded £14m of long-term (up to ten year) core grants to equity focused infrastructure bodies across London. The funding will provide long term sustainability to organisations which underpin London's civil society by providing advocacy, leadership, convening, training and development support to service delivery charities and other community bodies across the sector. Grants included £1.4m to both Action for Race Equality and the LBTQIA+ group Consortium.

Other notable strategic work

In our other strategic work, CBF awarded £788k to Responsible Finance to help increase the availability of ethical credit to Londoners facing financial insecurity, and to build the policy case for Government support to the community lending sector. Trust for London was awarded £295k, to support their Better Temporary Accommodation for Londoners fund, which aims to strengthen the voice, connections, and influence of people in temporary accommodation. The Centre for Accessible Environments, a long term partner of CBF, was awarded £303k for the delivery of their Pathways Programme, which gives disabled people in London the confidence, skills and support needed to kick start a career in inclusive design and access. Since its start in 2020, over 70% of trainees now work in inclusion and access related roles.

Grant-making policy

The Trustee has established CBF's grant-making policy to achieve the charity's ancillary purpose, as laid out on page 7, for the public benefit. CBF considers and funds a large number of organisations and makes awards through a wide programme of funding schemes. The majority of grant commitments are usually for revenue expenditure, awarded over 2-5 years. All applications are assessed via a robust process to ensure that proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match CBF's criteria.

Approved funded organisations are required to report annually on the impact of their work. Information is collected in a uniform and systematic way, enabling analysis and feedback to take place. Benchmarking and performance data is collated from CBF's Impact & Learning reports, which support funded organisations to learn from their work and provide useful data for decision-making to CBF. Data is also collected from anonymous perception surveys of funded organisations, undertaken by an independent third party.

Details of how to apply for grants are available on www.citybridgefoundation.org.uk





CBF Investments

The Investment Strategy Statement (ISS), adopted in June 2023, provides the framework for managing the charity's investment portfolio. The ISS was shaped by the new Supplemental Royal Charter, which gives CBF the ability to deliver a 'total returns' approach to investments representing the permanent endowment, in which we can use capital growth – such as the gains from selling one of our investment properties – to fund our bridge or charitable funding activities, rather than having to reinvest it, as was previously the case. The new Charter also provides the charity with bespoke investment and social investment powers.

The ISS incorporates the objectives approved within CBF's overarching strategy, Bridging London 2020 – 2045, helping to ensure that all investment decisions support the furtherance of the objects of the charity. The ISS reflects the ambitious Climate Action Strategy adopted in 2020 by CBF's Trustee, the City Corporation, for itself and the charity.

Investment strategy

Under the Trusteeship of the City Corporation, CBF is committed to fulfilling a positive and sustained role in bridging and connecting London, for the benefit of Londoners today and generations to come. Where appropriate, CBF seeks to use its permanent endowment and other investments held as a way to advance its vision and aims. CBF believes that the purpose of the charity's investments should be to achieve suitable financial returns whilst integrating impact considerations. In doing this, the CBF investment portfolio should enhance the charity's vision, increase its overall impact and minimise reputational risk.

The ISS covers the investment of the charity's permanent endowment fund – both now and in the future – and unrestricted income fund. It encompasses property, financial and social investments. The charity's investments are invested in accordance with the powers set out in an Order of the Charity Commission dated 20 July 1998, the charity's Supplemental Charters of 1957 and 2023, the Trustee Act 1925 and the Trustee Act 2000; and in accordance with its ISS.

The charity defines investment risk principally as the danger of failing to meet its primary purpose. As an endowed charity, the Trustee has a duty, when investing the permanent endowment, to balance capital growth and income return to meet the charity's purposes now and in the future. To achieve this, the real value of the permanent endowment is required to be preserved, after providing for annual expenditure, and setting aside provisions for the future. Due to the in-perpetuity nature of the objects and value of the charity's funds, the charity can take a more long-term view and tolerate a reasonable level of short-term volatility to the value of the endowment fund as an investment opportunity rather than as a threat. The long-term objectives of the portfolio are to:

- Apply a targeted return of CPI +4% on a rolling 10 year period net of fees, with a minimum targeted income return of CPI to the Social Investment Fund.
- Annually reduce carbon emissions in all areas of the portfolio to enable CBF to achieve net zero by 2040 at the latest.
- Reflect the approved impact considerations alongside financial considerations to generate the best financial return for CBF.

CBF has balanced the potential for conflict and reputational damage, as well as the expectations of key stakeholders that it will act as a leader in responsible investment. In the process of integrating this approach, a materiality assessment was undertaken to identify which UN

Sustainable Development Goals (SDGs) had a direct impact on the charity and its activities. The four identified are:

- SDG 9: Industry, innovation and infrastructure
- SDG 10: Reduced inequalities
- SDG 11: Sustainable Cities and communities
- SDG 13: Climate action

Where possible, CBF will aim, within the scope of the ISS, to align its approach to investment with these goals. In doing this assessment, the charity referred to the updated guidance provided by the Charity Commission within CC14 – Investing charity money: a guide for Trustees in setting its Strategy.

The new Supplemental Royal Charter, which came into effect on 01 June 2023, enabled the charity to adopt the power to take a total return approach to the investment of its permanent endowment. This now enables the charity to invest for the best overall return (whether capital gains or income) and to decide how much of this overall return to spend each year, subject to specific duties which apply.

The Investment Committee of the CBF Board was established during the year, with specialist external co-opted members appointed. The focus during 2023/24 has been on implementation of the ISS, commencing with a review of the allocation of investment assets held. Performance of the charity's investments during the year is stated on pages 20-24 and set out in Notes 13-15.



Property Investments

CBF has a property investment portfolio comprised of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents 89.9% of the permanent endowment funds of the charity. There are now 60 assets (2022/23: 62 assets) within the portfolio of which 55.8% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio but are valued externally.

The underlying value of the property portfolio, as disclosed in the balance sheet, decreased by £40.6m (4.8%) to £800.5m as of 31 March 2024. The fall in values across the CBF property investment portfolio mainly reflects the economic background of high interest rates and high, albeit reducing, inflation. As interest rates increased throughout the financial year, there was a sharp decrease in property investment transactional activity in the market. Property values have dropped as valuation yields increased.

The ISS set the objectives for this portfolio for 2023/24 and the financial target is to achieve a minimum portfolio return of CPI plus 4% on a rolling 10 year period net of fees. A review is being undertaken to implement this revised target.

In terms of performance against peers the aim is to outperform the MSCI Benchmark for total returns on an annualised 5-year basis, for Greater London Properties (including owner occupied). The portfolio outperformed the MSCI benchmark across all reported periods.

	31 March 2024	31 March 2023
Capital Value*	£800.5m	£841.1m
Gross Rental Income **	£24.1m	£24.9m
5-year annualised Total Return	1.21%	5.22%
MSCI Benchmark 5-year annualised Total Return	0.02%	1.71%
MSCI Universe (All UK Property) 5-year annualised Total Return	0.45%	1.32%

* Inclusive of lease smoothing adjustment
** Inclusive of service charge income

Review of key activities from 2023/24:

- Sale of the freehold interests in two assets for £4.04m. The major refurbishment of 84 Moorgate has progressed, with the certificate of practical completion being issued in April 2024. Similarly, the refurbishment of 30 New Bridge Street has progressed with practical completion in April 2024. Both schemes remain on target to achieve EPC B and BREEAM ratings of Excellent, while reducing carbon emissions. The impacts of high inflation and delays on these projects have, however, continued to be felt.
- In respect of letting of vacant office space, at 120 Cannon Street a further floor was let, but seven have proved difficult to let due to market conditions. Fitting out works, something a tenant would ordinarily undertake, have been implemented, with two floors completed and the remaining to be progressed in 2024/25. There has been a notable increase in viewings as a result. Heads of terms have been agreed for the letting of the whole of the office space at 30 New Bridge Street.
- Refurbishment of an office floor at 38 New Bridge Street has been completed, with an EPC rating of B. The refurbishment of two floors at 4-5 Chiswell Street also completed, with an EPC of C. Ongoing works to install air source heat pumps at this address are due to be completed in 2024/25 and should improve the whole building’s EPC rating to B.
- The planned refurbishment of two assets has been stopped due to viability issues with alternative strategies being developed.
- There have continued to be issues/delays with major ground lease transactions during the year due to the state of the commercial property market in London. This has meant that anticipated significant capital receipts did not materialise as planned.

Financial Investments

The CBF financial investment portfolio primarily represents the unrestricted income funds of the charity with approximately 10% of the portfolio representing the permanent endowment fund. The aim of the portfolio is to apply a targeted return of CPI +4% on a rolling 10 year period net of fees. A review is being undertaken across all fund managers held to implement this revised target.

To achieve its objectives, the portfolio is invested across a diverse array of asset classes, on a global basis, which includes exposure to publicly listed equities, fixed income, multi-asset funds, infrastructure and private equity. The charity primarily accesses these asset classes through pooled fund vehicles, each managed by specialist appointed fund managers. The performance of the financial investment portfolio is shown in the table below:

	31 March 2024	31 March 2023
Financial Investments	£850.2m	£855.4m
Portfolio Value*	9.41%	-0.24%
One-year total return	7.23%	14.11%
Absolute return target	13.66%	6.43%
Asset Allocation Benchmark		

*The Portfolio Value includes £794.9m long term investments (2022/23: £819.7m), £47.5m short term investments (2022/23: £35.7m) and £7.8m of impact investments (2022/23: nil). It should be noted that the charity withdrew £80.2m from the financial investment portfolio during the year to 31 March 2024 to support cashflow requirements.

The year to 31 March 2024 has been defined by a marked recovery in global financial markets, albeit uneven, following the worst year in over a decade in 2022/23, precipitated by high inflation, and the aggressive monetary policy tightening by central banks to combat it, alongside fears of a global recession.

Throughout 2023/24 the dominant theme was the rise and subsequent fall of inflation, and corresponding shifts in interest rate expectations and government bond yields. Global equity markets performed strongly at the start of the reporting period, driven by surging technology stocks amidst innovations in areas such as artificial intelligence, supported by moderating inflation, a strong labour market and further signs of a resilient economy despite the backdrop of steadily increasing interest rates.

However, during the summer of 2023 concerns mounted that major central banks would keep increasing interest rates in order to quell inflation, with the prospect of a “higher for longer” interest rate environment, which caused equity and bond markets to both suffer. This sentiment shifted in autumn 2023, despite geo-politics casting a shadow over financial markets, as inflation rates fell back sharply, fostering optimism that inflation was cooling. This led to a pivot in policy expectations towards significant interest rates cuts in 2024 which spurred a powerful rally across all asset classes, including bonds, which witnessed a sharp drop in yields across the curve, culminating in a robust end to 2023. The first quarter of 2024 was characterised by a repricing of interest rate expectations, with the timing of

potential rate cuts pushed back to the second half of 2024 as inflation again turned ‘sticky’, which resulted in negative returns for bonds as major central banks kept interest rates on hold. Nevertheless, the rally in global equities witnessed at the end of 2023 was sustained into the first quarter of 2024, supported by a resilient and generally solid economy, despite on-going geo-political tensions, and continued enthusiasm for developments in artificial intelligence.

Under these conditions the charity’s financial investments generated an annual return of 9.41% in the year to 31 March 2024 which compares favourably to an absolute return target of 7.23%. Events described above are a reminder of the risks inherent in investing and highlight the importance of the charity’s diversified asset allocation strategy, designed to mitigate volatility in financial markets.

The charity’s Climate Action Strategy (CAS) includes the Financial Investments workstream with a net zero target of 2040 at the latest, with interim emission reduction targets of 24% by 2025 and 55% by 2030. During 2023/24 the charity continued to monitor and engage with its Fund Managers to ensure that the transition to net-zero remained on target.

During the year CBF reviewed the investments historically described as social investments following the grant of new powers in its Supplemental Royal Charter and the adoption of associated policy criteria. A reclassification exercise was consequently undertaken against the new criteria, with investments held being allocated between financial and social investments. As at 31 March 2024 these investments had a total value of £9m. Based on the above review, £1.2m have been reclassified as social investments with the remainder classified as impact-driven investments, being those which have significant impact on the charity’s social and environmental goals, but which do not directly advance the ancillary purpose of the charity.

Social Investments

The new Supplementary Royal Charter included an express bespoke power to make social investments in advancing the ancillary object of the charity. During the year, the Investment Committee approved a Social Investment Policy to encompass CBF’s future activity in this market



The charity will work collaboratively to achieve its vision and will use its status and escalating brand recognition to provide leverage and influence for positive change, with the aim of London and Londoners being truly connected. The vision for the next year across the activities of the charity includes:

The Bridges:

Having completed the initial phase of maintenance works on the Millennium Bridge, it has become clear that the textured surface of the walkway has become worn by years of footfall. A project to refurbish the deck is being planned to ensure that the surface of this extremely popular bridge is kept in the best possible condition. The Engineering Team are reviewing how these works and other maintenance plans could be implemented whilst minimising the length of additional closures in future.

Having last been repainted just before the London 2012 Olympics, both Southwark and Tower Bridge will soon be due a repaint. As with the Millennium Bridge, the team will consider other maintenance items which could be completed as part of these projects. For example, options are being investigated as to how the Tower Bridge architectural lighting could be updated.

Tower Bridge Tourism:

The Bridge's 130th anniversary will be celebrated with a free, summer-long exhibition, opening in June 2024. The exhibition will feature photographs from the Bridge's public opening in 1894, unseen by the public for over a century.

The Tower Bridge in Motion programme will be implemented, embedding CBF's long-term development plan for the Tower Bridge Visitor Attraction, including new areas of social impact and a comprehensive Audience Development Plan.

A plan of activities and capital works will be established for the next three years, including the redesign of existing spaces, expansion of the attraction's footprint, and activating the public realm.

The new events management contract will be mobilised, embedded and continuously reviewed, and a forward-looking plan for further enhancing the Bridge's social impact will be agreed, in association with Social Pantry Ltd.

Funding:

CBF's Suicide Prevention programme was developed throughout the year and will be launched in early 2024/25, with an expected spend of £10m. This programme aims to

support people who are vulnerable to suicide and achieve systemic change in the area of suicide prevention in London. It has been developed following extensive consultation with the sector through a series of roundtables, an advisory panel consisting of people with lived experience of suicidal ideation and behaviour or bereavement by suicide, and one-to-one conversations with cross-sector leaders.

A second and final phase of the Anchor Programme will also open to applications in 2024, with the aim of providing long-term, core funding to the second-tier organisations which provide support to London's frontline groups. There will be a funding pot of nearly £15m and it is estimated that between 13–15 organisations will receive funding. Wide consultation, supported by the cross-party think tank Demos, will continue to inform and shape the charity's Future Funding Policy. Planned activities include a series of face-to-face and online consultations, an online survey of a representative sample of 1,000 Londoners, and engagement with young people and with equity partners. There will be internal engagement, especially with the funding team, and a full evaluation of CBF's Bridging Divides funding strategy.

Investments

Activities surrounding the implementation of the ISS continue, incorporating the future liabilities of the charity within plans that review the allocation of investment assets held.

Property Investments: A focus for the year ahead will be to meet the requirements of the ISS, working closely with the Investment Committee on the future structure of the portfolio. Completing tenant fit out works to vacant space at 120 Cannon Street and its subsequent letting and completing the pre letting of 30 New Bridge Street is a priority. Progressing approved strategies for the vacancies at 23 Finsbury Circus and 74 Moorgate.

Financial Investments: Throughout 2024/25 the Investment Committee will monitor the performance of the financial investments, which with effect from 1 April 2024 will be monitored at CPI +4% on a rolling 10 year basis, managing the performance of appointed investment managers whilst supporting the changes that result from the ongoing implementation of the new impactful focussed ISS. Supporting plans to achieve the ambitious climate action strategy of CBF will continue to be a key focus.

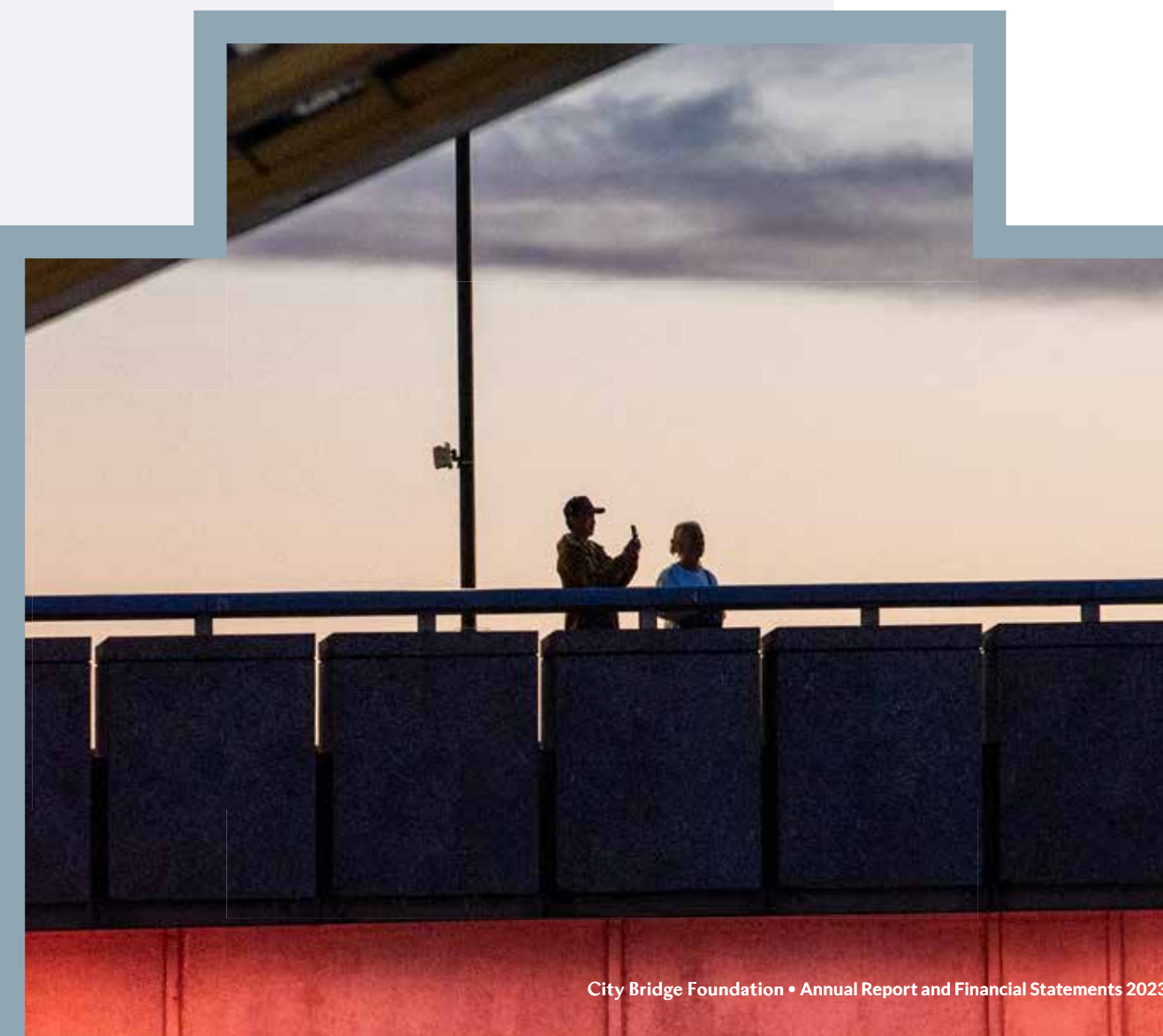
which is governed by both the ISS and the Bridging Divides policy for the furtherance of the ancillary object. CBF's new Social Investment Policy and legal criteria in the exercise of the bespoke social investment power mean that social investments should be made with a view to both:

- directly furthering the charity's ancillary object; and
- achieving a financial return for the charity.

As at 31 March 2024, CBF holds £1.2m as social investments.

Plans for future periods

With a newly refreshed strategy, CBF has a clear and ambitious vision for a connected capital, which we will deliver by maintaining and promoting world-class bridges, developing and delivering world-class charitable funding, and embedding and encouraging world-class responsible business practices. CBF's cross-cutting strategic ambitions of Equity, Diversity and Inclusion and Climate Action will be fundamental to the charity's endeavours in this and future years.





FINANCIAL REVIEW

Overview of financial performance

The charity continued with its plans in the refurbishment and maintenance of its bridges as well as having a record year in Tower Bridge tourism income with the increasing number of visitors. This year's grant giving surpassed the previous year's record high amount. This was against a backdrop of a continued challenging economic environment and uncertainties within investment markets. The prudent management of investment assets has ensured that the charity remains financially resilient and has sufficient funds available to meet its primary objective – the support and maintenance of its five Thames bridges – alongside its ancillary purpose of charitable funding for the general benefit of the inhabitants of Greater London.

Income

Total income for 2023/24 was £40.1m, up by £4.4m on the previous year (£35.3m).

Tower Bridge income moved beyond post-Covid business recovery and into sustained growth in 2023/24. Tower Bridge recorded approximately 1m visitors the highest ever number. Income from visitor admissions, retail and events increased from £7.6m to £10.5m. The increase in visitor numbers is attributed to continued growing levels of international visitors along with focussed engagement on local audiences, encouraged by £1 Community Tickets and family activities promoted to residents in the Bridge's neighbouring boroughs of Southwark, Tower Hamlets and City of London.

Investment income comprising of the property portfolio and the financial investment holdings of the charity, totalled £27.7m, an increase of £0.6m compared to previous year. Within this total, property rental income reduced due to properties undergoing refurbishment. The increase in financial investments income was driven by higher private equity distributions compared to the previous year.

The remainder of the charity's investment income is derived from interest earned from treasury deposits and social investments held, at £1.2m (2022/23: £0.1m).

Other income of £0.3m includes fees receivable by the charity for undertaking administrative duties on behalf of other organisations and bridges film and licences income for granting access to third parties to the bridges.

Expenditure

Expenditure for the year totalled £118.9m, being up by £15.2m from 2022/23. Bridge related expenditure was £12.5m (2022/23: £18.0m). The reduction in spend is driven by the pause of significant refurbishment work on Blackfriars Bridge due to the intensity of other work being completed in the vicinity creating access issues, with work expected to continue in October 2024. Millennium Bridge was closed for three weeks in October 2023 to carry out work on the deck. Structural maintenance projects were carried out in the year over at Tower Bridge. Further increases in footfall at Tower Bridge, have further increased expenditure levels to meet demand.

Spend on funding activities has reported the highest ever grant commitments in the year, totalling £83.1m (including linked operational spend), an increase of £17.8m on prior year. The additional £200m that was allocated by the Trustee in March 2020 to further the ancillary object as



being surplus income (to that required for the bridges, the charity's primary object) continues to support high levels of commitments.

Expenditure on raising funds increased to £15.1m (2022/23: £12m). Property investment expenditure increase is due to repairs, maintenance and refurbishments as well as rates on vacant properties.

Overall performance

Overall performance has led to a planned deficit of £78.8m (2022/23: £68.4m), prior to movements on investments held. As at 31 March 2024, the charity has reported total losses on investments of £5.8m (2022/23: £60.9m). The charity's financial investments had a strong recovery this year, resulting in a gain of £68m compared to £1.8m last year. Opposing this was a loss on property investments of £73.8m (2022/23: £62.5m). The losses are attributed to the economic background of high interest rates and high, albeit reducing, inflation. Further details on the performance of investments is stated on pages 22-23.

There was nil movement on social investments held (2022/23: loss of £0.2m).

Funds held

Total funds held by the charity as at 31 March 2024, decreased by £81.7m to £1,531.7m (2023: £1,613.4m). This reduction was driven by the investment losses noted above, alongside planned additional expenditure on grant-making. Within total funds, £904.3m represent the permanent endowment fund (2022/23: £969.2m). The charity adopted the Total Return approach to investment of the permanent endowment fund from 01 June 2023. As a result, all income, expenditure, and gains/losses arising from the investments representing the endowment are accounted for within this fund, which is available to be spent on the charity's purposes. In the year no distributions were made from the endowment fund to fund unrestricted activities of the charity, details of endowment fund can be found on pages 59-60.

There were no restricted funds held as at year-end (2023: nil).

The unrestricted income funds of the charity totalled £627.4m (2023: £ 644.2m) being net of £1.5m held to cover the pension deficit (2023: £4.3m). Within the unrestricted income funds, designations have been made for specific purposes. As at 31 March 2024, these designations totalled £220.7m (2023: £489m). Detail of designated funds is within Note 22, with key changes in the year being:

- Release of the bridge replacement fund, with provision for future expenditure now held within the endowment fund
- Establishment of a social investment fund, to represent income funds identified as available for the ancillary purpose to be utilised for this purpose
- Transfer of surplus income funds of £30m to the grant-making designation
- Additional funds of £13m designated for repair and maintenance of bridges over the next 5 year-period

Details of all funds held, including their purposes, is set out within Note 22 to the financial statements.

Reserves policy

The charity holds a substantial permanent endowment fund. It is the Trustee's policy to invest the assets of the charity held within this fund to retain the real value of the endowment whilst also generating sufficient returns to fund the charity's primary purpose to maintain and support its five river bridges in perpetuity. Any income surplus to that required to be applied to the charity's primary purpose in any one year is predominantly used to provide assistance in the form of grants to charitable organisations across Greater London.

As at 1 June 2023, the Trustee resolved to exercise the express power to adopt a total return approach to the investment of the charity's permanent endowment fund. This fund is now invested without the need to maintain a balance between capital and income returns. Details relating to the adoption of this power are set out in Note 22. The policy adopted for determining the use of returns from the permanent endowment fund requires an annual assessment of the ability to transfer returns to the trust for application (income fund). This considers the current value of future rebuild and major project costs of the bridges by notionally identifying part of the unapplied total return (UTR) for this purpose alongside those funds that are held in perpetuity. Due to this policy, the charity is required to maintain substantial amounts within the UTR.

The free reserves of the charity, within its unrestricted income funds, are held to cover working capital needs and a provision for unplanned urgent activities. In 2023/24, following review, the target level of free reserves was maintained at £35m. Alongside this, an additional £55m is held (giving a total of £90m) reflecting growth uncertainties across the forecast period. This amount is subject to annual review.

Reserve levels held as at 31 March 2024 are set out in Note 22. The charity holds free reserves of £406.7m (2023: £155.2m), which is £316.7m above the current policy. The increase in free reserves has been driven by the adoption of total return, with the provision for future major bridge costs now held within the endowment fund with the release of the previously held designated fund for this purpose. The Trustee will utilise available income funds prior to drawing down from the UTR. The Trustee remains cautious of the impacts of the ongoing uncertain economic climate on its investment portfolio. Noting the potential risk of future realised losses and increases in property construction costs, it continues to review the level of reserves held.

Remuneration policy

The charity's key management personnel, as defined within Note 11 to the financial statements, are employees of the City Corporation and, alongside all other staff, their pay is reviewed annually. Salary costs incurred by the Trustee in administering the charity are re-charged to CBF. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised during the year.

The Managing Director's post is evaluated and assessed independently against the external market allowing the post to be allocated a salary range which incorporates market factors as well as their relevance to the charity.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established by the City Corporation to actively promote equity, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan. This also includes addressing the City Corporation's gender pay gap.

Fundraising

Section 162(1)(a) of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Although the charity does not undertake widespread fundraising activities, any such amounts receivable is presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or third parties. The day-to-day management of all income generation is undertaken by the CBF team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2022/23: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities, including those designed to protect vulnerable people.

Principal risks and uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the Executive Leadership Team and the City Bridge Foundation Board ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided.

The charity has in place an established Risk Management Protocol which sets out the arrangements for the effective management of risk. Through the effective application of the risk management process, the Protocol supports effective corporate governance and internal control within CBF as well as furthering the charity's primary and ancillary objects. The charity has in place a Principal Risk Register (covering the top risks for the charity) and four Operational Risk Registers for the following areas: Bridge Management, Tower Bridge operations, Funding and Investments. In 2024/25, an informal Audit & Risk Working Group is being established for the charity, comprised of Members and Officers, which will review the charity's risk management arrangements.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risk
Structural damage to Bridges/ Maintenance of the Bridges Major structural damage to one of the bridges may cause it to become non-operational, caused by terrorism, natural disasters, large vessel strikes, or engineering failures; or ineffective, incomplete or faulty maintenance of bridges and related infrastructure, potentially leading to poor management of maintenance obligations.	To manage potential structural damage, key actions include ongoing threat assessments and counter-terrorism activities in collaboration with City and MET Police, as well as the enhancement of security measures through the Protect Bridges Strategy. Additionally, the Charity is improving asset management clarity and maintaining a broad insurance policy to cover significant impacts such as vessel strikes. These measures are coordinated internally and involve continuous engagement with stakeholders to ensure rapid response and mitigation of reputational risks. For maintenance, the charity maintains strict monitoring and oversight of a 50-year maintenance plan, ensuring accountability and clarity in maintenance responsibilities among stakeholders. This includes developing and implementing updated service level agreements (SLAs) with relevant departments and considering the Bridge Replacement Strategy. Regular reporting to the Board helps maintain transparency and proactive management of maintenance activities, reducing potential public harm, operational disruptions, and associated costs.
Reputation Management A range of potential incidents that could adversely impact the reputation of the charity. This includes failures in communication or action that might result in negative perceptions from stakeholders or the public.	To address reputational risks, the charity has implemented several key actions. A proactive strategic communications approach, including the successful launch of the new brand, has significantly improved stakeholder engagement and media coverage. The Principal Risks Register is regularly reviewed, and horizon scanning is conducted to anticipate and mitigate potential issues. The newly established Audit & Risk Working Group (2024/25) is tasked with holistically considering risks to ensure effective reputation management. Coordination has been enhanced between the Tower Bridge management team, the Bridges management team, and the Communications team to improve early risk detection and response times. The charity has a robust crisis response plan, including the appointment of a media manager for crisis management and the provision of media training for senior staff.
Insufficient investment returns Insufficient investment returns due to a lack of a balanced investment portfolio, economic changes, or rising inflation, which could lead to increased costs and reduced income. This could impair the charity's ability to fund its primary objectives, such as bridge maintenance and support, and fulfil its other commitments.	The charity has implemented a new Investment Strategy Statement (ISS) as a framework for managing its investments. The charity regularly monitors and reviews investment performance and conducts annual assessments of the ISS to ensure it aligns with financial goals and market conditions. There is ongoing accountability for investment managers, ensuring their performance is aligned with the strategic objectives set out in the ISS. The charity also provides regular financial updates to the Board, ensuring informed decision-making and proper financial oversight to maintain adequate returns and financial stability.

Risk	Actions to manage risk
Failure to deliver CBF's strategy and organisational change Potential failure to effectively deliver the charity's strategy and implement necessary organisational changes. This includes challenges such as lack of support for the strategic vision, insufficient resources, poor communication, and lack of collaboration across teams.	The charity has refreshed its strategic vision through the Bridging London Strategy, ensuring alignment of objectives and priorities across all activities. The charity has developed a comprehensive business plan and is working to foster a unified "One Charity culture" through staff engagement initiatives and cultural change programmes. The charity is also focused on enhancing collaboration and communication within and between teams to support effective implementation of its strategy. Regular reviews and updates of policies and strategies ensure they remain relevant and effective in guiding the charity's activities and achieving its goals.
Safeguarding Potential failure to embed safeguarding requirements into all of the charity's activities, including lack of regular and effective training and monitoring. This could lead to an increased risk to the safety of beneficiaries, especially vulnerable individuals, and may result in legal or regulatory scrutiny, compensation claims, and damage to the charity's reputation.	The charity is completing the development of a comprehensive safeguarding policy, with a Safeguarding Group established that meets regularly to review and enhance safeguarding practices. The charity also engages with relevant stakeholders to align safeguarding efforts and maintain up-to-date policies that address emerging risks, ensuring a safe environment for all beneficiaries and compliance with regulatory requirements.
Lack of diversity of skills, knowledge and experience within the charity Risk that the lack of diversity in skills, knowledge, and experience within the charity, could impede its ability to effectively serve its beneficiaries and fulfil its mission. A non-diverse board and workforce may lead to uninformed decision-making and may not reflect the communities served by the charity.	The charity is actively embedding Equity, Diversity, and Inclusion (EDI) principles into its operations and has articulated EDI as a cross-cutting priority in the Bridging London Strategy. A new senior EDI lead is being recruited to promote best practices within CBF and engage externally. The charity conducts regular skills audits of its Board to ensure a diverse range of perspectives is represented. Ongoing engagement with the City Corporation's EDI team ensures alignment with broader diversity goals. Additionally, the charity is developing a comprehensive People Plan that acknowledges the EDI lens into recruitment, retention, and professional development processes to build a more diverse and inclusive institution.

Going concern

Financial resources are well placed to manage the business risks. The planning processes of the charity take into account the current uncertain economic climate and its potential impact on both income, investment returns and expenditure – both now and in the future – with a focus on the liquidity of the charity over the next 12-month period. The Trustee is satisfied that the charity could absorb significant changes in investment values with no impact on its ability to continue as a going concern due to the substantial size of its endowment fund. A rolling annual review of the charity's detailed forecast financial position over a 3-year period is carried out, alongside 10-year modelling of funds held to confirm that sufficient

returns will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding. The ancillary purpose of CBF is undertaken only where surplus income is available in any year after responsibilities relating to the Bridges have been met. Should it be required, this method of operation provides flexibility to the charity when approving future plans. As such, the Trustee considers that all appropriate steps have been taken to effectively manage risk and that overall, there are no material uncertainties that affect the financial position of the charity. Therefore, the financial statements have been prepared on a going concern basis.

TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity. This includes the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records. These must be sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity. They must also enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The Trustee is 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.

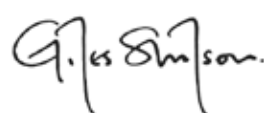
In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Dr Giles Shilson



Chair of CBF Board
Guildhall, London

Paul Martinelli



Deputy Chair of CBF Board
27 November 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CITY BRIDGE FOUNDATION

Opinion

We have audited the financial statements of City Bridge Foundation ('the charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee’s report; or
- sufficient and proper accounting records have not been kept by the charity; 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 Trustee’s responsibilities statement set out on page 32, the Trustee is 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 Trustee 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 Trustee is 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 Trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditor’s 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below. 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 auditor’s report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, the valuation of financial investments and investment properties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates including those specific to the investment valuations for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity’s Trustee 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 charity’s Trustee those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity’s Trustee for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London, UK
3 December 2024
Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended
31 March 2024

	NOTES	Unrestricted Funds £m	Endowment Funds £m	2023/24 Total Funds £m	2022/23 Total Funds £m
Income and Endowments from:					
Voluntary income	2	-	-	-	0.1
Charitable activities	3	10.5	-	10.5	7.6
Investments	4	7.6	21.3	28.9	27.2
Other income	5	0.3	0.4	0.7	0.4
Total income		18.4	21.7	40.1	35.3
Expenditure on:					
Raising funds	6	6.2	8.9	15.1	12.0
Charitable activities:					
Repair and maintenance of bridges		12.5	-	12.5	18.0
Tower Bridge tourism		8.1	-	8.1	6.6
Charitable funding		83.1	-	83.1	65.3
Total charitable activities:	7	103.7	-	103.7	89.9
Other					
Net pension scheme costs	19	0.1	-	0.1	1.8
Total expenditure		110.0	8.9	118.9	103.7
Net (expenditure) before (losses)/gains on investments		(91.6)	12.8	(78.8)	(68.4)
Net (losses) on property investments	13	-	(73.8)	(73.8)	(62.5)
Net gains/(losses) on financial investments	14	71.9	(3.9)	68.0	1.8
Net (losses) on social investments	15	-	-	-	(0.2)
Total gains/(losses) on investments		71.9	(77.7)	(5.8)	(60.9)
Net (expenditure)/income after (losses)/gains on investments		(19.7)	(64.9)	(84.6)	(129.3)
Other recognised gains:					
Actuarial gains on defined benefit pension scheme	19	2.9	-	2.9	20.3
Net movement in funds		(16.8)	(64.9)	(81.7)	(109.0)
Reconciliation of funds:					
Fund balances brought forward at 1 April 2023		644.2	969.2	1,613.4	1,722.4
Total funds carried forward	21	627.4	904.3	1,531.7	1,613.4

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 39 to 65 form part of these financial statements.

BALANCE SHEET

As at
31 March 2024

	NOTES	2024 Total £m	2023 Total £m
Fixed assets:			
Tangible assets	12	2.9	3.0
Investment properties	13	800.5	841.1
Financial investments	14	802.7	819.7
Social investments	15	1.2	8.9
Total fixed assets		1,607.3	1,672.7
Current assets			
Stock		0.4	0.3
Debtors	16	13.1	14.8
Short term investments and deposits	14	47.5	35.7
Cash at bank and in hand		10.4	7.6
Total current assets		71.4	58.4
Creditors: Amounts falling due within one year	17	(80.5)	(67.7)
Net current (liabilities)		(9.1)	(9.3)
Total assets less current liabilities		1,598.2	1,663.4
Creditors: Amounts falling due after more than one year	18	(65.0)	(45.7)
Net assets excluding pension scheme liability		1,533.2	1,617.7
Defined benefit pension scheme liability	20	(1.5)	(4.3)
Total net assets	21	1,531.7	1,613.4
The funds of the charity:			
Permanent endowment funds		904.3	969.2
Designated funds		220.7	489.0
General funds		406.7	155.2
Total funds	21	1,531.7	1,613.4

The notes on pages 39 to 65 form part of these financial statements.

Approved and signed on behalf of the Trustee.



Caroline Al-Beyerty
Chamberlain and Chief Financial Officer
2nd December 2024

STATEMENT OF CASH FLOWS

For the year ended
31 March 2024

	Notes	2023/24 Total £m	2022/23 Total £m
Cash flows from operating activities:			
Net cash (used in) operating activities	23	(73.6)	(60.3)
Cash flows from investing activities:			
Dividends, interests and rents from investments		28.9	27.2
Additions to short term deposits		(117.4)	(89.8)
Proceeds from sale of short term deposits		105.6	81.0
Sale of investment property		4.0	7.9
Purchases and improvements of property		(37.2)	(23.4)
Additions to tangible fixed assets		(0.2)	(0.2)
Additions to social investments		(0.1)	(0.9)
Social investments repayments		0.5	0.4
Additions to financial investments		(138.0)	(208.3)
Proceeds from sale of financial investments		230.3	269.9
Net cash provided by investing activities		76.4	63.8
Increase in cash in the year		2.8	3.5
Change in cash and cash equivalents in the reporting period		2.8	3.5
Cash and cash equivalents at the beginning of the reporting period		7.6	4.1
Cash and cash equivalents at the end of the year	24	10.4	7.6

NOTES TO FINANCIAL STATEMENTS

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

a. Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified for the revaluation of investment property and financial investments measured at fair value, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

The City Corporation is Trustee of the charity, with officers of the City Corporation providing administrative services for both the charity and other Funds for which it is responsible. All assets, liabilities, income and costs are accounted for by the charity individually. Where required, costs are apportioned based on actual activity of the charity. Please see note 1 (c) (vi) below for further explanation.

The Financial Statements are presented in sterling which is the functional currency of the charity.

b. Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. A rolling detailed annual review of the charity's forecast financial position over a three-year period is carried out, alongside ten-year modelling of funds held, to confirm that sufficient investment returns will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding.

In assessing the appropriateness of the going concern basis, the Trustee has considered the charity's financial position, the value of investment assets held, future investment return levels, expenditure requirements and the liquidity of the charity, taking into account the inflationary pressures and the changing economic environment. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. Accordingly, as further stated on page 31, the Trustee has a reasonable expectation that the charity will continue as a going concern for at least 12 months from the date of signing this report and has adopted this basis for the preparation of the financial statements.

c. Critical accounting judgements and assumptions

Key accounting judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the significant judgements that have been made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

i. Valuation of investment properties

Investment properties are properties ultimately owned by the charity and are held for capital appreciation, rental income, or both. They are valued at each balance sheet date at fair value as determined by professionally qualified internal and external valuers.

Valuations are prepared in accordance with "RICS Valuation – Global Standards (incorporating International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, (the "RICS Red Book"). The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security

of income. Where lease premia or costs relating to rent free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

Inflationary pressures continued during the year but as at the valuation date the picture was becoming more positive with a downward trend in the headline rate of inflation with base rate retained at 5.25% for a fifth consecutive month. Whilst the financial markets are now pricing in an anticipated reduction in interest rates, commercial transactional volumes, coupled with the decline in liquidity over the last few years, has led to a scarcity of comparable evidence to inform the valuation process. The investment market recorded significantly reduced volumes with the UK commercial real estate market in 2023 recording investment volumes of broadly 45.0% of the long-term average whilst in Central London investment volumes were down almost 60.0%.

Market sentiment has gained increased importance in making informed assessments, given the limited availability of data. Notably, a divided market has emerged, differentiating “best in class” properties from those facing challenges due to locational factors and the overall quality of the real estate. Stakeholders in the market, including occupiers, investors, and lenders, have also heightened significance to environmental, social, and governance (ESG) considerations and the associated costs, in their decision making.

While there is still liquidity in the market, ongoing geopolitical uncertainties, economic challenges, and the cost and accessibility of debt finance continue to impact pricing. As a result, the potential for future value erosion cannot be discounted, particularly for secondary properties and those outside prime markets. We anticipate that market sentiment will continue to improve during the course of 2024, however the change in government and geopolitical factors may impact the prospect for a sustained return to growth this year.

It is important to recognise that the valuation has been prepared against the backdrop outlined above. In the interests of clarity, the valuations were not reported as being subject to ‘material valuation uncertainty’ as defined in the RICS Valuation – Global Standards.

ii. Investment property disposals

When accounting for the disposal of long leaseholds of investment properties, the charity utilises the methodology as set out within the RICS Professional

Standards (“the Red Book”) in apportioning values between land and buildings. This includes a number of factors such as insurance values and future construction costs, which are subject to judgement.

iii. Valuation of financial investments

Within financial investments are amounts invested in private equity fund vehicles. These funds are valued by the fund managers based on a number of assumptions, some of which are based on non-observable inputs (such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples).

iv. Valuation of social investments

Unquoted social investments are in some cases internally valued, and management is required to make certain judgemental assumptions. Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

v. Defined benefit pension scheme

The charity has an obligation to pay pension benefits to those working for it. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See Note 19 for the disclosures relating to the defined benefit pension scheme, alongside further detail on the sensitivity of assumptions made.

The Pension Fund is the responsibility of the City Corporation as a corporate body exercising its functions including as Trustee of CBF, and the charity does not have an exclusive relationship with the City of London Pension Fund. The proportion of the Pension Fund that relates to City Corporation employee members engaged on CBF activities is not separately identifiable. However, an estimated share of the total Pension Fund net deficit has been allocated to CBF on employer’s pension contributions paid into the Fund by, CBF as a proportion of total employer’s contributions paid.

vi. Allocation of support costs

Support costs, incurred by the City Corporation on behalf of the charity, are allocated on a cost recovery basis to the charity. Human resources and digital services are apportioned on a headcount basis. Legal support and public relations are allocated per usage; premises costs are allocated on a space occupied basis; accounting services costs are allocated on the basis of time spent and number of invoices processed; with committee administration costs allocated on the basis of the number of committees overseeing the charity’s activities.

d. Income and expenditure

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income; it is probable that the economic benefit associated with the transaction will come to the charity and the amount can be measured reliably. Income consists of fees and charges from the tourism operation at Tower Bridge, grants income, income from property (see policy g below) and financial investments and income on money market deposits held.

Grant income – Grant income is accounted for on a receivable basis when there is evidence of entitlement to the grant, receipt is probable, and the amount of the grant can be measured reliably.

Tower Bridge tourism fees and charges – Income included under this heading includes admissions fees, events income, retail and filming fees, all of which are recognised in the period to which the income relates.

Investment property income – Income is recognised on an accrual basis and on a straight-line basis (note (1) (g)).

Financial investments income – consists of dividend and interest which are recognised when receivable.

Other income – is recognised in the period in which the charity becomes entitled to receipt.

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of ‘expenditure on raising funds’, ‘expenditure on charitable activities’ and ‘other expenditure’.

Expenditure on raising funds comprises those related to management of the investment property portfolio and financial investments, including apportioned support costs. The element of costs relating to property and financial investments that are attributable to maintaining the capital value of the endowment are charged to that fund, with the balance of these costs coming from the unrestricted income fund.

Expenditure on charitable activities comprises repair and maintenance of the bridges, those related to the operation of the Tower Bridge tourist attraction, alongside grant-making, including apportioned support costs.

Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. For multi-year grants where payment is planned over more than one year from the date awarded, the charity reviews the present value of future payments for materiality. In 2023/24, the present value of future payments is material, and the liability is recognised at present value. The discount rate of 4.3% used is considered as the most current available estimate of the opportunity cost of money and is based on the expected real rate of return on the investment portfolio.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in the activities undertaken. These include external audit, internal audit and costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, technology, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 10.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid, with details provided in Note 11.

e. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the year-end rate of exchange. All gains or losses on translation are taken to the Statement of Financial Activities in the year in which they occur.

f. Pension costs

Defined benefit scheme

The Trustee operates a funded defined benefit pension scheme for its staff employed on its activities, which includes staff acting for the Trustee on behalf of City Bridge Foundation. The original scheme is based on final salary and length of service on retirement. Changes to the Scheme came into effect from 1 April 2014 and any benefits accrued

from this date are based on career average revalued salary, with various protections in place for those members in the Scheme before the changes took effect.

For the defined benefit scheme the amounts charged within expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The assets of the scheme are held separately from those in the charity and are invested by independent fund managers appointed by the Trustee. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary, using the projected unit method and discounted at a rate equivalent to the current rate of return, on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the balance sheet.

g. Operating leases – City Bridge Foundation as the lessor

Assets subject to operating leases are included in the Balance Sheet according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis until the next rent review, even if the payments are not received on this basis, unless another method is more representative of the time pattern in which the benefits derived from the leased asset are diminished. Rent-free periods are allocated over the term of the lease.

Rent concessions including the forgiveness of a portion of or all lease payments for an agreed period (i.e., a temporary rent reduction or rent holiday) have been recognised over the periods that the changes relate to and in accordance with the appropriate guidance.

h. Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

i. Fixed assets

Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

Computer software	3 years
Computer and other equipment	5 years
Fixtures and fittings	8-20 years
Operational assets	10-30 years

Land is not depreciated.

Where a fixed asset (other than freehold land) is not depreciated or has a life of more than 50 years, an annual impairment review is carried out.

Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e., they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2024 was £1,256.7m (2023: £1,143.5m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1(d).

Investment properties

Investment properties for which fair value can be measured reliably on an on-going basis are measured at fair value annually with any change recognised in the Statement of Financial Activities. The valuations are estimated by appropriately qualified professional valuers. No depreciation or amortisation is provided in respect of freehold or leasehold investment properties.

Financial investments

i. Quoted investments

Quoted investments comprise publicly quoted, listed securities including shares, bonds and units. Quoted investments are stated at fair value at the balance sheet date. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade.

ii. Unquoted investments

Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018). Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples. Where a valuation is not available at the balance sheet date, the most recent valuation is used, adjusted for cashflows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date. These valuations are provided by fund managers and are subject to either independent valuation or annual audit.

iii. Cash held by fund managers

The fund managers utilised by the charity may hold investments in the form of cash from time to time when making transactions. These amounts are recognised within investments due to the intention to reinvest.

Social investments

Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

j. Stocks

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the Tourism operation at Tower Bridge.

k. Cash

Cash and cash equivalents include cash in hand, short term deposits and other instruments held as part of the City Corporation's treasury management activities with original maturities of three months or less and, if any, overdrafts.

l. Financial assets and liabilities

Since the charity only has financial instruments which qualify as basic financial instruments, it has chosen to adopt Section 11 of FRS 102 in respect of financial instruments. Financial assets and liabilities, including debtors and creditors, are recognised when the charity becomes party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

m. Funds' structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. The total return approach has been adopted by the Trustee during 2023/24, with all relevant income, expenditure and gains/losses being accounted for with the unapplied total return element of the endowment. The Trustee has adopted a policy to determine use of the unapplied total return.

Restricted funds – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income transferred from the permanent endowment fund and returns generated by investments representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which has been held to meet the requirements of future years, known as free reserves.

Designated funds – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

2. Income from voluntary activities

	Restricted Income Funds 2023/24 £m	Restricted Income Funds 2022/23 £m
Grant income	-	0.1
	-	0.1

3. Income from charitable activities

	Unrestricted Income Funds 2023/24 £m	Unrestricted Income Funds 2022/23 £m
Tower Bridge tourism fees and charges	10.5	7.6
	10.5	7.6

4. Income from investments

	Unrestricted Income Funds	Endowment Fund	Total 2023/24 £m	Unrestricted Income Funds £m	Total 2022/23 £m
Investment property	4.2	19.9	24.1	24.9	24.9
Financial investments	2.2	1.4	3.6	2.2	2.2
Interest receivable	1.2	-	1.2	0.1	0.1
Total investment income	7.6	21.3	28.9	27.2	27.2

All investments are held to provide an investment return to the charity. Where relevant income is now recognised within the endowment fund following the adoption of Total Return from 01 June 2023.

5. Other income

	Unrestricted Income Funds £m	Endowment Fund £m	Total 2023/24 £m	Unrestricted Income Funds 2022/23 £m	Total 2022/23 £m
Other income	0.3	0.4	0.7	0.4	0.4
	0.3	0.4	0.7	0.4	0.4

6. Expenditure on raising funds

	Unrestricted Expenditure 2023/24		Endowment Fund 2023/24		Total 2023/24 £m	Unrestricted Expenditure 2022/23		Endowment Fund 2022/23		Total 2022/23 £m
	Direct costs £m	Support costs £m	Direct costs	Support costs		Direct costs £m	Support costs £m	Direct costs	Support costs	
Investment property expenses	1.2	0.4	6.7	1.6	9.9	4.3	2.5	0.1	-	6.9
Financial investment expenses	4.2	0.4	0.5	0.1	5.2	4.6	0.2	0.3	-	5.1
	5.4	0.8	7.2	1.7	15.1	8.9	2.7	0.4	-	12.0

Investment property expenses – staff costs, repairs and maintenance costs, and professional fees relating to the management of the investment property portfolio.

Financial investment expenses – fees paid to fund managers.

7. Expenditure on charitable activities

	Direct costs £m	Support costs £m	Total 2023/24 £m	Direct costs £m	Support costs £m	Total 2023/24 £m
Repair and maintenance of bridges	11.0	1.5	12.5	17.0	1.0	18.0
Tower Bridge tourism	6.2	1.9	8.1	6.0	0.6	6.6
Charitable funding	81.4	1.7	83.1	63.4	1.9	65.3
	98.6	5.1	103.7	86.4	3.5	89.9

Repair and maintenance of bridges – staff costs, repairs and maintenance, insurance, equipment and materials costs relating to the Thames River bridges maintained by the charity.

Tower Bridge tourism – staff costs and other expenses related to the management and operation of the Tower Bridge tourist attraction.

Charitable funding – grants awarded by CBF, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £83.0m (2022/23: £60m) and costs of administering the grants process of £3.4m (2022/23: £3.4m).

8. Charitable funding

During the year ended 31 March 2024, grants were awarded to institutions under the following programmes:

	2023/24 £m	2022/23 £m
Bridging Divides:		
Core Activities	70.8	34.6
Strategic Initiatives	11.5	19.7
Stepping Stones Fund	-	0.2
Propel	1.4	5.7
Charitable funding	83.7	60.2
Charitable funding adjustments and cancellations	(0.8)	(0.2)
Net charitable funding	82.9	60.0
Other charitable funding related activities	3.4	3.4
Effect of discounting of grant liability	(4.8)	-
	81.5	63.4

Grants were made to 705 organisations in the year (2022/23: 665), supporting 765 projects (2022/23: 733). The average amount of grant equalled £109k (2022/23: £82k).

All grantees receiving funding must work for the benefit of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

Details of all the grants approved are shown on the CBF website www.citybridgefoundation.org.uk, within the News & events section, including organisation name, amount given and purpose of the award.

Reconciliation of grants payable:

	2023/24 £m	2022/23 £m
Commitments at 1 April	80.7	48.1
Commitments made in the year	83.7	60.2
Charitable funding adjustments and cancellations	(0.8)	(0.2)
Charitable funding paid during the year	(45.4)	(27.4)
Discounting of grant liabilities	(4.8)	-
Commitments at 31 March	113.4	80.7

Outstanding grant commitments at 31 March 2024 are payable as follows:

	2023/24 £m	2022/23 £m
Within one year (note 17)	62.0	48.6
After more than one year (note 18)	51.4	32.1
Commitments at 31 March	113.4	80.7

The split of future payment dates is based upon contractual terms, which may relate to multi-year commitments.

9. Net income for the year

Net income is stated after charging:

	2023/24 £	2022/23 £
Auditors' remuneration for the audit of the financial statements	93,500	89,050
Depreciation	414,722	298,492

10. Support costs

Support costs include activities undertaken by the City Corporation on behalf of the charity as well as activities directly undertaken by the charity. Costs incurred by City Corporation departments outside the charity are recovered from the Charity's funds on an appropriate basis such as by head count or floor space.

	Tourism £m	Investment Property £m	Financial Investments £m	Bridges £m	Grants £m	Governance £m	2023/24 £m	2022/23 £m
Finance	0.3	0.2	0.1	0.1	0.2	0.1	1.0	0.6
Legal	0.1	0.1	0.1	0.1	0.2	-	0.6	0.1
City Surveyor	0.1	1.6	0.1	0.2	-	-	2.0	2.1
Governance & Strategy	0.1	-	-	-	0.2	0.2	0.5	0.5
People	0.1	-	-	0.1	0.1	-	0.3	-
Communications & Public Relations	0.3	-	0.1	0.1	0.2	-	0.7	-
Digital Services	0.3	-	-	0.2	0.2	-	0.7	0.5
Premises	0.1	-	-	-	0.1	-	0.2	0.3
CBF Operations & MD Office	0.3	0.1	0.1	0.5	0.2	-	1.2	1.6
Other	0.1	-	-	0.1	0.2	-	0.4	0.4
Sub-total	1.8	2.0	0.5	1.4	1.6	0.3	7.6	6.1
Relocation of governance costs	0.1	-	-	0.1	0.1	(0.3)	-	-
Total Support costs	1.9	2.0	0.5	1.5	1.7	-	7.6	6.1

All support costs are allocated between the endowment and unrestricted income funds, as shown in the expenditure notes. Governance costs are allocated on the basis of FTE staff within each activity.

11. Details of staff costs

All staff that work on behalf of the charity are employed by the City Corporation. The average full-time equivalent number of people directly undertaking activities on behalf of the charity during the year was:

	2023/24 Number	2022/23 Number
Investments	6	6
Tower Bridge tourism	56	51
Tower Bridge Operations	30	24
Funding	47	35
Enabling services	20	13
	159	129

The repair and maintenance of bridges is undertaken by City Corporation staff based within the Environment Department and are included within support staff. The heading Tower Bridge Operations includes staff directly responsible for the operations and security of that bridge.

Enabling services includes staff providing direct support and management to the charity in communications, governance and strategy, finance and human resources.

The above figures are for the FTE average number of staff rather than the average number of employees on an annual basis due to the City Corporation employing all staff. FTE is based on the activities undertaken for the charity.

In addition, support staff are charged to the charity on the basis described within Note 10. The full-time equivalent number of support staff charged is 38.2 (2022/23: 51.9).

Amounts paid in respect of employees directly undertaking activities for the charity were as follows:

	2023/24 £m	2022/23 £m
Salaries and wages	7.4	6.2
National Insurance costs	0.8	0.7
Employer's pension contributions	1.4	1.2
Total emoluments of employees	9.6	8.1

The number of directly charged employees whose emoluments for the year were over £60,000 was:

	2023/24	2022/23
£60,000 - £69,999	9	6
£70,000 - £79,999	5	4
£80,000 - £89,999	1	-
£90,000 - £99,999	1	4
£100,000 - £109,999	3	-
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
	20	15

All employees paid over £60,000 have retirement benefits accruing under the defined benefit scheme.

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, senior officers employed by the City Corporation and key members of the CBF leadership team. The senior officers of the City Corporation include the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor, and the City Surveyor. These officers work on a number of the City Corporation's activities and their salaries and associated costs are allocated to the activities under its control, including CBF on the basis of employee time spent on the respective services, as stated within Note 11. Further details on this can be found within the Annual Report for City Fund. The CBF executive leadership team comprising the Managing Director, Finance Director, Chief Operating Officer, Chief Funding Director, Philanthropy Director and Director of Communications and Engagement are included within key management personnel.

Total employment benefits, including employer pension contributions and employer national insurance contributions for key management personnel in 2023/24 was £1.1m (2022/23: £927k).

The highest paid role is the Managing Director of CBF, with total employment benefits, including employer pension contributions and employer national insurance contributions being £193k (2022/23: £183k).

No Members received any remuneration for time spent on CBF matters with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2023/24 from the charity (2022/23: Nil).

12. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold Improvements £m	Total £m
Cost				
At 1 April 2023	0.8	2.6	4.3	7.7
Additions	-	0.1	0.2	0.3
Disposals	-	-	-	-
At 31 March 2024	0.8	2.7	4.5	8.0
Depreciation				
At 1 April 2023	0.6	1.5	2.6	4.7
Charge for the year	0.1	0.1	0.2	0.4
Disposals	-	-	-	-
At 31 March 2024	0.7	1.6	2.8	5.1
Net book value				
At 31 March 2024	0.1	1.1	1.7	2.9
At 31 March 2023	0.2	1.1	1.7	3.0

13. Investment properties

	2024 £m	2023 £m
Market value at 1 April	841.1	888.1
Purchases and improvements	37.2	23.4
Book value of disposed assets	(3.4)	(0.9)
Total unrealised (losses)/gains*	(74.4)	(69.5)
Market value at 31 March	800.5	841.1

*Includes rent free adjustment of £4.0m (2022/23: £4.5m).

The net gain on property investments is arrived at as follows:

	2024 £m	2023 £m
Total unrealised (losses)/gains	(74.4)	(69.5)
Realised gains on disposal	0.6	7.0
	(73.8)	(62.5)

A full valuation was performed as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards (“the Red Book”). This was undertaken by Savills (UK) Ltd and Jones Lang LaSalle Limited, chartered surveyors, acting as independent valuers. The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties and various indices.

As many of the investment properties were gifted to the charity and others were acquired centuries ago, it is impracticable to provide historical cost information. It has therefore been assumed that the historical cost is nil. The properties are all situated in Greater London.

The charity determines its valuation policies and procedures and is responsible for overseeing the valuations. Valuations performed by the charity’s independent external valuers are based on information extracted from the charity’s financial and property reporting systems, such as current rents and the terms and conditions of lease agreements, together with assumptions used by valuers (based on market observation and their professional judgement) in their valuation models.

14. Financial investments

Total financial investments as at 31 March are split as follows:

	2024 £m	2023 £m
Long term investments held by fund managers	794.9	819.7
Impact investments	7.8	–
Financial investments at 31 March	802.7	819.7
Short term investments	47.5	35.7
Total investments at 31 March	850.2	855.4

Movement in total investments

	2024 £m	2023 £m
Financial investments held by fund managers		
Market value 1 April	819.7	879.5
Additions to investments at cost	137.7	208.3
Disposals at market value	(230.3)	(269.9)
Gain from change in fair value	67.8	1.8
Long term investments at 31 March	794.9	819.7

Impact investments

Analysis of movement in impact investments

	2024 £m	2023 £m
Market value 1 April	–	–
Reallocation from social investments	7.3	–
Additions to investments at cost	0.3	–
Disposals at market value	–	–
Gain from change in fair value	0.2	–
Impact investments at 31 March	7.8	–
Financial investments at 31 March	802.7	819.7

Short term investments and deposits

	2024 £m	2023 £m
Investments at 1 April	35.7	26.9
Additions to investments at costs	117.4	89.8
Disposals at market value	(105.6)	(81.0)
Movement in cash investments		
Short term investments and deposits at 31 March	47.5	35.7
Total investments at 31 March	850.2	855.4

At the year-end £4.8m (2022/23: £4.5m) had been committed in private equity investments and yet to be paid out by the charity. During the year £80.2m (2022/23: £40m) was withdrawn from fund managers to support the operational activities of the charity.

The geographical spread of financial and short term investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2024 £m	Total at 31 March 2023 £m
Fixed interest	43.7	63.2	106.9	78.7
Index linked	16.2	-	16.2	31.1
Pooled units	116.6	474.8	591.4	618.9
Listed equities	7.8	15.9	23.7	27.9
Managed funds	25.7	-	25.7	18.9
Private equity	3.2	15.2	18.4	21.7
Infrastrusture	-	60.1	60.1	58.2
Investment fund	3.0	0.2	3.2	-
Loan	0.2	-	0.2	-
Bond	1.3	-	1.3	-
Property fund	3.1	-	3.1	-
	220.8	629.4	850.2	855.4

The majority of the charity’s financial investments are held in mutual funds operated by professional asset managers whereby the charity’s assets are pooled with other investors and invested in equities, bonds and other securities. These investment assets are termed “pooled units” in the above table.

Impact investments as at 31 March 2024 are split as follows:

	Value as at 1 April 2023 £m	Reallocation	Drawn down £m	Repaid £m	Investment (loss)/gain £m	Value as at 31 March 2024 £m
Investment fund	-	3.0	-	-	0.2	3.2
Loan	-	0.2	-	-	-	0.2
Bond	-	1.3	-	-	-	1.3
Property fund	-	2.8	0.3	-	-	3.1
	-	7.3	0.3	-	0.2	7.8

During the year £7.3m was reallocated from social investments to impact investments, which forms part of financial investments.

15. Social Investment Fund

	Value as at 1 April 2023 £m	Reallocation	Drawn down £m	Repaid £m	Investment (loss)/gain £m	Value as at 31 March 2024 £m
Investment fund	3.1	(3.0)	-	-	-	0.1
Loan	0.7	(0.2)	0.1	(0.1)	-	0.5
Bond	1.3	(1.3)	-	-	-	-
Property fund	3.8	(2.8)	-	(0.4)	-	0.6
	8.9	(7.3)	0.1	(0.5)	-	1.2

At the year-end nil (2022/23: £nil) had been committed but remained undrawn. Details of all investments placed are shown on the City Bridge Foundation website www.citybridgefoundation.org.uk.

16. Debtors

	2024 £m	2023 £m
Trade debtors	0.3	0.4
Rental debtors	3.7	2.9
Prepayments & accrued income	4.9	6.5
Sundry debtors	0.2	0.5
	9.1	10.3

Debtors – amounts due in more than one year

	2024 £m	2023 £m
Rental debtors	4.0	4.5
	4.0	4.5
Total debtors	13.1	14.8

17. Creditors – amounts falling due within one year

	2024 £m	2023 £m
Grants payable (note 8)	62.0	48.6
Trade creditors	3.2	3.1
Accruals	6.8	6.8
Deffered income	5.5	6.1
Rent deposits	3.0	3.1
	80.5	67.7

Deferred income comprises property rental income and lease premiums received in advance.

	2024 £m	2023 £m
Deferred income analysis within creditors:		
Balance at 1 April	6.1	6.0
Amounts released to income	(5.9)	(5.7)
Amounts deferred in the year	5.3	5.8
Balance at 31 March	5.5	6.1

18. Creditors – amounts due after more than one year

	2024 £m	2023 £m
Grants payable (note 8)	51.4	32.1
Deferred income	11.8	11.8
Other creditors	1.8	1.8
	65.0	45.7

Deferred income relates to lease premiums that will be released over periods of up to 162 years.

	2024 £m	2023 £m
Deferred income – due after more than one year:		
Balance at 1 April	11.8	11.9
Amounts transferred to less than one year	(1.6)	(1.7)
Amounts deferred in the year	1.6	1.6
Balance at 31 March	11.8	11.8

19. Pensions

City of London Corporation defined benefit pension scheme

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating predominantly to the three principal funds for which it is responsible (City Fund, City's Cash and City Bridge Foundation).

The assets of the scheme are held in a specific trust separately from those of the City Corporation and contributions are paid to the scheme as agreed with the scheme's Trustees. As the proportion of the Pension Fund deficit that relates to City Bridge Foundation is not separately identifiable, the share of pension contributions paid to the scheme by the charity is calculated pro-rata to employer's contributions paid by each of the City Corporation contributors to the scheme. Further details can be found in the Annual Report of City Fund.

Accounting for the defined benefit scheme under IAS19

The full actuarial valuation of the defined benefit scheme was updated to 31 March 2022 by an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with the City Fund requirements, rather than under FRS102, with no material differences between the two accounting standards identified.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2022/23 is £987,000 (2022/23 actual: £969,000). This figure is calculated pro-rata to total contributions that will be payable by the City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

Barnett Waddingham LLP, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method which will set contributions up to 31 March 2026.

a) Major assumptions by the actuary

Financial

The financial assumptions used for the purposes of the FRS102 calculations are as follows:

Assumptions as at:	2024 % p.a.	2023 % p.a.	2022 % p.a. Restated	2021 % p.a.
CPI increases	2.9	2.9	3.3	2.9
Salary increases	3.9	3.9	4.2	3.9
Pension increases	2.9	2.9	3.2	2.9
Discount rate	4.9	4.8	2.6	2.0

Life expectancy

The demographic assumptions used are consistent with those used for the most recent Fund valuation (31 March 2022), except for the post-retirement mortality assumptions which have been updated in light of the coronavirus pandemic. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		2024	2023
Age 65 retiring today	Males Females	20.8 23.3	21.1 23.5
Retiring in 20 years	Males Females	22.0 24.7	22.3 25.0

Sensitivity analysis

The sensitivity of the liabilities to changes in the key assumptions used to measure the Pension Scheme's liabilities is shown in the table below:

Sensitivity analysis	Change to assumptions	Impact on liabilities	
		Increase £m	Decrease £m
Salary increases	+/- 0.1	-	0.2
Life expectancy	+/- 0.1	1.7	-
Discount rate	+/- 0.1	(0.7)	(3.0)

b) Amounts included in the balance sheet

The amounts included in the charity's balance sheet arising from the City Corporation pension scheme's liabilities in respect of the defined benefit scheme for the current and previous two periods are as follows:

	2024 £m	2023 £m	2022 £m Restated
Fair value of assets (bid value)	41.3	37.9	38.2
Fair value of liabilities	42.8	42.2	61.0
Net liability in balance sheet	1.5	4.3	22.8

The net pension fund liability represents 3% (2022/23: 3%) of the total net balance sheet liability in the City Corporation Pension Fund financial statements.

c) Amounts included in the statement of financial activities

The amounts included within total expenditure in relation to the defined benefit scheme are as follows:

	2024 £m	2023 £m
Current service cost	0.9	2.1
Past service cost	-	0.1
Settlements and curtailments	0.1	-
Interest cost	0.2	0.6
Contributions	(1.1)	(1.0)
Total expense	0.1	1.8

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2022/23: 3%) of the total charge in the City Corporation Pension Fund financial statements.

d) Asset allocation

The current allocation of the scheme's assets is as follows:

Employer asset share – bid value	2024		2023	
	£m	% p.a.	£m	% p.a.
Equity investments	23.0	56	22.2	59
Cash	0.4	1	0.3	1
Infrastructure	5.4	13	5.1	13
Absolute return portfolio	6.6	16	10.3	27
Bonds	5.9	14	-	-
Total assets	41.3	100	37.9	100

The charity's share of pension scheme assets at 31 March 2024 represents 3% (2022/23: 3%) of the total pension scheme assets of the City Corporation Pension Fund.

e) Movement in the present value of scheme liabilities

Changes in the present value of the scheme liabilities over the year are as follows:

	2024 £m	2023 £m
(Deficit) at beginning of the year	(42.2)	(61.0)
Current service cost	(0.9)	(2.1)
Interest cost	(2.0)	(1.6)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in demographic assumptions	0.6	-
Actuarial gains arising from changes in financial assumptions	0.7	26.4
Other actuarial (losses)	(0.1)	(5.0)
Past service cost, including curtailments	-	(0.1)
Liabilities extinguished on settlements	(0.1)	-
Benefits paid	1.6	1.5
Contributions from scheme participants	(0.4)	(0.3)
(Deficit) at the end of the year	(42.8)	(42.2)

The charity's share of the closing value of the pension scheme liabilities represents 3% (2022/23: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

f) Movement in the scheme net liability

The net movement in the scheme liabilities over the year are as follows:

	2024 £m	2023 £m
(Deficit) at beginning of the year	(4.3)	(22.8)
Current service cost	(0.9)	(2.1)
Net interest	(0.2)	(0.6)
Employer contributions	1.1	1.0
Past service cost	-	(0.1)
Actuarial gains/(losses)	2.9	20.3
Other (losses)	-	-
(Deficit) at the end of the year	(1.4)	(4.3)

g) Movement in the present value of scheme assets

Changes in the fair value of the scheme assets over the year are as follows:

	2024 £m	2023 £m
As at 1 April	37.9	38.2
Interest on assets	1.8	1.0
Remeasurement gains/(losses):		
Return on assets less interest	1.6	(1.2)
Contributions by employer including unfunded	1.1	1.1
Contributions by scheme participants	0.4	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.6)	(1.5)
Settlement prices received	0.1	-
Closing value of scheme assets	41.3	37.9

h) Projected pension expense for the year to 31 March 2024

No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. As it is only an estimate, actual experience over the year may differ. No balance sheet projections have been provided on the basis that they will depend upon market conditions and the asset value of the scheme at the end of the following year.

	Year to 31/03/2025 £m	Year to 31/03/2024 £m	Year to 31/03/2023 £m
Service cost	0.9	0.8	-
Interest cost	-	0.2	0.6
Total expense	0.9	1.0	0.6
Employer contribution	1.1	1.0	1.0

20. Analysis of net assets between funds

At 31 March 2024	Unrestricted Income Funds		Endowment Funds	Total at 31 March 2024 £m	Total at 31 March 2023 £m
	General Funds £m	Designated Funds £m	Endowment Funds £m		
Fixed assets – Investment properties	-	-	800.5	800.5	841.1
Fixed assets – Financial investments	479.5	219.4	103.8	802.7	819.7
Other fixed assets	2.8	1.3	-	4.1	11.9
Current assets & liabilities	(9.1)	-	-	(9.1)	(9.2)
Long-term liabilities	(65.0)	-	-	(65.0)	(45.8)
Pension liability	(1.5)	-	-	(1.5)	(4.3)
	406.7	220.7	904.3	1,531.7	1,613.4

At 31 March 2023	Unrestricted Income Funds		Endowment Funds	Total at 31 March 2023 £m	Total at 31 March 2022 £m
	General Funds £m	Designated Funds £m	Endowment Funds £m		
Fixed assets – Investment properties	-	-	841.1	841.1	888.1
Fixed assets – Financial investments	213.7	489.0	117.0	819.7	879.5
Other fixed assets	11.9	-	-	11.9	11.7
Current assets & liabilities	(20.3)	-	11.1	(9.2)	(4.9)
Long-term liabilities	(45.8)	-	-	(45.8)	(29.2)
Pension liability	(4.3)	-	-	(4.3)	(22.8)
	155.2	489.0	969.2	1,613.4	1,722.4

21. Permanent Endowment fund – total return approach

On 01 June 2023, the charity adopted the Total Return approach for its permanent endowment fund, a bespoke power having been granted by the Supplemental Royal Charter which came into legal effect on that date. The charity selected 31 March 1994 as the reference date from which the permanently endowed funds have been analysed between the trust for investment and the unapplied total return, the two components of a permanent endowment specified in the bespoke powers as stated within the Charter. Following the resolution to adopt total return taking effect, the Trustee approved a resolution to accumulate in the trust for investment an amount from the unapplied total return, to reflect increases in the real value of the trust for investment between 31 March 1994 and 31 March 2022 in line with the Consumer Price Index (CPI). The original value of the permanent endowment was established as being £340.3m, including the inflationary uplift.

Under the total return approach, the charity is permitted to allocate from the unapplied total return element of permanent endowment to the trust for application (income) such sums as it thinks appropriate in furtherance of its work providing it is satisfied that this will not prejudice the ability of the Trustee to further the purposes of the permanent endowment fund now and in the future and, in particular, that it will not prejudice the ability of the Trustee to further the Primary Object now and in the future.

The charity's strategy is to manage the permanent endowment effectively in order to maximise the amount available for distribution whilst maintaining the real value of the permanent endowment fund, subject to the overriding duty of the Trustee to further the primary object now and in the future. A policy is in place for determining how the unapplied total return is to be allocated.

	Trust for Investment £m	Unapplied Total Return £m	Total Endowment £m
Original value with inflationary uplift	340.3	-	340.3
Unapplied total return	-	613.7	613.7
Total as at 1st June 2023	340.3	613.7	954.0
Movements in 2023-24			
Property Investments			
Income		20.2	20.2
Realised and unrealised losses		(61.3)	(61.3)
Less: Property investments cost		(8.3)	(8.3)
		(49.4)	(49.4)
Financial Investments			
Income		1.4	1.4
Realised and unrealised losses		(1.1)	(1.1)
Less: Investment management costs		(0.6)	(0.6)
Total		(0.3)	(0.3)
Unapplied total return allocated to income in the reporting period		-	-
Net movements in reporting period	-	(49.7)	(49.7)
At end of the reporting period:			
Original value with inflationary uplift	340.3	-	340.3
Total unapplied return	-	564.0	564.0
Endowment as at 31 March 2024	340.3	564.0	904.3

22. Movement in funds

At 31 March 2024	Total as at 1 April 2023 £m	Income £m	Expenditure £m	Gains & Losses £m	Transfers £m	Total as at 31 March 2024 £m
Endowment funds	969.2	21.7	(8.9)	(77.7)	-	904.3
Endowment Funds	969.2	21.7	(8.9)	(77.7)	-	904.3
General funds	159.5	18.2	(19.1)	71.9	177.7	408.2
Pension Reserve	(4.3)	-	(0.1)	2.9	-	(1.5)
Total General Funds	155.2	18.2	(19.2)	74.8	177.7	406.7
Property Dilapidations	0.7	-	-	-	-	0.7
Climate Action	15.0	-	-	-	-	15.0
Bridges Repairs	50.8	-	(11.0)	-	13.0	52.8
Bridges Replacement	242.6	-	-	-	(242.6)	-
Grant-making	179.9	-	(79.8)	-	30.0	130.1
Social Investment Fund	-	0.2	-	-	21.9	22.1
Total Designated Funds	489.0	0.2	(90.8)	-	(177.7)	220.7
Total Unrestricted Income Funds	644.2	18.4	(110.0)	74.8	-	627.4
Total Funds	1,613.4	40.1	(118.9)	(2.9)	-	1,531.7

At 31 March 2023	Total as at 1 April 2022 £m	Income £m	Expenditure £m	Gains & Losses £m	Transfers £m	Total as at 31 March 2023 £m
Endowment Funds	1,030.1	-	(0.4)	(60.5)	-	969.2
Endowment Funds	1,030.1	-	(0.4)	(60.5)	-	969.2
London Community Response Fund	0.3	-	(0.3)	-	-	-
Other Restricted Funds	0.2	0.1	(0.3)	-	-	-
Total Restricted Funds	0.5	0.1	(0.6)	-	-	-
General Funds	219.8	34.7	(22.5)	(0.2)	(72.3)	159.5
Pension Reserve	(22.8)	-	(1.8)	20.3	-	(4.3)
Total General Funds	197.0	34.7	(24.3)	20.1	(72.3)	155.2
Property Dilapidations	0.4	0.3	-	-	-	0.7
Climate Action	15.0	-	-	-	-	15.0
Bridges Repairs	56.2	-	(17.0)	-	11.6	50.8
Bridges Replacement	191.2	-	-	-	51.4	242.6
Grant-making	210.3	-	(61.4)	-	31.0	179.9
Social Investment Fund	21.7	0.2	-	(0.2)	(21.7)	-
Total Designated Funds	494.8	0.5	(78.4)	(0.2)	72.3	489.0
Total Unrestricted Income Funds	691.8	35.2	(102.7)	19.9	-	644.2
Total Funds	1,722.4	35.3	(103.7)	(40.6)	-	1,613.4

Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. The fund is managed on a total return basis, with an approved policy in place to determine the use of returns. Further detail of the origins of this fund is stated on page 6.

Purposes of restricted funds

London Community Response Fund (LCRF) – established in response to the Covid-19 health pandemic to establish a collective response with other funders to support London’s civil society in furtherance of the CBF funding policy, ‘Bridging Divides’. This was fully utilised in 2022/23.

Other Restricted Funds included:

The Cornerstone Fund - a funder collaboration that aims to bring about systemic change in how civil society organisations access and receive support and which tackles structural inequalities in order to grow stronger, more resilient communities. This fund was fully utilised in 2022/23.

Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

Property Dilapidations	represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
Climate Action	represents funds set aside to further progress and potentially accelerate delivery of the charity’s Climate Action Strategy.
Bridges Repairs	represents funds required to maintain the bridges for the next 5 years.
Grant-making	represents surplus income which has been designated for future grant-making activities in the name of CBF.
Social Investments	represents surplus income available for the ancillary object which has been set aside to be utilised as social investments.

The charity also maintains a Pension Reserve Fund, representing the net liability owed.

Transfers between funds

Transfers are made to and from unrestricted income funds in order to maintain designated funds at the required levels. During the year, the funds previously designated for bridge replacement were released back to unrestricted income funds, with the unapplied total return element of the permanent endowment fund holding a notional amount for future major project costs for the bridges. A new designation was approved by the Trustee for social investments placed from funds available for the ancillary object.

When reconstituting the permanent endowment fund in 2018/19, it was noted that there may be a small number of properties which were acquired under specific statutory powers and therefore may not be part of the permanent endowment fund. Research relating to this matter remains ongoing being both complex and lengthy due to the historic nature of these transactions, and the various Acts that applied across the years. Due to the complexity involved no financial impacts have been identified with sufficient certainty as yet to enable the financial statements to be amended.

23. Note to the statement of cash flows

Reconciliation of net income/(expenditure) to net cash inflow from operating activities.

	2023/24 £m	2022/23 £m
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(84.6)	(129.3)
Adjustments for:		
Interest and income from investments	(28.9)	(27.2)
Depreciation charges	0.4	0.3
(Gains) on financial investments	(68.0)	(1.8)
Losses/(gains) on property investments	73.8	62.5
Losses on social investments	-	0.2
(Increase)/decrease in stock	(0.1)	(0.1)
(Increase)/decrease in debtors	1.6	(3.5)
Increase in creditors falling due within one year	12.8	20.2
Increase in long terms creditors	19.3	16.6
Net pension scheme costs	0.1	1.8
Net cash (used in) operating activities	(73.6)	(60.3)

24. Analysis of changes in net funds/cash and cash equivalents

	Total as at 1 April 2023 £m	Cash flows £m	Total as at 31 March 2024 £m
Cash and cash equivalents			
Cash	7.6	2.8	10.4
Total	7.6	2.8	10.4

Other non-cash changes are detailed in Note 23.

25. Operating Leases

Minimum lease payments receivable under operating leases:

	31 March 2024 £m	31 March 2023 £m
Not later than one year	22	22
Later than one year and not later than five years	79	80
Later than five years	1,187	1,096
	1,288	1,198

26. Commitments

The following commitments exist as at 31 March in respect of future accounting periods:

	2024 £m	2023 £m
Works to bridges	6.2	6.8
Investments properties	-	10.2
	6.2	17.0

27. Related Parties

The City Corporation is the sole Trustee of the charity, as described on page 8. The City Corporation makes its resources available to the charity, the costs of which are recovered from the charity’s funds as permitted under section 31(1) of the Trustee Act 2000. These costs include those relating to banking services, with all transactions to the charity being recovered at cost and crediting or charging interest at a commercial rate. These costs are included within expenditure, as set out in Note 10.

The charity is required to disclose information on related party transactions with bodies or individuals that control or have significant influence over the charity. Members are required to disclose their personal interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and Senior Staff are requested to disclose all related party transactions, including instances where their close family has made such transactions. The charity has decided to disclose all instances whereby a Member or officer has a connection with a charity which is a grantee of CBF to provide full transparency.

Figures in brackets represent the amounts due at the balance sheet date. Any amount with an asterisk indicates it is owed to the charity at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £000	2022/23 £000	Detail of transcation
London Funders (LF)	An Officer of the City Corporation is a Trustee of LF.	619 (1,110)	796 (781)	LF received grant funding of CBF.
		4 (-)	4 (-)	The charity paid a membership fee to LF.
Trust for London (TL)	The City Corporation nominates three Members to TL.	510 (2,708)	25 (3,945)	TL received grant funding from CBF.
		- (-)	100 (-)	CBF received a grant as contribution to the Cornerstone fund.
		127 (-)	264 (-)	TL paid rent, service charges & insurance.
Partnership for Young London (PYL)	A Member of the City Corporation is a Trustee of PYL.	- (266)	373 (318)	PYL received grant funding from CBF.
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of the City Corporation are Trustees of CF.	- (250)	269 (390)	CF received grant funding from CBF.

Related party	Connected party	2023/24 £000	2022/23 £000	Detail of transcation
Heart of the City (HoTC)	An Officer and a Member of the City Corporation are Trustees of HoTC.	- (-)	- (24)	HoTC received grant funding from CBF.
Bankside Open Spaces Trust (BOST)	An Officer of the City Corporation is a Trustee of BOST.	380 (351)	- (-)	BOST received grant funding from CBF.
Cambridge House and Talbot (CHT)	An Officer of the City Corporation is a Trustee of CHT.	- (51)	100 (100)	CHT received grant funding from CBF.
Baring Foundation (BF)	A Co-opted Member of the City Corporation is an employee of BF.	- (1,310)	- (-)	BF received grant funding from CBF.
Augmentum Capital Limited (AC)	A Member of the City Corporation is a Director of AC Ltd.	174 (-)	131 (-)	AC paid rent, service charges & insurance to the Charity.
CBRE Global Investors (CBRE)	A Member of the City Corporation is an employee of CBRE.	1,292 183*	4,169 (328)	CBRE provided surveys, consultancy and development, and property purchase advisory services and rent reviews to the Charity.
WSP Group plc (WSP)	A Member of the City Corporation is a Consultant at WSP.	- (-)	23 (-)	WSP provided consultancy services to the Charity.

The Members and Officers noted above did not participate in the discussions or decision making relating to the award of the grants.

Related Party Transactions with the City Fund (the City Fund is a statutory Fund held by the City Corporation in the discharge of its functions as a local authority, police authority and port health authority).

During the year CBF contributed £114k towards Corporate IT projects (2022/23: £138k) and £91k towards the ‘Secure City’ project, relating to CCTV and telecommunications.. The balance owed to City Fund at year end was nil (2022/23: nil).

Related Party Transactions with City’s Estate (City’s Estate is a corporate Fund held by the City Corporation and finances activities mainly for the benefit of London as a whole but also of relevance nationwide):

City’s Estate holds a lease with CBF for the rental of a property. Rental income of £24k was received in the year (2022/23: £24k). The balance owed to CBF at year end was £78k (2022/23: nil).

REFERENCE AND ADMINISTRATION DETAILS

Bridge House Estates

City Bridge Foundation is the operating name of Bridge House Estates, a registered charity 1035628 (England and Wales).

Principal office:

Guildhall, London, EC2P 2EJ

Trustee:

The Mayor and Commonalty & Citizens of the City of London

CBF Board members:

Deputy Dr Giles Shilson (Chair)
Deputy Paul Martinelli (Deputy Chair)
Deputy Henry Colthurst
Colonel Simon Duckworth OBE DL
Alderman Professor Emma Edhem
Alderman Alison Gowman CBE
John Griffiths (from 27/04/2023)
Campbell Middleton (from 12/10/2023)
Deborah Oliver (from 27/04/2023)
Judith Pleasance (to 27/04/2023)
Deputy Henry Pollard (to 27/04/2023)
Deputy Nighat Qureishi
Deputy James Thomson
Sue Threader (from 12/10/2023)

City Corporation - Senior officers:

Chief Executive	Ian Thomas – The Town Clerk and Chief Executive of the City of London Corporation
Chief Financial Officer	Caroline Al-Beyerty – The Chamberlain and Chief Financial Officer
Solicitor	Michael Cogher – The Comptroller and City Solicitor of the City of London Corporation
Surveyor	Paul Wilkinson – City Surveyor

CBF Executive Leadership team:

Managing Director (to 10/06/2024)	David Farnsworth OBE
Finance Director (to 30/09/2024)	Karen Atkinson
Interim Finance Director (from 16/09/2024)	Henrietta Martin- Fisher
Chief Operating Officer and Acting Managing Director (from 11/06/2024)	Simon Latham
Chief Funding Director	Sacha Rose Smith
Philanthropy Director	Fiona Rawes MBE
Director of Communications and Engagement	Catherine Mahoney

Auditors

Crowe U.K.LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

Financial investment advisors

Mercer, Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP

Contact for City Bridge Foundation, to request copies of governance documents – CBF@cityoflondon.gov.uk

Photographer credits

Catarina Rodrigues
Javier Madinabeitia
Jill Mead
Musa Bwanali
Richard Eaton

Funded organisations image credits

Live Well Now
We Are Grow



CITY BRIDGE FOUNDATION

City Bridge Foundation
City of London
PO Box 270
Guildhall
London EC2P 2EJ
www.cityoflondon.gov.uk
Telephone: 020 7606 3030
Registered Charity 1035628



Accounts



**CITY BRIDGE
FOUNDATION**

Charity registration
number: 1035628

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2023



CONTENTS

Chair's Statement	4
Origins of the Charity	6
Trustee's Annual Report	8
Trustee Responsibilities	32
Independent Auditor's Report	33
Statement of Financial Activities	36
Balance Sheet	37
Statement of Cash Flows	38
Notes to the Financial Statements	39
Reference and Administration Details	64

Front cover: Tower Bridge © Musa Bwanali
Inside cover: Southwark Bridge © James Newton

CHAIR'S STATEMENT

This has been a momentous year. Though the origins of City Bridge Foundation (CBF) can be traced back for over 900 years, it is our recent history, spanning one very particular lifetime, that brought to mind the big moments that this capital and its people have experienced.

The death of Her Majesty Queen Elizabeth II reminded us of that generation who came through the blitz, determined to build back better from the devastation of war by creating the NHS, public housing and education for all. It was all the more poignant given the challenges we now face, in the aftermath of the Covid pandemic, including a cost-of-living crisis and growing inequality.

The current London Bridge, completed in 1972, was opened by Queen Elizabeth II. Fifty years later London Bridge, and the other four CBF bridges, were lit in purple during ten days of national mourning for the late Queen, as a tribute to her service and an expression of appreciation for all those who serve our communities, in London and beyond.

This has been another year of significant change and progress for CBF. We have modernised the charity's governance powers through the granting of a Supplementary Royal Charter. We have also developed a new brand and working name: City Bridge Foundation (used throughout this report, in place of Bridge House

Estates and City Bridge Trust). Our bridges have seen major progress on refurbishment, an enhanced visitor attraction at Tower Bridge and increased visitor numbers. We have also launched several new funding initiatives to meet some of London's greatest needs.

The newly refurbished first span of Blackfriars Bridge was unveiled to the public for the first time in March. A meticulous restoration was carried out, blending modern paint systems and the traditional re-casting of bridge elements, combining both heritage and progress.

Tower Bridge's international, domestic and local visitor base surpassed pre-pandemic numbers, in an excellent recovery from the impact of Covid on the attraction. The bridge was also given the top-category Gold accreditation by Visit England Green Tourism and achieved an overall score of 92% for its annual Visit England quality assessment. Further plans are being developed to improve its offer even further, including greater access for those with particular needs.

An exciting long-term development plan for Tower Bridge started this year, aiming to grow the existing business while also considering areas for engaging new audiences. The plan will enable Tower Bridge to embody the strategic aims and values of the charity in all its activities.

Through sound investment and good governance, the City Bridge Foundation is able to award over £30 million in grants each year to charitable organisations across London and is committing an additional £200 million over three years to support London's charity sector. CBF is London's largest independent funder.

During the disruption of the Covid pandemic, the charity made rapid adjustments to its funding and ways of working. It has now re-opened its funding programmes, focusing on partnerships, collaboration and equity to maximise efficiency and extend reach.

Four new Alliance Partnerships are building on previous collaborations and maximising the benefits of working with other funders to increase the reach and impact of CBF's funding. This year saw significant funding awarded to Comic Relief's Global Majority Fund, Baring Foundation, Smallwood Trust and London Legal Support Trust.

City Bridge Foundation's Anchor Programme was co-designed with civil society organisations and will provide funding to organisations that support frontline groups, while Propel is a funder collaboration, enabling organisations to lead joint approaches to tackle some of London's biggest challenges.

The charity continues to role model high-impact philanthropy. It also funds other organisations that are focused on improving the quality and scale of giving funds, time, skills and assets.

It was an honour to host the Annual Conference of the Beacon Collaborative at the Guildhall in November. Over 150 delegates attended, including philanthropists and organisations active in supporting greater and more effective giving.

Convening organisations which share our ambition to create a more equitable London remained high on the agenda this year and in March we brought together more than 80 of our funded organisations to discuss solutions to systemic change, finding their voice, and staff burnout. After Covid, it is encouraging to see so many from London's civil society coming together in this way.

The charity undertook a collaborative process to create and launch a new website, which, as well as reflecting the wider work, makes it much easier to apply for grants and non-financial support.

The majority of CBF's revenue derives from its property and financial investments. Despite challenging economic circumstances, particularly inflationary pressures, CBF remains financially secure and is more than able to meet the needs of the bridges that it maintains and supports.

A new Investment Strategy Statement (ISS) has been developed. It establishes investment objectives in line with the charity's Bridging London strategy and will enable investments to be managed in a way that most benefits its charitable purposes and its vision for London. The process of bringing it into legal effect will take place in 2023/24.

CBF has made tremendous efforts in delivering its Bridging London Strategy. This has included modelling good governance, establishing a new Investment Committee and recruiting external co-opted members on to the Grants Committee. The aim is for these new members to improve the diversity of skills, knowledge and experience in our governance structures. The charity has also begun a cultural change programme, bringing together the different teams to build a 'one charity' culture. Significant progress was made to develop a new brand that expresses these unifying changes. We are excited to develop this work further in 2023/24 and build upon our history to achieve greater impact for London and Londoners.

ORIGINS OF THE CHARITY

City Bridge Foundation owes its existence to London Bridge. This dates back to 1122 when the charity's predecessors began raising funds to maintain the bridge's forerunners, opening the first stone bridge in 1209.

By the end of the twelfth century, the shops and houses adorning Peter de Colechurch's new stone London Bridge were beginning to generate not only increased cross-river trade, but also increased taxes, rents and bequests. A significant fund began to accumulate, administered from a building on the south side of the bridge called Bridge House. Over succeeding centuries this fund has been administered by The City of London Corporation ('The City Corporation') as Trustee.

The work of City Bridge Foundation reaches out across the whole of London in many important and diverse ways:

The River Bridges

The maintenance and support of five of the bridges that cross the Thames into or by the City of London – London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge, and Millennium Bridge – is the primary purpose of the charity. They are gateways to the City of London and require sustained investment and expert care.

Millennium Bridge

- **2000:** initial opening of the first pedestrian bridge to be built across the Thames in London for over a century.
- It was funded by the Millennium Commission, with a contribution from CBF to which ownership was subsequently transferred for the charity to maintain.

London Bridge

- **1097:** King William II raises a tax to help repair London Bridge.
- **1209:** the first stone bridge is completed. Cross river trade, taxes, rents and bequests result in a fund administered from the Bridge House.
- **1831:** the stone bridge is replaced with a new bridge, designed by John Rennie the Elder.
- **1972:** just over 140 years later, the current bridge is completed and is opened by Queen Elizabeth II in 1973.
- **2023:** the 50th anniversary of the bridge from its opening.

Tower Bridge

- **1894:** completed with a design by Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB.
- The City Corporation has a statutory requirement to raise the bridge for registered vessels with a mast or superstructure of 30 feet or more, free of charge subject to 24 hours' notice, night or day, 356 days a year.
- It is a designated Grade 1 listed building, and is maintained and protected as part of the nation's heritage.

Blackfriars Bridge

- **1769:** bridge is completed and known as 'Pitt Bridge' after William Pitt the Elder.
- **1869:** replaced with a new bridge designed by Joseph Cubitt and opened by Queen Victoria.

Southwark Bridge

- **1819:** completed and subsequently purchased by CBF in 1868. The City of London wanted to obtain control of the bridge to catch criminals escaping to Southwark, outside its jurisdiction!
- **1921:** replaced with a design by Sir Ernest George and Basil Mott.

The Grant-Making and Other Charitable Activities of City Bridge Foundation

After the responsibilities relating to the bridges have been met, the charity can use surplus income in any year for its ancillary charitable purposes, the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London, further to a cy-près scheme settled by the Charity Commission in 1995. This scheme enables the charity to work for a fairer London through tackling disadvantage. CBF works collaboratively to further these purposes through three key areas of activity, namely:

- Grant-making;
- Social investment; and
- Encouraging philanthropy.

Further information on the activities of CBF is available at www.citybridgefoundation.org.uk

TRUSTEE'S ANNUAL REPORT

Structure and Governance

Governing Document

Reflecting its long and complex history and its enduring connection to The City Corporation, City Bridge Foundation' (CBF) "governing document" is made up of a number of different sources or instruments, some of which are referenced below. In March 1994, the charity has been registered with the Charity Commission as Bridge House Estates.

Founders

By various ancient gifts of property, added to over the centuries.

Governing Instruments

Historic trust documents governing gifts, grants and bequests including, a Royal Charter of 24 May 1282.

A supplemental Royal Charter of 26 November 1957 Private Acts of Parliament including:

- The Blackfriars Bridge Act 1863
- The Blackfriars and Southwark Bridges Act 1867
- The Corporation of London (Tower Bridge) Act 1885
- The Corporation of London (Bridges) Act 1911
- The City of London (Various Powers) Act 1926, section 11

- The City of London (Various Powers) Act 1949, section 13
- The City of London (Various Powers) Act 1963, sections 9 & 32
- The London Bridge Act 1967
- The City of London (Various Powers) Act 1979, section 19

Various Schemes and Orders made by the Charity Commission:

- The Charities (Bridge House Estates) Order 1995 (S.I.1995/1047) and the Charity Commission Scheme which took effect by that Order
- An Order of the Charity Commission sealed 10 July 1997 (350.97)
- An Order of the Charity Commission sealed 20 July 1998 (251.98)
- The Charities (Bridge House Estates) Order 2001 (S.I.2001/4017)
- The Charity Commission Scheme dated 26 August 2005
- The Charities (Bridge House Estates) Order 2007 (S.I. 2007/550)

Ancient custom and practice.

In February 2023, His Majesty The King made an Order for the grant of a new Supplemental Royal Charter to The City Corporation as Trustee of CBF. The Charter was sealed and took legal effect on 01 June 2023.

Governance Arrangements

CBF is an unincorporated charity. The Mayor and Commonalty and Citizens of the City of London (also referred to as 'The City Corporation' or 'The City of London Corporation'), a corporation by prescription, is the corporate Trustee of CBF. The City Corporation is Trustee acting by its Court of Common Council and that assembly has delegated responsibility to CBF of the day-to-day administration and management of this charity for the period of this report, subject to those matters expressly reserved to the Court.

The CBF Board is responsible for the management and control of the charity, in the discharge of the City Corporation's functions as Trustee, under the oversight of the Court. This governance arrangement provides a framework for effective decision-making and better demonstrates decisions that have been taken solely in the best interests of the charity. In considering ongoing and effective administration and governance, the CBF Board has established a sub-committee, the Funding Committee of the Board, to discharge operational functions in advancing the charity's ancillary object. As with the exercise of any delegated authority, CBF retains responsibility and accountability for all decisions taken by its Funding Committee, with ultimate responsibility and oversight for the City Corporation as Trustee of CBF remaining vested in the Court.

Membership of the CBF Board and the Funding Committee is drawn from the 125 elected Members of the Common Council together with external appointees.

In making appointments, the Court of Common Council will take into consideration any skills, knowledge and experience of the elected Members, and where relevant, external appointees. External appointments are made after a 'skills' audit. Members of the Court of Common Council are unpaid for support provided to CBF and are elected by the electorate of the City of London. The CBF Investment Committee was approved this year and will be established in 2023/24.

To support its responsibilities, the CBF Board resolved to proactively consult with, and seek the advice of, other Committees of the Court of Common Council. By doing so, it draws on their skills, knowledge and experience, to facilitate delivery of existing workstreams under the revised delegation arrangements, and to better inform the Board's decision-making on certain matters. The following Committees' advice were sought on matters as described below in the year 2022/23:

Policy & Resources Committee – in relation to any existing and on-going CBF projects which were previously within the purview of that Committee prior to the constitution of the CBF Board in April 2021. This assisted the Board in taking its decisions for the successful delivery of those projects, as appropriate.

Audit & Risk Management Committee – in relation to audit and risk matters previously within its purview as they affected both the external and internal audit of CBF, as it operates and is managed within the City Corporation's operational and management audit and risk framework adopted in the discharge of all the City Corporation's functions.

The above Committees are ultimately responsible to the Court of Common Council. Meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

Good governance is considered by the Trustee to be fundamental to the success of the charity. The comprehensive governance review that commenced in 2017/18 moved to an implementation stage in 2021/22 which continued throughout 2022/23. Appointments to the CBF executive leadership team were completed during the year, reporting to the CBF Board via the Managing Director and holding responsibility for the day-to-day operational management of the charity. Establishing the operation of this team across the charity has been a focus for the year under review. Appropriate consideration is being given to the practices recommended within the Charity Governance Code throughout the implementation stage of the review.

Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee discharges its duties and functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference, setting out the scope of delegations from the Court of Common Council, alongside Standing Orders for conduct of meetings, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations). These City Corporation governance documents can be obtained via a request to the email address stated on page 65.

Each elected Member by virtue of their membership of the Court of Common Council, including its relevant Committees (sometimes named 'Boards') and its sub-committees, has a duty to support the City Corporation in the proper discharge of its duties and functions as Trustee of CBF. They do this by faithfully acting in accordance with charity law, the charity's governing documents, and the City Corporation's own corporate governance framework and procedures as noted above, including the delegation framework such as the Terms of Reference of the CBF Board (and its sub-committees).

A Conflicts of Interest Policy was approved by the Court of Common Council during the year. This policy will support the Trustee (and Members individually) in managing conflicts of interest and loyalty in discharging the City Corporation's functions as trustee of CBF and when acting in the City Corporation's other capacities. It took effect when the new Supplemental Royal Charter was sealed.

Induction and training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to perform their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of CBF, with an emphasis on involvement for those Members (and external appointees) actively working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members (and external appointees) are advised of these opportunities.

Purposes and activities

The purposes of the charity are the support and maintenance of London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge. After these responsibilities are met, any income surplus to that which can be usefully applied in accordance with the subsisting trusts in any given year is applied for the charity's ancillary object. This object is for the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London in accordance with a policy settled by the Trustee following consultation.

Public benefit statement

The Trustee confirms that it has referred to the Charity Commission's general guidance on public benefit when reviewing CBF aims and objectives and in planning future activities. The five river bridges maintained and supported by the charity are available to the general public on an open access basis. Regarding grant-making activities of the charity and other support for the charitable sector, the Trustee awards grants at its discretion to address disadvantage across London's diverse communities and provides more general support to the charitable sector through various strategic initiatives. This process is based upon published criteria, and through thoughtful analysis and collaboration with other partners in the sector regarding the needs of marginalised communities in Greater London. The charity uses a transparent and fair assessment process and ensures that a robust monitoring system is in place to establish the public benefit derived from each grant approved alongside the other activities of the charity.

Consequently, the Trustee considers that CBF operates to benefit the general public and satisfies the public benefit test.

Reference and administrative details

The administrative details of the charity are stated on pages 64 - 65.

Disability Sports Coach © Emmanuel Cole



Blackfriars Bridge renovation with new parapets and a rich colour scheme © Emmanuel Cole



ACHIEVEMENTS AND PERFORMANCE

The Bridges

City Bridge Foundation maintains and supports five of the main river bridges in central London: Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge. These vital thoroughfares cross the Thames into (or nearby) the City. The bridges are maintained by a specialist team, working closely with other stakeholders to ensure they continue to serve the capital, safely and securely now and into the future.

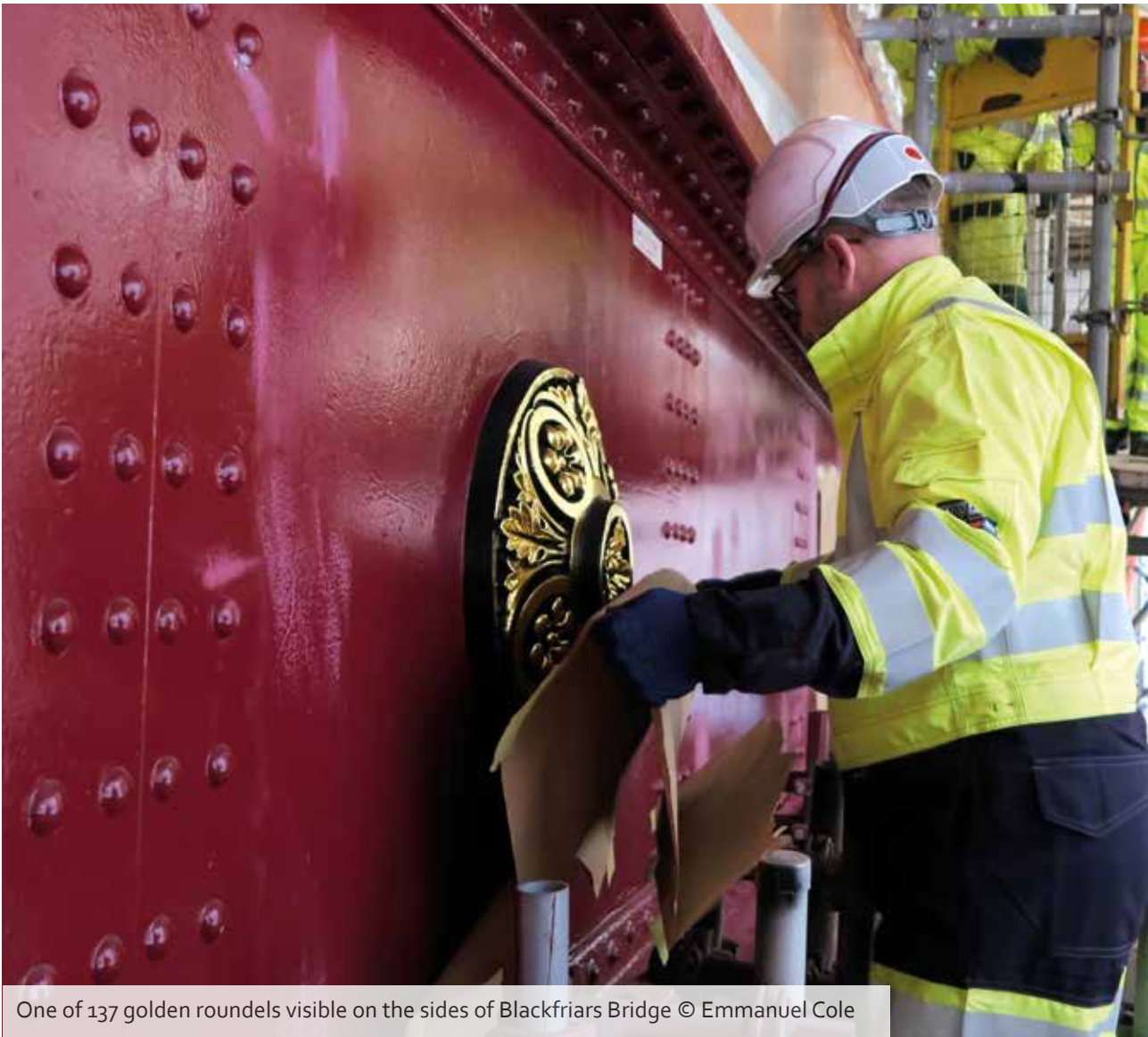
The refurbishment of Blackfriars Bridge has made significant progress this year. The first span of the bridge, with its newly restored parapets and rich paint scheme, was completed and unveiled to the public in March. This received positive media coverage, showcasing the history and unique details of the structure. Despite the scale of the work, the bridge has remained fully open to the public. Behind screens and below the paving slabs and road, an unseen workforce is busy on the Grade II-listed structure.

As part of the process, more than 2,000 cast-iron balusters, the small upright columns which line the bridge parapets, are being carefully disassembled and restored. Seemingly identical, there are nine different designs, a subtle Victorian design twist which is being

conserved. A new type of paint is also being trialled for the first time on a CBF river crossing. The paint is resistant to UV degradation, and it is expected that its vibrancy and protection of the structure will be retained for many years to come.

The waterproofing to the north and south approaches of Southwark Bridge was also replaced this year. This was a significant project, which required stripping back the existing surfacing, carrying out concrete repairs and replacing the surfacing and kerbs. This will reduce water ingress to the structure below, protecting and prolonging its lifespan. The project had to coordinate with a major adjacent development being carried out at the former Financial Times building.

For several years now, the engineering team have been working closely with the Tideway Tunnel Project (a massive new Super Sewer being constructed along the river that passes beneath all five CBF bridges). Work was completed this year by the Tideway Tunnel Project to mitigate the small amount of movement caused on Tower Bridge by the tunnelling activity. The movement was less than predicted but did cause the gap between the bascules to decrease. This was corrected to minimise the risk of any operational issues, particularly in hot weather as the bridge structure expands. The team will continue to work closely with the Tideway Tunnel project team to protect CBF assets.



One of 137 golden roundels visible on the sides of Blackfriars Bridge © Emmanuel Cole



Tourism at Tower Bridge

For almost 130 years Tower Bridge has been the symbolic gateway to London. It is one of the capital’s most recognisable landmarks and a working bascule bridge. It is also an award-winning and popular, paid visitor attraction.

During 2022/23 business recovery continued at pace, resulting in record levels of income by the end of the year. The focus has been on bringing in local audiences and the gradual return of international visitors.

The Bridge’s international, domestic and local visitor base was 100% of pre-pandemic levels in December, with continued increases in the last quarter. Local audiences were attracted to Tower Bridge through its £1 community ticket. The Bridge welcomed almost 750,000 visitors and generated a record £7.6m in overall income, comprising admissions, events, filming and retail, with the latter exceeding £2m in turnover for the first time.

The venue hire business at Tower Bridge also continued to recover in 2022/23, with clients preferring smaller, ‘last minute’ events. The decrease in bookings for large events reflected across the industry, and Tower Bridge’s smaller event spaces proved attractive for prospective clients.

The positive business recovery resulted in development projects and improvements - previously put on hold during the pandemic - being restarted. This included the first stage of the West Walkway content overhaul, a new lighting system, access and inclusivity improvements and efforts to help meet the charity’s strategic aim for climate action. A review of the Bridge’s ticketing system took place, with the project for procuring and implementing a new system put on hold due to changes in the nature of visitor attractions admissions and ticketing technologies during the period of continued business recovery following the pandemic.

A key objective for 2022/23 was to seek Visit England’s Green Tourism accreditation. The initial informal assessment suggested entering the scheme at Bronze level. Following formal assessment however, Tower Bridge scored 85%, putting it into the top category of Gold. The assessor said, “85% is one of the highest scores that has been achieved on this assessment criteria and I think there are less than 10 businesses who have managed this so far. It really is an achievement to be proud of.”

	22/23	21/22*	20/21**	19/20
Visitor numbers to Tower Bridge	746,895	261,815	45,127	835,821
No. of pupils participating in education programme	3,721	2,604	1,429	4,344
Admissions Income	£4,373,918	£1,867,911	£320,625	£4,033,965
Retail Income	£2,161,087	£703,458	£147,512	£1,698,765
Venue Hire Income	£995,400	£529,502	£10,448	£931,116

*Business recovery year following the pandemic – reopened from mid-May 2021 in line with Government restrictions, to reduced capacities and increased safety measures. Onsite school sessions did not recommence until October 2021. Visitor appetite gradually increased throughout the year.

**Business and operations severely affected by the pandemic. Open for only four months of the financial year in line with Government restrictions and substantially reduced footfall and appetite across the tourism industry after initially reopening in July 2020.

Tower Bridge achieved an overall score of 92% for its annual Visit England quality assessment in June, with a particularly high score of 98% in the staff category. The Bridge also achieved a Visit England Welcome Accolade, relating to customer service and quality of experience.

The Mayor of London and the Alzheimer’s Society launched a scheme to make London the world’s first Dementia friendly city. This scheme has recognised Tower Bridge as a ‘Dementia Friendly Venue’. This offer will be further enhanced via a dedicated Tower Bridge Access and Inclusion group.

Regular Relaxed Early Openings proved very popular for those wanting to explore the Bridge in a tranquil atmosphere, including people living with neuro-diverse needs. Positive responses included this parent’s comment: “It was nice to be able to visit when there were

less visitors so my son felt less anxious and could look around comfortably.”

An exciting long-term development plan started in 2022/23 looking at the growth of the existing business at the Bridge (including learning, connecting communities, tourism, events and retail) while also considering areas for engaging with new audiences. The plan will enable Tower Bridge to embody the strategic aims and values of the charity in all activities.

Tower Bridge operated as a working bascule bridge with 24-hour security provision throughout 2022/23, fulfilling the trustee’s statutory obligation to raise the Bridge for river vessels. A number of operational projects were also completed, including a replacement and upgrade of the Bridge’s high voltage electrical supply and associated infrastructure.



City Bridge Foundation’ Funding and Philanthropic Activities

Since 1995, CBF has distributed surplus income that is not required for the long-term maintenance and support of the five bridges. As London’s largest independent funder, CBF provides grants to hundreds of organisations every year, and works collaboratively with other funders and partners to maximise efficiency and extend reach. The funding is used to reduce inequality and grow stronger, more resilient and thriving communities for a London that serves everyone.

CBF completed the review of its pre-Covid open grant programmes. The majority of these were closed to applications during the pandemic to focus support on current grantees and transition funding to new organisations to get them through that difficult period. In June 2022, the Funding Committee approved the re-opening of the programmes to new applications. Open grant funding totalled £29.7m by the end of the financial year. CBF programmes were updated in response to lessons learned from the pandemic and to incorporate an improved focus on equity.

Alliance Partnerships

This year CBF awarded four Alliance Partnerships: in which grants are made to associate funders for onward grant-making. Partners will have already conducted research and development into an area which is key to meeting CBF’s mission and vision, or they have greater reach into the communities which CBF’s funding aims to impact.

Comic Relief: CBF awarded £2m to the Global Majority Fund, a collaborative fund managed by Comic Relief. Over three years this funding will support infrastructure and grassroots organisations led by and for communities experiencing racial inequality, to address the needs of communities they support.

Baring Foundation: Awarded £1.5m to develop and deliver a programme to promote and develop the use of human rights-based approaches for London-based civil society organisations.

Smallwood Trust: CBF awarded £864k to support the London Women’s Resilience Fund. The Fund will provide grants and support to two partnerships in Newham and Hackney, reaching 15-20 civil society organisations working with and for local women most vulnerable to poverty.

London Legal Support Trust: Awarded £6m to enhance the capital’s legal advice sector, which provides access to legal support, advice and representation, irrespective of people’s financial position. Onward grants will be made available through the Advice Skills Development Fund, delivered through the funder collaboration Propel.

Anchor Programme

Following the Funding Committee’s endorsement of a £20m allocation from the designated grants fund, work has continued on the Anchor Programme. The programme has been co-designed with civil society

organisations and will provide long-term, core funding to second-tier organisations that provide support to frontline groups. The aim is to achieve change for Londoners at a systemic level. CBF staff, advised by Civil Society organisations, processed Stage 1 expression of interest applications and 15 applicants were invited to submit Stage 2 applications.

Grant-making policy

The Trustee has established CBF’s grant-making policy to achieve the charity’s ancillary purpose, as laid out on page 7, for the public benefit. CBF considers and funds a large number of organisations and makes awards through a wide programme of funding schemes. The majority of grant commitments are usually for revenue expenditure, awarded over 2–5 years.

All applications are assessed via a robust process to ensure that proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match CBF’s criteria. Approved funded organisations are required to report annually on the impact of their work. Information is collected in a uniform and systematic way, enabling analysis and feedback to take place. Benchmarking and performance data is collated from CBF’s Impact & Learning reports, which support funded organisations to learn from their work and provide useful data for decision-making to CBF. Data is also collected from anonymous perception surveys of funded organisations, undertaken by an independent third party.

Details of how to apply for grants are available on www.citybridgefoundation.org.uk

Diversity, transparency and accountability

The Foundation Practice Rating (FPR) is an initiative started by a group of charitable foundations, including CBF, in 2021. The FPR is led by Friends Provident Foundation and aims to improve UK charitable grant-making foundations’ practices around diversity, transparency and accountability. CBF supported the FPR with an award of £15,000 in 2022/23.

The foundations funding the FPR are assessed and rated each year, along with other large grant-making foundations. On a rating scale of A to D, City Bridge Foundation scored A for transparency and accountability, and C for diversity, giving an overall score of B.

The FPR assessment is scored by independent testers and is based on information provided on foundations’

websites. Specific feedback on final scores is not given. The lower diversity score potentially relates to insufficient published data regarding the diversity of staff and board members.

CBF's forthcoming end-to-end review will address issues of equity, diversity and inclusion (EDI), ensuring EDI is embedded throughout the charity's processes. As employers, CBF and its trustee The City of London Corporation are values-based and welcome applications from all backgrounds and sectors.

CBF is also a signatory to the Open and Trusting Grant-making Initiative coordinated by the Institute for Voluntary Action Research (IVAR).

Social investment

CBF's social investment fund remained closed to new proposals pending the approval of the Supplemental Royal Charter, with CBF continuing to manage the existing holdings.

Impact and learning

CBF continued to deliver the five-year impact and learning strategy. This focussed on better gathering, analysis and sharing of data to improve funding and other philanthropic approaches. It also further developed CBF's learning ethos and embedded equity in all impact and learning activities.

The Impact and Learning team commissioned the Work Foundation to undertake independent research into disabled people's experiences of hybrid working during the pandemic. This was published as 'The changing workplace: enabling disability inclusive hybrid working'. The report includes practical advice for employers to ensure they create a truly disability-inclusive culture at work, and recommendations to the Government for policy changes to tackle the disability employment gap.

In March 2023, CBF held a Networking and Learning Day for more than 150 representatives of funded organisations at the Barbican Conservatory. The event provided an opportunity for attendees to focus on their organisations' strengths, explore challenges, and seek solutions. Attendees also met members of the funding team and learned more about the extensive, additional support CBF can offer to funded organisations.

Learning visits, which had been paused because of Covid-19, were refreshed and relaunched. The

programme aims to create an open and honest environment in which funder and funded organisations can both learn and benefit equally.

Strategic Initiatives

In addition to its responsive grant-making, CBF also funds Strategic Initiatives. These are awarded for work which doesn't necessarily qualify for any of CBF responsive grant streams but which nevertheless meets the charity's vision and mission.

Strategic Initiatives also are only awarded for work which will have a strategic impact for Londoners and/or London's civil society.

Baobab Foundation: A grant of £200k was awarded towards the running costs and the development of the Baobab Foundation, with further funding of £2m for onwards grant-making. This grant was conditionally approved in 2021/22 but only formally committed in 2022/23. Baobab is the first funder dedicated explicitly to growing, supporting and strengthening groups and organisations led by and serving Black people and communities affected by racism and racial disparities in the UK. CBF had already supported Baobab with seed funding of £100,000 prior to this award.

Action for Race Equality: An award of £400,000 over three years was made to Action for Race Equality, towards the pan-funder Windrush Justice programme. CBF's funding is restricted to the onwards awarding of small grants, capacity building, and convening elements of work, with all monies restricted for the benefit of Londoners.

London Funders: CBF granted London Funders £695k for their convening and co-ordination role of the Propel funder collaboration. CBF is a founding collaborator of Propel and has allocated £30m to this ten-year, £100m initiative, with an emphasis on equity-led organisations.

The Propel fund launched in October 2022, inviting applications from organisations developing work to bring about systems change. In 2022/23 Propel awarded approximately £25m to 80 organisations, with CBF contributing £5.7m.

Ascension Trust: £167k was awarded to the Ascension Trust to support the Bridge Watch programme. The Bridge Watch Programme aims to provide a 'physical presence' of teams of volunteers who will 'patrol' the areas on and around the bridges of London, and who have a brief to engage with anybody indicating intent to enter the water.

Cost of living

CBF awarded the London Community Foundation £1m over five months for onward grant-making through the Together for London Winter appeal, supporting those Londoners most impacted by the cost-of-living crisis.

CBF also distributed £1.2m of funding uplifts to more than 350 current grant-holders. These one-off, unrestricted grants were provided to help offset the impact of inflation, with charities encouraged to use the funding in ways that best meets their needs.

Beyond funding: non-financial support

CBF is in the privileged position of being able to provide more than financial support to those it works with. Through a network of partners, CBF's Bridge Programme offers free guidance and training to funded organisations, covering issues such as organisational development, governance, fundraising, and business planning.

The support that CBF provides will continue to evolve in response to the needs of the charity's partners in civil society. CBF is striving to strike the right balance between the helpful provision of support, training and other resources whilst being mindful of the pressures of time and capacity that are faced by many civil society organisations.

CBF hosted the Annual Conference of the Beacon Collaborative at the Guildhall in November 2022, welcoming over 150 delegates including philanthropists, and organisations which are actively supporting increased quality and scale of giving from High-Net-Worth Individuals. CBF announced its £30m funding contribution to the ten-year Propel initiative at the conference.

An important aspect of CBF's non-financial support for charities involves the utilisation of its unique asset base, such as Tower Bridge, alongside other opportunities available through its trustee, The City of London Corporation.

In March 2022, CBF hosted an event for SafeLives at the Old Bailey on why we need a trauma-informed approach to domestic abuse in the family and criminal courts. In December 2022, CBF arranged a special viewing at the Barbican of *Someone's Daughter*, *Someone's Son*, a new film about street homelessness from award-winning director Lorna Tucker. Made in partnership with The Big Issue, the film raises awareness of homelessness issues. CBF aims to expand on its philanthropic offer, in partnership with City Corporation.



The Albany Garden in Deptford © Emmanuel Cole



CBF Investments

CBF's Investment Strategy Statement (ISS) provides the framework for managing the charity's investment portfolio and incorporates the objectives approved within the overarching strategy for CBF, *Bridging London 2020 – 2045*. This reflects the radical Climate Action Strategy adopted in 2020 by The City Corporation for both the organisation itself and as Trustee for CBF.

The charity had undertaken a review of its ISS, and a new ISS was approved by the Trustee of the charity in April 2023, which came into legal effect following the sealing of the Supplemental Royal Charter in June. The new ISS establishes investment objectives in line with the charity's Bridging London strategy and sets out the guiding principles for its investments.

Investment policy

The purpose of the ISS applicable during 2022/23 has been to ensure that the charity maintains consistent funding for its primary purpose, meeting the needs of the five Thames Bridges, with surplus investment income being appropriately managed to support the ancillary purpose in line with CBF's latest approved charitable

funding strategy. The ISS covers the investment of the charity's permanent endowment fund – both now and in the future, and unrestricted income fund. It encompasses property, financial and social investments.

The charity's investments are invested in accordance with the powers set out in an Order of the Charity Commission dated 20 July 1998, the Trustee Act 1925, the Trustee Act 2000 and within its Investment Strategy Statement (ISS). The Order, in addition to its other powers, enables the Trustee to invest the property of the charity either:

- in the acquisition of any securities or property (real or personal) of any sort; or
- on deposit or loan whether in the UK or elsewhere.

The charity defines investment risk principally as the danger of failing to meet its primary purpose. As an endowed charity, the Trustee has a duty, when investing the permanent endowment, to balance capital growth and income return to meet the charity's purposes now and in the future. To achieve this, the real value of the permanent endowment is required to be preserved, after providing for annual expenditure, alongside consideration of required levels of income generation. Due to the in-perpetuity nature of the objects and value of the charity's funds, the charity can take a more long-term view and tolerate a reasonable level of short-term volatility to the value of the endowment fund as an investment opportunity rather than as a threat. The long-term investment objectives of the portfolio are currently to:

- Apply a targeted income return of CPI +4% to the financial investment funds held.
- Outperform the MSCI Benchmark (Greater London Properties) for total return on an annualised 5-year basis, for the property investment funds held.
- Apply a minimum targeted income return of CPI to the Social Investment Fund.

The Trustee is committed to being a responsible investor of the charity's funds and the long-term steward of the assets in which it chooses to invest those funds. It expects this approach to protect and enhance the value of the charity's assets over the long term. The Trustee is aware that the charity's mission or its credibility may be undermined if it invests in businesses whose activities

undermine the charity's values and charitable purposes. The Trustee recognises it is consistent with its fiduciary duties and duty in investing charity property to manage Environmental, Social and Governance (ESG) issues that may be financially material. As a long-term investor, CBF recognises that it should manage ESG risks that can be both long-term and short-term in nature. In addition, the Trustee seeks to identify investment opportunities for CBF aligned with the charity's long-term purposes. As a signatory to the Principles for Responsible Investment (PRI), the Trustee has also agreed to incorporate the six core principles of PRI into the charity's investment analysis and decision-making processes. The Trustee is also committed to align the charity's financial investment portfolio with the goals of the Paris Agreement on climate change (2015). It is further committed to being net zero across CBF's value chain, working closely with other aspects of The City Corporation's business to deliver the joint Climate Action Strategy adopted for CBF and by The City Corporation for itself, with a long-stop deadline of net zero by 2040.

The performance of the charity's investments during the year is discussed on pages 20 - 23 and set out in Notes 13 - 15.

Property Investments

CBF has a property investment portfolio comprised of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents 87% of the permanent endowment funds of the charity. There are now 62 assets (2021/22: 66 assets) within the portfolio of which 55% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio but are valued externally.

The underlying value of the property portfolio, as disclosed in the balance sheet, decreased by £47m (5.3%) to £841.1m at 31 March 2023. The fall in values across the CBF property investment portfolio mainly reflects the economic background of increasing interest rates and high inflation. As interest rates increased throughout the financial year, there was a sharp decrease in property investment transactional activity in the market. Property values have dropped as valuation yields increased.

The ISS set the objectives for this portfolio for 2022/23. This was to maximise rental income and to outperform the MSCI Benchmark for total returns on an annualised

5-year basis, for Greater London Properties (including owner occupied). The portfolio outperformed the MSCI benchmark across all reported periods. The performance of the property portfolio is shown in the table below:

	31 March 2023	31 March 2022
Capital Value*	£841.1m	£888.1m
Gross Rental Income **	£25.1m	£26.2m
5-year annualised Total Return	5.22%	8.55%
Benchmark 5-year annualised Total Return	1.71%	6.28%
MSCI Universe (All UK Property) 5-year annualised Total Return	1.32%	2.14%

* Inclusive of lease smoothing adjustment
** Inclusive of service charge income

Review of activities from 2022/23:

- Completed a ground lease restructure of Adelaide House, a Grade II Listed Building. This released a £4.6m premium and facilitated a major refurbishment of this asset to provide Grade A office space, targeting BREEAM Excellent and Energy Performance Certificate (EPC) A ratings.
- The freehold sale of tertiary parade category retail assets in Lewisham for £3.1m.
- Between April 2022 and March 2023 £0.5m per annum of additional new lettings was achieved.
- Completed the major refurbishment of 120 Cannon Street in October 2022 and started lettings. An EPC rating of B was secured for this office building as well as BREEAM Excellent.
- There have been issues/delays with major ground lease transactions during the year due to the state of the commercial property market in London. This has meant that anticipated significant capital receipts did not materialise.

Financial Investments

The CBF financial investment portfolio primarily represents the unrestricted income funds of the charity, although currently around 13% of the portfolio forms part of the permanent endowment fund. The aim of the portfolio, as set out in the Investment Policy on page 20, is to seek an absolute return over the long term to provide for increases in annual expenditure whilst preserving its capital base in real terms, which is currently set at CPI + 4%.

To achieve its objectives, the portfolio is invested across a diverse array of asset classes, on a global basis, which includes exposure to publicly listed equities, fixed income, multi-asset funds, infrastructure and private equity. The charity primarily accesses these asset classes through pooled fund vehicles, each managed by specialist appointed fund managers. The performance of the financial investment portfolio is shown in the table below:

	31 March 2023	31 March 2022
Financial Investments		
Portfolio Value*	£838.6m	£888.0m
One year total return	-0.24%	6.6%
Absolute return target	14.11%	11.0%
Asset Allocation Benchmark	6.43%	11.4%

* The Portfolio Value includes £819.7m long term investments (£879.5m as of 31 March 2022) plus £18.9m short term investments with fund managers (£8.5m as of 31 March 2022).

It has been the worst year in global financial markets since the 2008 financial crisis. Increases in inflation and commodity prices, changing interest rate expectations, and the ongoing Russian/Ukrainian war created a challenging investment environment. Global equities posted deep negative returns, as a result of high inflation, with the action of central banks to combat it alongside fears of a global recession, dominating the markets.

September’s mini-budget led to a sharp rise in gilt yields with sterling reaching a 37-year low against the US dollar. The UK Government’s subsequent renewed talk of fiscal discipline was well received by markets. Gilt yields fell and sterling rallied. Market conditions improved and equities benefitted from most international currencies strengthening against the dollar.

Equity markets returns were positive in January 2023, with falling energy prices and China’s continued post-covid reopening. However, high inflation and



Staff day at the Barbican © Musa Bwanali

continued tightness in labour markets increased fears of recession, resulting in most global equity markets falling in February. Despite the impact of the banking crisis in the US & Europe in March, overall equity growth remained robust during the final quarter.

It is very difficult for the CBF portfolio to outpace high inflation over the short term and under these challenging investment conditions, the charity’s financial investments reflected an annual return of -0.24% in the year to 31 March 2023. Events described above are a reminder of the risks inherent in investing. To address this, the charity sets a diversified asset allocation strategy, to alleviate the volatile episodes in financial markets. However, it should be noted that the charity aims to meet its investment targets over the long term, where performance continues to be positive.

The charity’s Climate Action Strategy (CAS) includes the Financial Investments workstream with a net zero target of 2040, with interim emission reduction targets of 24% by 2025 and 55% by 2030. During 2022/23 engagement meetings were held with all Fund Managers to gain insight into their approach to climate change, along with social and governance factors. In addition, a CAS dashboard was launched in 2022, demonstrating the progress of this in relation to Financial Investments and other work streams. We will continue to monitor the Fund Managers to ensure that the transition to net-zero remains on target.

Social Investments

CBF holds £8.9m (2021/22: £8.6m) of unrestricted income funds as social investments. The activities and performance of the social investment fund is stated on page 18 alongside the section on CBF’s philanthropic and funding activities.

Plans for future periods

A number of major themes will be the focus of CBF's plans for the coming year. These include enhancing the governance of the charity in accordance with the new Supplemental Royal Charter, continuing the refurbishment of Blackfriars Bridge, establishing a long-term business plan for Tower Bridge, preparing a review of the way charitable funding is undertaken and implementing a new Investment Strategy Statement.

These plans will ensure CBF is a modern and progressive charity that continues its vital role of bridging and connecting London – both physically via its five bridges, and through supporting causes at the heart of London's communities.

In September 2023 a new brand and working name was launched, representing all aspects of the charity's work. The new name, City Bridge Foundation, was submitted to, and approved by the Court of Common Council. The new brand was launched internally and then externally in the Autumn of 2023.

The vision for the next year across the activities of the charity includes:

The Bridges: Deck work is being planned for the Millennium Bridge. This work will improve the alignment of the deck, reduce noise and help to protect the structure from future corrosion.

Further sections of the Blackfriars Bridge Refurbishment project will also be unveiled, rejuvenating the aesthetics of the bridge as well as protecting the heritage structure.

Despite concerns raised by CBF regarding Transport for London's (TfL) proposal to make the Experimental Traffic Order (ETO) at London Bridge permanent, TfL will recommend it goes ahead. In order to prevent any adverse effects of the ETO, particularly by Heavy Goods Vehicles being diverted to Tower Bridge, the Engineering Team has instructed work to be done in advance. This will require a full road closure for Tower Bridge over the August Bank Holiday Weekend to undertake structural replacement and strengthening to the back of the Bascules at the Pawl Supports.

Tower Bridge Tourism: The focus will be on establishing an ambitious Long Term Business Development Plan, Audience Development Plan and Estate Strategy for Tower Bridge. Green Tourism and Accessibility will be further developed, in pursuit of CBF's aims for Climate Action and Equity, Diversity and Inclusion.

A programme of major projects and improvement works for the Bridge will be progressed. A new ticketing, bookings, point of sale and back of house system will be put in place, as a business-critical development project, with emphasis on 'here to stay' practices implemented following the pandemic. There will also be a redesign, re-tender and commissioning of the successful sole events management arrangement.

Activities of City Bridge Foundation:

Over the course of 2023/24, we will be looking closely at how we can make the application process easier and more accessible, improve and strengthen the relationships we have with the organisations we fund, and learn more from the work we support. This 'end-to-end' review will have implications for our future direction as a funder, and how we distribute charitable funding through our open programmes in the years ahead.

Investments

A new Investment Strategy Statement (ISS) was developed, to be approved by the Trustee of the charity in April 2023, and come into legal effect following the sealing of the Supplemental Royal Charter in June. The new charter will provide the power to take a total return approach to the investment of the permanent endowment fund and will be adopted in 2023. This will enable the Trustee to decide how much capital growth and income to spend each year, subject to specific duties which apply. The new ISS establishes objectives and guiding principles for investments in line with the charity's *Bridging London* strategy. These will ensure that investments are managed in accordance with the Trustee's duties, and in a way that most benefits its charitable purposes and its overall vision for a better-connected London. An implementation plan will be developed by the Investment Committee during the year, starting with a review of the allocation of investment assets held. There will also be recruitment of external co-opted Members onto the Investment Committee.

Property Investments:

A focus for the year ahead will be to meet the requirements of the new ISS, working closely with the Investment Committee of City Bridge Foundation Board in this connection.

The major refurbishments of 30 New Bridge Street and 84 Moorgate are continuing, targeting a minimum EPC of B and BREEAM ratings of Excellent, while reducing carbon emissions.

The impacts of high inflation and delays on these projects continue to be felt. They will require close management and will need capital to be raised from the property investment portfolio to meet the expenditure.

A rolling programme of refurbishing vacant office floors continues, both to improve specification and to bring EPC ratings to a minimum of B.

Work on a tenant-occupied industrial unit is underway to achieve an EPC B rating. The upgrade will be completed this year.

Letting the vacant space at 120 Cannon Street and a pre let of 30 New Bridge Street is a priority.

Financial Investments:

The CBF Investment Committee will manage the charity's financial investment portfolio in line with the overall objectives which have been set out within the new ISS. Throughout 2023/24 it will monitor the performance of the financial investments, managing the performance of appointed investment managers whilst supporting changes that result from the implementation of the new impactful focussed ISS. Supporting plans to achieve the ambitious climate action strategy of CBF will continue to be a key focus.



Networking and Learning Day for funded organisations at the Barbican © Matt Chung

FINANCIAL REVIEW

Overview of financial performance

Over the year, the charity made significant progress in the refurbishment of its bridges, awarded a record high amount in grants alongside seeing substantial recovery in Tower Bridge tourism income. This was against a backdrop of a changing economic environment with high interest rates, cost of living challenges and continued uncertainties within investment markets. The charity remains financially resilient and will continue to have sufficient funds available to meet its primary objective - the support and maintenance of its five Thames bridges - alongside its ancillary purpose of charitable funding for the general benefit of the inhabitants of Greater London.

Income

Total income for 2022/23 was £35.3m, an increase of £1.2m on the previous year (£34.1m).

Tower Bridge tourism continued its post-pandemic recovery in 2022/23, progressing much faster than predicted. The income derived from visitor admissions, retail and events at Tower Bridge increased to £7.6m from the previous year's £3.1m. The increase in visitor numbers can be attributed to the return of international tourists to London along with Tower Bridge's continuing popularity with a domestic audience. The cost-of-living crisis had been expected to impact visitor numbers and overall income; however, this has not yet materialised possibly because, compared to many other tourist attractions in London, Tower Bridge has a more accessible price point.

Investment income, from the property portfolio and the financial investment holdings of the charity, totalled £27.2m, a reduction of £3.2m compared to previous year. Within this total, property rental income reduced due to voids and properties undergoing refurbishment. The reduction in financial investments income was driven by lower private equity distributions compared to previous year.

The remainder of the charity's investment income comes from interest earned from treasury deposits and social investments held, at £0.1m (2021/22: £0.3m).

Other income of £0.4m includes fees receivable by the charity for undertaking administrative duties on behalf of other organisations and bridges film and licences income for granting access to third parties to the bridges.

Expenditure

Total expenditure for 2022/23 was £103.7m, an increase of £37.1m on the previous year. Expenditure on supporting and maintaining the bridges increased in the year by £8.2m to £18.0m, with the refurbishment of Blackfriars Bridge continuing alongside a project on the Southwark Bridge Approach Spans. Other cyclical improvement works took place for all five bridges. At Tower Bridge, in light of the additional income, a range of activity-related spend proposals were approved including projects that were deferred during the pandemic. The increase in expenditure is also due to the increased cost of goods sold by the gift shop following higher demand. The overall increase in charitable activities expenditure was attributable to the increase in funding activities with a record high in grant commitments made in the year, totalling £65.3m (including linked operational spend), an increase of £30.8m. This increase reflects the commitments that are being made from the additional £200m that was approved from surplus income in March 2020.

Expenditure on raising funds decreased to £12m (2021/22: £15.3m). This was driven by fees relating to the management of the charity's financial investments being based on the market value of assets under management, which decreased over the year. Property investment expenditure reduced due to lower than anticipated business rates costs as properties were let faster than expected. There was also a reduction in staff costs following the previous disposal of a property that required onsite management.

Overall performance

Activities by the charity over the year resulted in an overall deficit of £68.4m (2021/22: £32.5m), prior to movements on investments held. Total losses of £60.9m were reported as at 31 March 2023, compared to gains of £104.5m for the previous year. Financial investments performance declined resulting in a small gain of £1.8m (2021/22: £62.4m). This was due to a challenging environment characterised by inflationary pressures, changing interest rate expectations, and the ongoing Russian/Ukrainian war. There was a loss on property investments of £62.5m (2021/22: £42.3m gain). This resulted from the property market experiencing downward pressures with reduced market activity amidst

higher interest rates. Further details on the performance of investments is stated on pages 21 -23.

There was an unrealised loss of £0.2m on the social investment fund (2021/22: loss of £0.2m).

Funds held

Total funds held by the charity as at 31 March 2023, decreased by £109.0m to £1,613.4m (2022: £1,722.4m). This reduction was driven by the investment losses noted above, alongside planned additional expenditure on grant-making. Within total funds, £969.2m represent the permanent endowment funds (2021/22: £1,030.1m) which are held in perpetuity to generate income for the future activities of the charity. All income arising from the endowment fund is accounted for within unrestricted funds. Such income enables the charity to meet its primary purpose of maintaining and supporting the five river bridges across the Thames, with the remaining surplus income available to undertake the funding activities of the charity.

Restricted funds held as at year-end was nil (2022: £0.5m). Details of these are stated on page 59.

The unrestricted income funds of the charity include both the general fund (free reserves) and a number of designated funds. As at 31 March 2023, these funds totalled £644.2m (2022: £691.8m) being net of £4.3m held to cover the pension deficit (2022: £22.8m).

From the charity's unrestricted income funds, it has set aside or designated funds for specific purposes. At year-end, these designated funds totalled £489.0m (2022: £494.8m). £31m of surplus income for the year was transferred to the grant-making designated fund bringing the total held at year-end to £179.9m (2022: £210.3m). Following approval by the Trustee, £21.7m was released from the social investment fund to the general fund, bringing the social investment designated fund balance to nil. Following the granting of the Supplement Royal Charter, a new designated fund is being considered. £11.6m was transferred into the bridges repair fund in order to meet future maintenance costs of the five bridges. A further £51.4m was transferred into the bridges replacement fund, giving a total of £242.6m (2022: £191.2m) held as at year-end to fund future rebuild costs.

Details of all funds held, including their purposes, is set out within Note 21 to the financial statements.

Reserves policy

The permanent endowment funds are held in perpetuity. It is the Trustee's policy to invest the assets of the charity held within this fund to retain the real value of the endowment. It does this while also generating sufficient returns to fund the charity's primary purpose to maintain and support its five river bridges. At the same time it preserves both the 'real' value of the asset base and the purchasing power of the sums available for annual expenditure over the long term.

Any income surplus to that required to be applied to the charity's primary purpose in any one year is predominantly used to provide assistance in the form of grants to charitable organisations across Greater London. The level of funds available for charitable funding is monitored and adjusted to ensure compliance with the policy to preserve the 'real' value of the asset base.

The free reserves of the charity are held to cover working capital needs and a provision for unplanned urgent activities. In 2022/23, following review, the target level of free reserves was maintained at £35m. Alongside this, an additional £55m is held (giving a total of £90m) reflecting growth uncertainties across the forecast period. This amount is subject to annual review.

The charity intends to adopt a total return basis for its permanent endowment fund – this power being within the new Supplemental Royal Charter (page 20). With this approach, the charity's Trustee decides each year how much of the total return within the permanent endowment fund can be released to income for spending against the objectives and how much is retained for investment.

Reserve levels held as at 31 March 2023 are set out in Note 21. The charity holds free reserves of £155.2m (2022: £197m), which is £65.2m above the current policy. The Trustee remains cautious of the impacts of the ongoing uncertain economic climate on its investment portfolio. Noting the potential risk of future realised losses and increases in property construction costs, it continues to review the level of reserves held.

Remuneration policy

The charity's key management personnel, as defined within Note 11 to the financial statements, are employees of The City Corporation and, alongside all other staff, their pay is reviewed annually. Salary costs

incurred by the Trustee in administering the charity are re-charged to CBF. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised during the year.

The Managing Director's post is evaluated and assessed independently against the external market allowing the post to be allocated a salary range which incorporates market factors as well as their relevance to the charity. The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established by The City Corporation to actively promote equity, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan. This also includes addressing The City Corporation's gender pay gap.

Fundraising

Section 162(1)(a) of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Although the charity does not undertake widespread fundraising activities, any such amounts receivable are presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or

third parties. The day-to-day management of all income generation is undertaken by the CBF team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2021/22: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities, including those designed to protect vulnerable people.

Principal risks and uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the Executive Leadership Team and the City Bridge Foundation Board ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. Following a review workshop in June 2022, a revised Principal Risk Register was prepared for the charity, which has been reviewed and adopted by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks. Furthermore, throughout 2022/23, a review of the charity's Risk Management Protocol was undertaken to ensure it remained fit for purpose and reflected governance changes. Alongside this, work has been undertaken to develop operational risk registers for the charity's bridge activities (including a specific risk register for Tower Bridge) and for its funding activities.

The principal risks faced by the charity, and actions taken to manage them are as follows:

RISKS	Actions to manage risks
Structural damage to Bridges/ Maintenance of the Bridges Major structural damage to one of the bridges may cause it to become non-operational, or ineffective, incomplete or faulty maintenance of bridges and associated infrastructure.	The City Surveyor's Department and Department of the Environment within The City Corporation work together (for the charity and in the discharge of The City Corporation's separate statutory and regulatory functions), alongside other bodies and stakeholders, to manage ongoing actions associated with this risk which includes potential structural damage as a result of issues such as a substantial vessel strike or through acts of terrorism. A 50-year maintenance plan is in place to manage on-going works. Significant work has taken place in 2022/23 to consider and evaluate security measures on the Bridges, including the upgrading of CCTV facilities on the Bridges as part of the Secure City Programme.
Reputation Management A range of incidents both within and outside the direct control of the Trustee, may adversely impact upon the charity's operations, activities, and reputation.	Better internal early warning systems are now in place for the notification of emerging/ potential crisis. In 2022/23 work was undertaken to develop a new brand for the charity – the refreshed brand (which will launch in 2023/24) will provide an opportunity to better promote the charity's activities. Staff have developed a communications crisis response plan, although have not yet had to initiate this. Staff continue to discuss potential reputational risks on the horizon and operate a proactive strategic communications approach that positively promotes the charity's activities.
Insufficient investment returns Insufficient returns from investment activities available to meet the charity's purposes, strategies and objectives due to uncertain investment environment, notably with high inflation and other factors continuing to drive higher costs related to investment property projects.	In 2022/23, a new Investment Strategy Statement was developed to set clear objectives and targets for the charity's investments. Ongoing reviews of forecasts, reserve levels and liquidity needs are undertaken regularly by the CBF Finance Team. The charity's internal and external investment managers are held to account and performance is monitored.
Failure to deliver CBF's strategy and organisational change Lack of support for CBF's strategic vision; insufficient capacity and resources to deliver strategy; poor communication/ collaboration within and between teams; lack of cohesive business plan to deliver strategic aims; lack of engagement from The City Corporation in implementing strategic decisions for organisational change within The City Corporation as they affect CBF.	Deliver a detailed implementation plan for the charity's overarching strategy, Bridging London, and review the charity's policies and plans on a regular basis to ensure the charity has an effective strategic framework in place to measure its impact. A series of staff engagement opportunities were delivered in 2022/23 to promote collaboration amongst teams and help build a one-charity culture, helping to gain support for CBF's vision. Continued engagement with City Corporation departments to share information and plans on CBF's strategy and organisational change programmes.

RISKS	Actions to manage risks
Safeguarding Safeguarding requirements not embedded into all of the charity's activities, including lack of regular and effective safeguarding training for the Board and for all relevant staff; insufficient monitoring of safeguarding issues across operational delivery of strategies furthering the primary and ancillary objects.	A new staff Safeguarding Group has been established and meets regularly to review any safeguarding issues and to identify improvements to CBF's internal operational processes. A new bespoke Safeguarding Policy for the charity was implemented in 2022/23. Training opportunities for staff continue to be identified and rolled out accordingly. Enhanced reporting to the CBF Board on safeguarding measures implemented.
Lack of diversity of skills, knowledge and experience within the charity Risk that CBF does not have personnel (staff and Board members) with the appropriate diversity of skills, knowledge and lived experience that is reflective of the charity's beneficiaries.	Embed Equity, Diversity and Inclusion (EDI) principles and practices into the charity's work. Establish a new pan-charity EDI Steering Group to identify areas for improvement across the charity. Undertake regular skills audit on the CBF Board and seek to recruit external co-opted Members to support with the mix of skills and experience.

Going concern

The Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern and the financial statements of CBF have been prepared on that basis. In making this assessment, the Trustee has considered the charity's financial position, the value of investment assets held, future income and investment return levels, expenditure requirements and the liquidity of the charity taking into account the ongoing impact of the cost-of-living crisis, inflationary pressures and changing economic environment.	that sufficient returns will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding. The primary purpose of the charity is to meet the needs of the charity's five Thames bridges, ensuring that adequate funds have been set aside to cover both their short and long-term needs. The Trustee continues to be satisfied that it will have the necessary resources to meet these needs. The ancillary purpose of CBF is undertaken only where surplus income is available after responsibilities relating to the Bridges have been met, as stated on page 7, and the charity continues to be able to fund both its responsibilities for the Bridges and its ancillary purpose. However, should it be required, this method of operation provides flexibility to the charity when approving future plans. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.
The Trustee is satisfied that the charity could absorb significant changes in investment value with no impact on its ability to continue as a going concern. The charity's funds reduced by £109.0m in the year to 31 March 2023, with sufficient funds available in liquid assets to satisfy cashflow needs.	
A rolling annual review of the charity's detailed forecast financial position over a 3-year period is carried out, alongside 10-year modelling of funds held to confirm	

TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity. This includes the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records. These must be sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity. They must also enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The Trustee is 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.

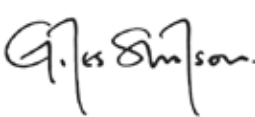
In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Dr Giles Shilson



Chairman of CBF Board
Guildhall, London

Paul Martinelli



Deputy Chairman of CBF Board

26 January 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CITY BRIDGE FOUNDATION

Opinion

We have audited the financial statements of City Bridge Foundation ('the charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustee’s report; or
- sufficient and proper accounting records have not been kept by the charity; 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 trustee’s responsibilities statement set out on page 32, the trustee is 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 trustee 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 trustee is 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 trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditor’s 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor’s report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, the valuation of financial investments and investment properties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates including those specific to the investment valuations for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity’s trustee 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 charity’s trustee those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity’s trustee for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London, UK

30 January 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2023



BALANCE SHEET

As at 31 March 2023



	NOTES	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	2022/23 Total Funds £m	2021/22 Total Funds £m Restated
Income and Endowments from:						
Voluntary income	2	–	0.1	–	0.1	0.2
Charitable activities	3	7.6	–	–	7.6	3.1
Investments	4	27.2	–	–	27.2	30.4
Other income	5	0.4	–	–	0.4	0.4
Total Income		35.2	0.1	–	35.3	34.1
Expenditure on:						
Raising funds	6	11.6	–	0.4	12.0	15.3
Charitable activities						
Repair and maintenance of bridges		18.0	–	–	18.0	9.8
Tower Bridge tourism		6.6	–	–	6.6	4.7
Charitable funding		64.7	0.6	–	65.3	34.5
Total charitable activities	7	89.3	0.6	–	89.9	49.0
Other						
Net pension scheme costs	19	1.8	–	–	1.8	2.3
Total Expenditure		102.7	0.6	0.4	103.7	66.6
Net (expenditure) before (losses)/gains on investments		(67.5)	(0.5)	(0.4)	(68.4)	(32.5)
Net (losses)/gains on property investments	13	–	–	(62.5)	(62.5)	42.3
Net (losses)/gains on financial investments	14	(0.2)	–	2.0	1.8	62.4
Net (losses) on social investments	15	(0.2)	–	–	(0.2)	(0.2)
Total (losses)/gains on Investments		(0.4)	–	(60.5)	(60.9)	104.5
Net (expenditure)/income/after (losses)/gains on investments		(67.9)	(0.5)	(60.9)	(129.3)	72.0
Other recognised gains:						
Actuarial gains on defined benefit pension scheme	19	20.3	–	–	20.3	7.1
Net movement in funds		(47.6)	(0.5)	(60.9)	(109.0)	79.1
Reconciliation of funds:						
Fund balances brought forward at 1 April 2022		691.8	0.5	1,030.1	1,722.4	1,643.3
Total funds carried forward	21	644.2	0.0	969.2	1,613.4	1,722.4
Total funds carried forward	23	660.0	3.8	979.5	1,643.2	1,536.4

All of the above results are derived from continuing activities.
There were no other recognised gains and losses other than those shown above.
2021/22 has been restated following the March 2022 pensions triennial funding valuation. Further details of this are stated in note 19.
The notes on pages 39 to 63 form part of these financial statements.

	Notes	2023 Total £m	2022 Total £m Restated
Fixed assets:			
Tangible assets	12	3.0	3.1
Investment properties	13	841.1	888.1
Financial investments	14	819.7	879.5
Social investment fund	15	8.9	8.6
Total fixed assets		1,672.7	1,779.3
Current assets			
Stock		0.3	0.2
Debtors	16	14.8	11.3
Short term investments and deposits	14	35.7	26.9
Cash at bank and in hand		7.6	4.1
Total current assets		58.4	42.5
Creditors: Amounts falling due within one year	17	(67.6)	(47.4)
Net current (liabilities)		(9.2)	(4.9)
Total assets less current liabilities		1,663.5	1,774.4
Creditors: Amounts falling due after more than one year	18	(45.8)	(29.2)
Net assets excluding pension scheme liability		1,617.7	1,745.2
Defined benefit pension scheme liability	19	(4.3)	(22.8)
Total net assets	20	1,613.4	1,722.4
The funds of the charity:			
Permanent endowment funds		969.2	1,030.1
Restricted funds		–	0.5
Designated funds		489.0	494.8
General funds		155.2	197.0
Total funds	21	1,613.4	1,722.4

The notes on pages 39 to 63 form part of these financial statements

Approved and signed on behalf of the Trustee

Caroline Al-Beyerty
Chamberlain of London and Chief Financial Officer
26 January 2024

STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS

	Notes	2022/23	2021/22
		Total	Total
		£m	£m
Cash flows from operating activities:			
Net cash (used in) operating activities	22	(60.3)	(56.7)
Cash flows from investing activities:			
Dividends, interests and rents from investments		27.2	30.0
Additions to short term deposits		(89.8)	(58.2)
Proceeds from sale of short term deposits		81.0	69.3
Sale of investment property		7.9	24.7
Purchases and improvements of property		(23.4)	(26.7)
Additions to tangible fixed assets		(0.2)	–
Additions to Social Investments		(0.9)	(1.0)
Social Investments repayments		0.4	1.3
Additions to financial investments		(208.3)	(136.1)
Proceeds from sale of financial investments		269.9	153.0
Net cash provided by investing activities		63.8	56.3
Increase/(decrease) in cash in the year		3.5	(0.4)
Change in cash and cash equivalents in the reporting period		3.5	(0.4)
Cash and cash equivalents at the beginning of the reporting period		4.1	4.5
Cash and cash equivalents at the end of the year	23	7.6	4.1

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

a. Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified for the revaluation of investment property and financial investments measured at fair value, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

The City Corporation is Trustee of the charity, with officers of The City Corporation providing administrative services for both the charity and other Funds for which it is responsible. All assets, liabilities, income and costs are accounted for by the charity individually. Where required, costs are apportioned based on actual activity of the charity. Please see note 1 (c) (vi) below for further explanation.

The Financial Statements are presented in sterling which is the functional currency of the charity.

b. Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. A rolling detailed annual review of the charity's forecast financial position over a three-year period is carried out, alongside ten-year modelling of funds held, to confirm that sufficient income funds will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding.

In assessing the appropriateness of the going concern basis, the Trustee has considered the charity's financial position, the value of investment assets held, future income and investment return levels, expenditure requirements and the liquidity of the charity, taking into account the ongoing impact of the cost-of-living crisis, inflationary pressures and the changing economic environment. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. Accordingly, as further stated on page 32, the Trustee has a reasonable expectation that the charity will continue as a going concern for at least 12 months from the date of signing this report and has adopted this basis for the preparation of the financial statements.

c. Critical accounting judgements and assumptions

Key accounting judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the significant judgements that have been made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

i. Valuation of investment properties

Investment properties are properties ultimately owned by the charity and are held for capital appreciation, rental income, or both. They are valued at each balance sheet date at fair value as determined by professionally qualified internal and external valuers.

Valuations are prepared in accordance with "RICS Valuation – Global Standards (incorporating International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, (the "RICS Red

Book”). The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security of income. Where lease premia or costs relating to rent free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

Property markets are functioning but there is reduced transaction activity and the sentiment of purchasers and vendors across the market has been impacted. There remains evidence of wide bid spreads, price renegotiations and transactions taking longer to complete which all add to the market dynamics. The valuation methods adopted for the 62 properties held by the charity take into account appropriate comparable market evidence and indices against the backdrop of a changing economic outlook. The valuers did not identify any assumptions that provided a material impact on a single or sub-group of properties held that were relevant to the judgements applied as at 31 March 2023.

ii. Investment property disposals

When accounting for the disposal of long leaseholds of investment properties, the charity utilises the methodology as set out within the RICS Professional Standards (“the Red Book”) in apportioning values between land and buildings. This includes a number of factors such as insurance values and future construction costs, which are subject to judgement.

iii. Valuation of financial investments

Within financial investments are amounts invested in private equity fund vehicles. These funds are valued by the fund managers based on a number of assumptions, some of which are based on non-observable inputs (such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples).

iv. Valuation of social investments

Unquoted social investments are in some cases internally valued, and management is required to make certain judgemental assumptions. Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social

investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

v. Defined benefit pension scheme

The charity has an obligation to pay pension benefits to those working for it. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See Note 19 for the disclosures relating to the defined benefit pension scheme, alongside further detail on the sensitivity of assumptions made.

The Pension Fund is the responsibility of The City Corporation as a corporate body exercising its functions including as Trustee of CBF, and the charity does not have an exclusive relationship with the City of London Pension Fund. The proportion of the Pension Fund that relates to City Corporation employee members engaged on CBF activities is not separately identifiable. However, an estimated share of the total Pension Fund net deficit has been allocated to CBF on employer’s pension contributions paid into the Fund by, CBF as a proportion of total employer’s contributions paid.

vi. Allocation of support costs

Support costs, incurred by The City Corporation on behalf of the charity, are allocated on a cost recovery basis to the charity. Human resources and digital services are apportioned on a headcount basis. Legal support and public relations are allocated per usage; premises costs are allocated on a space occupied basis; accounting services costs are allocated on the basis of time spent and number of invoices processed; with committee administration costs allocated on the basis of the number of committees overseeing the charity’s activities.

d. Income and expenditure

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income; it is probable that the economic benefit associated with the transaction will come to the charity and the amount can be measured reliably. Income consists of fees and charges from the tourism operation at Tower Bridge, grants income, income from property

(see policy g below) and financial investments and income on money market deposits held.

Grant income - Grant income is accounted for on a receivable basis when there is evidence of entitlement to the grant, receipt is probable, and the amount of the grant can be measured reliably.

Tower Bridge tourism fees and charges - Income included under this heading includes admissions fees, events income, retail and filming fees, all of which are recognised in the period to which the income relates.

Investment property income - Income is recognised on an accrual basis and on a straight-line basis (note (1) (g)).

Financial investments income – consists of dividend and interest which are recognised when receivable.

Other income - is recognised in the period in which the charity becomes entitled to receipt.

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of ‘expenditure on raising funds’, ‘expenditure on charitable activities’ and ‘other expenditure’.

Expenditure on raising funds comprises those related to management of the investment property portfolio and financial investments, including apportioned support costs. The element of costs relating to property and financial investments that are attributable to maintaining the capital value of the endowment are charged to that fund, with the balance of these costs coming from the unrestricted income fund.

Expenditure on charitable activities comprises repair and maintenance of the bridges, those related to the operation of the Tower Bridge tourist attraction, alongside grant-making, including apportioned support costs.

Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. Where the payment is planned to be more than 12 months after the reporting date of the charity’s accounts, the charity reviews the present value of future payments and considers whether the effective financing cost is material to the charity’s reporting. If so, the financing charge is disclosed in the SOFA. Otherwise, the unadjusted value of the grant awarded is shown within creditors. In 2022/23 the charity does not consider the effective financing cost of future payments as material, and no adjustment has been made.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in the activities undertaken. These include external audit, internal audit and costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by The City Corporation on behalf of the charity, such as human resources, technology, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 10.

The Trustee, The City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid, with details provided in Note 11.

e. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the year-end rate of exchange. All gains or losses on translation are taken to the Statement of Financial Activities in the year in which they occur.

f. Pension costs

Defined benefit scheme

The Trustee operates a funded defined benefit pension scheme for its staff employed on its activities, which includes staff acting for the Trustee on behalf of City Bridge Foundation. The original scheme is based on final salary and length of service on retirement. Changes to the Scheme came into effect from 1 April 2014 and any benefits accrued from this date are based on career average revalued salary, with various protections in place for those members in the Scheme before the changes took effect.

For the defined benefit scheme the amounts charged within expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The assets of the scheme are held separately from those in the charity and are invested by independent fund managers appointed by the Trustee. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary, using the projected unit method and discounted at a rate equivalent to the current rate of return, on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the balance sheet.

g. Operating leases – City Bridge Foundation as the lessor

Assets subject to operating leases are included in the Balance Sheet according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis until the next rent review, even if the payments are not received on this basis, unless another method is more representative of the time pattern in which the benefits derived from the leased asset are diminished. Rent-free periods are allocated over the term of the lease.

Rent concessions including the forgiveness of a portion of or all lease payments for an agreed period (i.e., a temporary rent reduction or rent holiday) have been recognised over the periods that the changes relate to and in accordance with the appropriate guidance.

h. Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

i. Fixed assets

Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

Computer software	3 years
Computer and other equipment	5 years
Fixtures and fittings	8-20 years
Operational assets	10-30 years

Land is not depreciated.

Where a fixed asset (other than freehold land) is not depreciated or has a life of more than 50 years, an annual impairment review is carried out.

Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e., they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2023 was £1,143.5m (2022: £1,034.2m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1 (d).

Investment properties

Investment properties for which fair value can be measured reliably on an on-going basis are measured at fair value annually with any change recognised in the Statement of Financial Activities. The valuations are estimated by appropriately qualified professional valuers.

No depreciation or amortisation is provided in respect of freehold or leasehold investment properties.

Financial investments

i. Quoted investments

Quoted investments comprise publicly quoted, listed securities including shares, bonds and units. Quoted investments are stated at fair value at the balance sheet date. The basis of fair value for quoted investments is equivalent to the market value,

using the bid price. Asset sales and purchases are recognised at the date of trade.

ii. Unquoted investments

Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018). Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples. Where a valuation is not available at the balance sheet date, the most recent valuation is used, adjusted for cashflows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date. These valuations are provided by fund managers and are subject to either independent valuation or annual audit.

iii. Cash held by fund managers

The fund managers utilised by the charity may hold investments in the form of cash from time to time when making transactions. These amounts are recognised within investments due to the intention to reinvest.

Social investment

Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

j. Stocks

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the Tourism operation at Tower Bridge.

k. Cash

Cash and cash equivalents include cash in hand, short term deposits and other instruments held as part of the Corporation’s treasury management activities with original maturities of three months or less and, if any, overdrafts.

I. Financial assets and liabilities

Since the charity only has financial instruments which qualify as basic financial instruments, it has chosen to adopt Section 11 of FRS 102 in respect of financial instruments. Financial assets and liabilities, including debtors and creditors, are recognised when the charity becomes party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

m. Funds’ structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purposes of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

Restricted funds – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

Designated funds – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

2. Income from voluntary activities

	RESTRICTED INCOME FUNDS 2022/23 £M	RESTRICTED INCOME FUNDS 2021/22 £M
Grant income	0.1	0.2
	0.1	0.2

3. Income from charitable activities

	UNRESTRICTED INCOME FUNDS 2022/23 £M	UNRESTRICTED INCOME FUNDS 2021/22 £M
Tower Bridge tourism fees and charges	7.6	3.1
	7.6	3.1

4. Income from investments

	UNRESTRICTED INCOME FUNDS £M	TOTAL FUNDS 2022/23 £M	UNRESTRICTED INCOME FUNDS £M	TOTAL FUNDS 2021/22 £M
Investment property	24.9	24.9	26.2	26.2
Financial investments	2.2	2.2	3.9	3.9
Interest receivable	0.1	0.1	0.3	0.3
Total Investment income	27.2	27.2	30.4	30.4

All investments are held to provide an investment return to the charity.

5. Other income

	UNRESTRICTED INCOME FUNDS 2022/23 £M	UNRESTRICTED INCOME FUNDS 2021/22 £M
Other income	0.4	0.2
Government grants	–	0.2
	0.4	0.4

In the prior year government grants covered claims from HMRC under the Government's Coronavirus Job Retention Scheme (CJRS) for staff who were furloughed due to the Covid-19 pandemic. There were no unfulfilled conditions or other contingencies relating to this grant income and no other forms of government assistance were received.

6. Expenditure on raising funds

	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2022/23 £M	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2021/22 £M
Investment property expenses	4.4	2.5	6.9	5.8	2.6	8.4
Financial investment expenses	4.9	0.2	5.1	6.7	0.2	6.9
	9.3	2.7	12.0	12.5	2.8	15.3

Of the total expenditure on raising funds, £11.6m (2021/22: £14.9m) relates to the unrestricted income fund and £0.4m (2021/22: £0.4m) to the endowment fund.

Investment property expenses – staff costs, repairs and maintenance costs, and professional fees relating to the management of the investment property portfolio.

Financial investment expenses – fees paid to fund managers.

7. Expenditure on charitable activities

	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2022/23 £M	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2021/22 £M
Repair and maintenance of bridges	17.0	1.0	18.0	9.0	0.8	9.8
Tower Bridge tourism	6.0	0.6	6.6	3.9	0.8	4.7
Charitable funding	63.4	1.9	65.3	33.3	1.2	34.5
	86.4	3.5	89.9	46.2	2.8	49.0

Repair and maintenance of bridges – staff costs, repairs and maintenance, insurance, equipment and materials costs relating to the Thames River bridges maintained by the charity.

Tower Bridge tourism – staff costs and other expenses related to the management and operation of the Tower Bridge tourist attraction.

Charitable funding – grants awarded by CBF, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £60m (2021/22: £29.8m) and costs of administering the grants process of £3.4m (2021/22: £3.5m).

8. Charitable funding

During the year ended 31 March 2023, grants were awarded to institutions under the following programmes:

	2022/23 £M	2021/22 £M
Bridging Divides:		
Core Activities	34.6	13.0
Strategic Initiatives	19.7	14.2
London Community Response Fund	–	2.9
Stepping Stones Fund	0.2	0.2
Propel	5.7	–
Charitable Funding	60.2	30.3
Charitable funding adjustments and cancellations	(0.2)	(0.5)
Net charitable funding	60.0	29.8
Other charitable funding related activities	3.4	3.5
	63.4	33.3

Grants were made to 665 organisations in the year (2021/22: 251), supporting 733 projects (2021/22: 278). The average amount of grant equalled £82k (2021/22: £109k). The decrease in the average size of grant and increase in the number of funded organisations in the year was due to the award of 352 Inflationary Pressure Payments to support existing grantees with increased costs, which are shown as additional grants. Excluding Inflationary Pressure Payments, the average grant size increased to £158k, an increase on the average 21/22 grant size due to a number of programmes where significant large grants were awarded, including the new Propel collaborative fund with several £1m+ grants, and notable Alliance Partnership awards (as part of Strategic Initiatives), including one £6m grant.

All grantees receiving funding must work for the benefit of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

Details of all the grants approved are shown on the CBF website www.citybridgefoundation.org.uk, within the News & events section, including organisation name, amount given and purpose of the award.

Reconciliation of grants payable:

	2022/23 £M	2021/22 £M
Commitments at 1 April	48.1	46.6
Commitments made in the year	60.2	30.3
Charitable funding adjustments and cancellations	(0.2)	(0.5)
Charitable funding paid during the year	(27.4)	(28.3)
Commitments at 31 March	80.7	48.1

Outstanding grant commitments at 31 March 2023 are payable as follows:

	2022/23 £M	2021/22 £M
Within one year (note 19)	48.6	32.6
After more than one year (note 20)	32.1	15.5
Commitments at 31 March	80.7	48.1

The split of future payment dates is based upon contractual terms, which may relate to multi-year commitments.

9. Net income for the year

Net income is stated after charging:

	2022/23 £	2021/22 £
Auditors' remuneration for the audit of the financial statements	89,050	75,000
Additional fees incurred for the audit of 2020/21 financial statements	–	9,000
Depreciation	298,492	262,873

The 2022/23 audit fee has increased as a result of inflationary pressures and the introduction of ISA (International Standards on Auditing) 315 (revised).

10. Support costs

Support costs include activities undertaken by The City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. Such costs are determined by department, and are allocated to recover costs to the charity on the basis of resources consumed by the respective activities as follows:

	TOURISM £M	INVESTMENT PROPERTY £M	FINANCIAL INVESTMENTS £M	BRIDGES £M	GRANTS £M	GOVERNANCE £M	2022/23 £M	2021/22 £M
Department:								
Chamberlain	0.1	0.3	0.1	0.1	–	–	0.6	0.5
Comptroller & City Solicitor	–	0.1	–	–	–	–	0.1	0.3
Town Clerk	0.1	–	–	–	0.2	0.2	0.5	0.5
City Surveyor	–	1.9	–	0.2	–	–	2.1	2.2
Environment	–	–	–	0.1	–	–	0.1	0.1
Culture, Heritage & Libraries	–	–	–	–	–	–	–	0.1
Digital services	0.2	–	–	0.1	0.2	–	0.5	0.4
Premises costs	–	–	–	0.1	0.2	–	0.3	0.4
CBF Central costs	0.1	0.1	0.1	0.3	1.1	–	1.7	0.8
Other	0.1	0.1	–	–	–	0.1	0.3	0.3
Sub-total	0.6	2.5	0.2	0.9	1.7	0.3	6.2	5.6
Reallocation of governance costs	–	–	–	0.1	0.2	(0.3)	–	–
Total Support costs	0.6	2.5	0.2	1.0	1.9	–	6.2	5.6

All support costs are undertaken from unrestricted funds. Governance costs are allocated on the basis of FTE staff within each activity. Costs for management and administration support services provided directly to the charity are included in CBF Central costs.

11. Details of staff costs

All staff that work on behalf of the charity are employed by The City Corporation. The average full-time equivalent number of people directly undertaking activities on behalf of the charity during the year was:

	2022/23 Number	2021/22 Number
Investments	6	9
Tower Bridge tourism	51	49
Repair & maintenance of bridges	24	31
Funding	35	31
Enabling services	13	11
	129	131

Enabling services (previously named Administration) includes staff providing direct support and management to the charity in communications, governance and strategy, finance and human resources. In 2021/22, 3 FTE have been reanalysed from Funding to Enabling services.

The above figures are for the FTE average number of staff rather than the average number of employees on an annual basis due to The City Corporation employing all staff. FTE is based on the activities undertaken on behalf of the charity.

In addition, support staff are charged to the charity on the basis described within Note 10. The full-time equivalent number of support service staff charged is 51.9 (2021/22: 56.7).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2022/23 £m	2021/22 £m
Salaries and wages	6.2	5.5
National Insurance costs	0.7	0.6
Employer's pension contributions	1.2	1.0
Total emoluments of employees	8.1	7.1

The number of directly charged employees whose emoluments for the year were over £60,000 was:

	2022/23	2021/22
£60,000 - £69,999	6	7
£70,000 - £79,999	4	2
£90,000 - £99,999	4	2
£120,000 - £129,999	—	1
£130,000 - £139,999	1	—
	15	12

All employees paid over £60,000 have retirement benefits accruing under the defined benefit scheme.

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of The City of London Corporation, acting collectively for The City Corporation in its capacity as the Trustee, senior officers employed by The City Corporation and key members of the CBF leadership team. The senior officers of The City Corporation include the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor, and the City Surveyor. These officers work on a number of The City Corporation's activities and their salaries and associated costs are allocated to the activities under its control, including CBF on the basis of employee time spent on the respective services, as stated within Note 11. Further details on this can be found within the Annual Report for City Fund. The CBF executive leadership team comprising the Managing Director, Finance Director, Chief Operating Officer, Associate Director of CBF, replaced by the Chief Funding Director in January 2023, Philanthropy Director and Director of Communications and Engagement are included within key management personnel.

Total employment benefits, including employer pension contributions and employer national insurance contributions for key management personnel in 2022/23 was £927k (2021/22: £351k). This reflects a full year for this team in 2022/23 (2021/22: 3 months).

The highest paid role is the Managing Director of CBF, with total employment benefits, including employer pension contributions and employer national insurance contributions in 2022/23 being £183k (2021/22: £173k).

No Members received any remuneration for time spent on CBF matters with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2022/23 from the charity (2021/22: Nil).

12. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold improvements £m	Total £m
Cost				
At 1 April 2022	0.7	2.5	4.3	7.5
Additions	0.1	0.1	—	0.2
Disposals	—	—	—	—
At 31 March 2023	0.8	2.6	4.3	7.7
Depreciation				
At 1 April 2022	0.5	1.4	2.5	4.4
Charge for the year	0.1	0.1	0.1	0.3
Disposals	—	—	—	—
At 31 March 2023	0.6	1.5	2.6	4.7
Net book value				
At 31 March 2023	0.2	1.1	1.7	3.0
At 31 March 2022	0.2	1.1	1.8	3.1

13. Investment properties

	2023 £m	2022 £m
Market value at 1 April	888.1	843.8
Purchases and improvements	23.4	26.7
Book value of disposed assets	(0.9)	(17.4)
Total unrealised (losses)/gains*	(69.5)	35.0
Market value at 31 March	841.1	888.1

* Includes rent free adjustment of £4.5m (2021/22: £4.4m).

The net gain on property investments is arrived at as follows:

	2023 £m	2022 £m
Total unrealised (losses)/gains	(69.5)	35.0
Realised gains on disposal	7.0	7.3
	(62.5)	42.3

A full valuation was performed as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards (“the Red Book”). This was undertaken by Savills (UK) Ltd and Jones Lang LaSalle Limited, chartered surveyors, acting as independent valuers. The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties and various indices.

As many of the investment properties were gifted to the charity and others were acquired centuries ago, it is impracticable to provide historical cost information. It has therefore been assumed that the historical cost is nil. The properties are all situated in Greater London.

The charity determines its valuation policies and procedures and is responsible for overseeing the valuations. Valuations performed by the charity’s independent external valuers are based on information extracted from the charity’s financial and property reporting systems, such as current rents and the terms and conditions of lease agreements, together with assumptions used by valuers (based on market observation and their professional judgement) in their valuation models.

14. Financial investments

Total financial investments as at 31 March are split as follows:

	2023 £m	2022 £m
Long term investments	819.7	879.5
Short term investments:		
– short term deposits and money market funds	16.8	18.4
– short term investments in hands of fund managers	18.9	8.5
	35.7	26.9
Total market value at 31 March	855.4	906.4

	2023 £m	2022 £m
Long term investments held by fund managers		
Market value 1 April	879.5	834.0
Additions to investments at cost	208.3	136.1
Disposals at market value	(269.9)	(153.0)
Gain from change in fair value	1.8	62.4
Long term investments at 31 March	819.7	879.5

Cash investments		
Investment at 1 April	26.9	38.0
Additions to investments at cost	89.8	58.2
Disposals at market value	(81.0)	(69.3)
Investments at 31 March	35.7	26.9
Total investments at 31 March	855.4	906.4

At the year-end £4.5m (2021/22: £nil) had been committed in private equity investments and yet to be paid out by the charity. During the year £40m was withdrawn from fund managers to support the operational activities of the charity (£nil: 2021/22).

The geographical spread of investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2023 £m	Total at 31 March 2022 £m
Fixed Interest	22.1	56.6	78.7	60.1
Index Linked	24.2	6.9	31.1	46.3
Pooled units	124.0	494.9	618.9	654.7
Listed equities	8.5	19.4	27.9	58.4
Managed funds	18.9	–	18.9	8.5
Private equity	4.0	17.7	21.7	25.5
Infrastructure	–	58.2	58.2	52.9
	201.7	653.7	855.4	906.4

The majority of the charity’s financial investments are held in mutual funds operated by professional asset managers whereby the charity’s assets are pooled with other investors and invested in equities, bonds and other securities. These investment assets are termed “pooled units” in the above table.

15. Social Investment Fund

	Value as at 1 April 2022 £m	Drawn down £m	Repaid £m	Investment (loss)/gain £m	Value as at 31 March 2023 £m
Investment Fund	3.3	–	–	(0.2)	3.1
Loan	1.0	–	(0.4)	0.1	0.7
Bond	1.4	–	–	(0.1)	1.3
Property Fund	2.9	0.9	–	–	3.8
	8.6	0.9	(0.4)	(0.2)	8.9

The geographical spread of social investments as at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2023 £m	Total at 31 March 2022 £m
Investment Fund	2.9	0.2	3.1	3.3
Loan	0.7	–	0.7	1.0
Bond	1.3	–	1.3	1.4
Property Fund	3.8	–	3.8	2.9
	8.7	0.2	8.9	8.6

At the year-end, £0.5m (2021/22: £1.3m) had been committed but remained undrawn, making a total promised of £9.4m (2021/22: £9.9m). Details of all investments placed are shown on the City Bridge Foundation website www.citybridgefoundation.org.uk.

16. Debtors

	2023 £m	2022 £m
Debtors – amounts due in less than one year		
Trade debtors	0.4	0.5
Rental debtors	2.9	2.6
Prepayments & accrued income	6.5	3.5
Sundry debtors	0.5	0.3
	10.3	6.9
	2023 £m	2022 £m
Debtors – amounts due in more than one year		
Rental debtors	4.5	4.4
	4.5	4.4
Total debtors	14.8	11.3

17. Creditors – amounts falling due within one year

	2023 £m	2022 £m
Grants payable (note 8)	48.6	32.6
Trade creditors	3.1	1.6
Accruals	6.8	3.9
Deferred income	6.1	6.0
Rent deposits	3.1	3.0
Other creditors	–	0.3
	67.7	47.4

Deferred income comprises property rental income and lease premiums received in advance.

	2023 £m	2022 £m
Deferred income analysis within creditors:		
Balance at 1 April	6.0	6.2
Amounts released to income	(5.7)	(6.2)
Amounts deferred in the year	5.8	6.0
Balance at 31 March	6.1	6.0

18. Creditors – amounts due after more than one year

	2023 £m	2022 £m
Grants payable (note 8)	32.1	15.5
Deferred income	11.8	11.9
Other creditors	1.8	1.8
	45.7	29.2
	2023 £m	2022 £m
Deferred income – due after more than one year:		
Balance at 1 April	11.9	11.9
Amounts transferred to less than one year	(1.7)	(1.6)
Amounts deferred in the year	1.6	1.6
Balance at 31 March	11.8	11.9

Deferred income relates to lease premiums that will be released over periods of up to 162 years.

19. Pensions

City of London Corporation defined benefit pension scheme

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating predominantly to the three principal funds for which it is responsible (City Fund, City's Cash and City Bridge Foundation).

The assets of the scheme are held in a specific trust separately from those of the Corporation and contributions are paid to the scheme as agreed with the scheme's Trustees. As the proportion of the Pension Fund deficit that relates to City Bridge Foundation is not separately identifiable, the share of pension contributions paid to the scheme by the charity is calculated pro-rata to employer's contributions paid by each of The City Corporation contributors to the scheme. Further details can be found in the Annual Report of City Fund.

Accounting for the defined benefit scheme under IAS19

The full actuarial valuation of the defined benefit scheme was updated to 31 March 2022 by an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with the City Fund requirements, rather than under FRS102, with no material differences between the two accounting standards identified.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2022/23 is £969,000 (2021/22 actual: £965,000). This figure is calculated pro-rata to total contributions that will be payable by The City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

Barnett Waddingham LLP, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method which will set contributions up to 31 March 2026.

Restatement

The 2021/22 position has been restated to incorporate the results of the March 2022 funding valuation which were not available at the time the annual report was approved. The table below sets out the restated figures for 2021/22 with these reflected within the analysis within this note.

	2022/23 £m	2021/22 £m Revised	2021/22 £m Original
Deficit at 1 April	(22.8)	(27.6)	(27.7)
Current service cost	(2.1)	(2.6)	(2.5)
Past service cost	(0.1)	(0.3)	(0.3)
Net interest	(0.6)	(0.6)	(0.6)
Employer contributions	1.0	1.2	1.1
	(1.8)	(2.3)	(2.3)
Return on plan assets	(1.2)	1.9	1.7
Actuarial gains/(losses) arising from changes in demographic assumptions	–	1.5	–
Actuarial gains/(losses) arising from changes in financial assumptions	21.5	3.7	3.3
Deficit at 31 March	(4.3)	(22.8)	(25.0)

a) Major assumptions by the actuary

Financial

The financial assumptions used for the purposes of the FRS102 calculations are as follows:

Assumptions as at:	2023 % p.a.	2022 % p.a. Restated	2021 % p.a.	2020 % p.a.
CPI increases	2.9	3.3	2.9	1.9
Salary increases	3.9	4.2	3.9	2.9
Pension increases	2.9	3.2	2.9	1.9
Discount rate	4.8	2.6	2.0	2.4

Life expectancy

The demographic assumptions used are consistent with those used for the most recent Fund valuation (31 March 2022), except for the post-retirement mortality assumptions which have been updated in light of the coronavirus pandemic. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		2023	2022
Age 65 retiring today	Males	21.1	21.0
	Females	23.5	23.5
Retiring in 20 years	Males	22.3	22.3
	Females	25.0	24.9

Sensitivity analysis

The sensitivity of the liabilities to changes in the key assumptions used to measure the Pension Scheme's liabilities is shown in the table below:

Sensitivity analysis	Change to assumptions %	Impact on liabilities	
		Increase £m	Decrease £m
Salary increases	+/- 0.1	0.0	0.2
Life expectancy	+/- 0.1	1.7	0.0
Discount rate	+/- 0.1	(0.7)	(3.0)

b) Amounts included in the balance sheet

The amounts included in the charity's balance sheet arising from The City Corporation pension scheme's liabilities in respect of the defined benefit scheme for the current and previous two periods are as follows:

	2023 £m	2022 £m	2021 £m
Fair value of assets (bid value)	37.9	38.2	35.7
Fair value of liabilities	42.2	61.0	63.3
Net liability in balance sheet	4.3	22.8	27.6

The net pension fund liability represents 3% (2021/2022: 3%) of the total net balance sheet liability in The City Corporation Pension Fund financial statements.

c) Amounts included in the statement of financial activities

The amounts included within total expenditure in relation to the defined benefit scheme are as follows:

	2023 £m	2022 £m
Current service cost	2.1	2.5
Past service cost	0.1	0.3
Settlements and curtailments	–	–
Interest cost	0.6	0.6
Contributions	(1.0)	(1.1)
Total expense	1.8	2.3

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2021/22: 3%) of the total charge in The City Corporation Pension Fund financial statements.

d) Asset allocation

The current allocation of the scheme's assets is as follows:

Employer asset share - bid value	2023		2022	
	£m	% p.a.	£m	% p.a.
Equity investments	22.2	59	22.6	60
Cash	0.3	1	0.5	1
Infrastructure	5.1	13	4.7	12
Absolute return portfolio	10.3	27	10.4	27
Total assets	37.9	100	38.2	100

The charity's share of pension scheme assets at 31 March 2023 represents 3% (2021/22: 3%) of the total pension scheme assets of The City Corporation Pension Fund.

e) Movement in the present value of scheme liabilities

Changes in the present value of the scheme liabilities over the year are as follows:

	2023 £m	2022 £m
(Deficit) at beginning of the year	(61.0)	(63.3)
Current service cost	(2.1)	(2.6)
Interest cost	(1.6)	(1.2)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in demographic assumptions	–	1.5
Actuarial gains arising from changes in financial assumptions	26.4	3.8
Other actuarial (losses)	(5.0)	–
Past service cost, including curtailments	(0.1)	(0.3)
Liabilities extinguished on settlements	–	–
Benefits paid	1.5	1.4
Contributions from scheme participants	(0.3)	(0.3)
(Deficit) at the end of the year	(42.2)	(61.0)

The charity's share of the closing value of the pension scheme liabilities represents 3% (2021/22: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

f) Movement in the scheme net liability

The net movement in the scheme liabilities over the year are as follows:

	2023 £m	2022 £m Restated
(Deficit) at beginning of the year	(22.8)	(27.6)
Current service cost	(2.1)	(2.6)
Net interest	(0.6)	(0.6)
Employer contributions	1.0	1.2
Past service cost	(0.1)	(0.3)
Actuarial gains/(losses)	20.3	7.1
Other (losses)	–	–
(Deficit) at the end of the year	(4.3)	(22.8)

g) Movement in the present value of scheme assets

Changes in the fair value of the scheme assets over the year are as follows:

	2023 £m	2022 £m Restated
As at 1 April	38.2	35.7
Interest on assets	1.0	0.7
Remeasurement gains/(losses):		
Return on assets less interest	(1.2)	1.9
Contributions by employer including unfunded	1.1	1.1
Contributions by scheme participants	0.3	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.5)	(1.5)
Settlement prices received	–	–
Closing value of scheme assets	37.9	38.2

h) Projected pension expense for the year to 31 March 2024

No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. As it is only an estimate, actual experience over the year may differ. No balance sheet projections have been provided on the basis that they will depend upon market conditions and the asset value of the scheme at the end of the following year.

	Year to 31/03/2024 £m	Year to 31/03/2023 £m	Year to 31/03/2022 £m
Service cost	0.8	–	2.4
Interest cost	0.2	0.6	0.5
Total expense	1.0	0.6	2.9
Employer contribution	1.0	1.0	1.0

20. Analysis of net assets between funds

	Unrestricted Income Funds		Restricted Funds	Endowment Funds		
As at 31 March 2023	General Funds	Designated Funds	Restricted Funds	Endowment Funds	Total at 31 March 2023	Total at 31 March 2022
	£m	£m	£m	£m	£m	£m Restated
Fixed assets – Investment properties	–	–	–	841.1	841.1	888.1
Fixed assets – Financial investments	213.7	489.0	–	117.0	819.7	879.5
Other fixed assets	11.9	–	–	–	11.9	11.7
Current assets & liabilities	(20.3)	–	–	11.1	(9.2)	(4.9)
Long-term liabilities	(45.8)	–	–	–	(45.8)	(29.2)
Pension liability	(4.3)	–	–	–	(4.3)	(22.8)
	155.2	489.0	0.0	969.2	1,613.4	1,722.4

	Unrestricted Income Funds		Restricted Funds	Endowment Funds		
As at 31 March 2022	General Funds	Designated Funds	Restricted Funds	Endowment Funds	Total at 31 March 2022	Total at 31 March 2021
	£m	£m	£m	£m	£m Restated	£m
Fixed assets – Investment properties	–	–	–	888.1	888.1	843.8
Fixed assets – Financial investments	278.4	486.2	–	114.9	879.5	834.0
Other fixed assets	3.1	8.6	–	–	11.7	12.2
Current assets & liabilities	(32.5)	–	0.5	27.1	(4.9)	9.7
Long-term liabilities	(29.2)	–	–	–	(29.2)	(28.8)
Pension liability	(22.8)	–	–	–	(22.8)	(27.7)
	197.0	494.8	0.5	1,030.1	1,722.4	1,643.2

21. Movement in funds

	As at 31 March 2023	Total as at 1 April 2022	Income	Expenditure	Gains & Losses	Transfers	Total as at 31 March 2023
		£m Restated	£m	£m	£m	£m	£m
Endowment Funds	1,030.1	–	(0.4)	(60.5)	–	–	969.2
London Communities Response Fund	0.3	–	(0.3)	–	–	–	–
Other Restricted Funds	0.2	0.1	(0.3)	–	–	–	–
Total Restricted Funds	0.5	0.1	(0.6)	–	–	–	–
General Funds	219.8	34.7	(22.5)	(0.2)	(72.3)	–	159.5
Pension Reserve	(22.8)	–	(1.8)	20.3	–	–	(4.3)
Total General Funds	197.0	34.7	(24.3)	20.1	(72.3)	–	155.2
Property Dilapidations	0.4	0.3	–	–	–	–	0.7
Climate Action	15.0	–	–	–	–	–	15.0
Bridges Repairs	56.2	–	(17.0)	–	11.6	–	50.8
Bridges Replacement	191.2	–	–	–	51.4	–	242.6
Grant-making	210.3	–	(61.4)	–	31.0	–	179.9
Social Investment Fund	21.7	0.2	–	(0.2)	(21.7)	–	–
Total Designated Funds	494.8	0.5	(78.4)	(0.2)	72.3	–	489.0
Total Unrestricted Income Funds	691.8	35.2	(102.7)	19.9	–	–	644.2
Total Funds	1,722.4	35.3	(103.7)	(40.6)	–	–	1,613.4

	As at 31 March 2022	Total as at 1 April 2021	Income	Expenditure	Gains & Losses	Transfers	Total as at 31 March 2022
		£m	£m	£m	£m	£m	£m Restated
Endowment Funds	979.5	–	(0.4)	51.0	–	–	1,030.1
Endowment Funds	979.5	–	(0.4)	51.0	–	–	1,030.1
London Community Response Fund	3.4	–	(3.1)	–	–	–	0.3
Other Restricted Funds	0.4	0.2	(0.4)	–	–	–	0.2
Total Restricted Funds	3.8	0.2	(3.5)	–	–	–	0.5
General Funds	242.0	33.5	(23.5)	53.7	(85.9)	–	219.8
Pension Reserve	(27.6)	–	(2.3)	7.1	–	–	(22.8)
Total General Funds	214.4	33.5	(25.8)	60.8	(85.9)	–	197.0
Property Dilapidations	0.4	–	–	–	–	–	0.4
Climate Action	–	–	–	–	–	15.0	15.0
Bridges Repairs	48.1	–	(9.0)	–	17.1	–	56.2
Bridges Replacement	168.7	–	–	–	22.5	–	191.2
Grant-making	206.9	–	(27.9)	–	31.3	–	210.3
Social Investment Fund	21.5	0.4	–	(0.2)	–	–	21.7
Total Designated Funds	445.6	0.4	(36.9)	(0.2)	85.9	–	494.8
Total Unrestricted Income Funds	660.0	33.9	(62.7)	60.6	–	–	691.8
Total Funds	1,643.3	34.1	(66.6)	111.6	–	–	1,722.4

Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. Any income arising from this capital is accounted for within unrestricted funds. Further detail of the origins of this fund is stated on page 6.

Purposes of restricted funds

London Community Response Fund (LCRF) – established in response to the Covid-19 health pandemic to establish a collective response with other funders to support London's civil society in furtherance of the CBF funding policy, 'Bridging Divides'. This was fully utilised in 2022/23.

Other Restricted Funds included:

The Cornerstone Fund – a funder collaboration that aims to bring about systemic change in how civil society organisations access and receive support and which tackles structural inequalities in order to grow stronger, more resilient communities. This fund was fully utilised in 2022/23.

Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

Property Dilapidations	represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
Climate Action	represents funds set aside to further progress and potentially accelerate delivery of the Charity's Climate Action Strategy.
Bridges Repairs	represents funds required to maintain the bridges for the next 5 years.
Bridges Replacement	represents funds set aside to fund the future rebuild of the bridges. This is based on the annually calculated present value of estimated future costs, adjusted for increases in construction costs.
Grant-making	represents surplus income which has been designated for future grant-making activities in the name of CBF.
Social Investment Fund	the Trustee approved the release of this designated fund during 2022/23: Following the granting of the Supplement Royal Charter, a new designated fund is being considered.

The charity also maintains a Pension Reserve Fund, representing the net liability owed.

Transfers between funds

Transfers are made to and from unrestricted income funds in order to maintain designated funds at the required levels.

All funds from the Social Investment Fund were transferred back into unrestricted general funds, with amounts invested in social investment holdings not considered part of free reserves due to their illiquid nature.

22. Note to the statement of cash flows

Reconciliation of net income to net cash outflow from operating activities:

	2022/23 £m	2021/22 £m
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(129.3)	72.0
Adjustments for:		
Interest and income from investments	(27.2)	(30.4)
Depreciation charges	0.3	0.3
(Gains) on financial investments	(1.8)	(62.4)
Losses/(gains) on property investments	62.5	(42.3)
Losses on social investments	0.2	0.2
(Increase)/decrease in stock	(0.1)	0.1
(Increase)/decrease in debtors	(3.5)	0.5
Increase in creditors falling due within one year	20.2	2.7
Increase in long term creditors	16.6	0.3
Net pension scheme costs	1.8	2.3
Net cash (used in) operating activities	(60.3)	(56.7)

23. Analysis of changes in net funds/cash and cash equivalents

	Total as at 1 April 2022 £m	Cash Flows £m	Total as at 31 March 2023 £m
Cash and cash equivalents			
Cash	4.1	3.5	7.6
Total	4.1	3.5	7.6

Other non-cash changes are detailed in Note 22.

24. Operating Leases

Minimum lease payments receivable under operating leases:

	31 March 2023 £m	31 March 2022 £m
Not later than one year	22	23
Later than one year and not later than five years	80	77
Later than five years	1,096	1,073
Total	1,198	1,173

25. Commitments

The following commitments exist as at 31 March in respect of future accounting periods:

	2023 £m	2022 £m
Works to bridges	6.8	14.6
Investment properties	10.2	26.3
Total	17.0	40.9

26. Related Parties

The City Corporation is the sole Trustee of the charity, as described on page 8. The City Corporation provides various services to the charity, the costs of which are recharged. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in Note 10.

The charity is required to disclose information on related party transactions with bodies or individuals that control or have significant influence over the charity. Members are required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and Senior Staff are requested to disclose all related party transactions, including instances where their close family has made such transactions. The charity has decided to disclose all instances whereby a Member or officer has a connection with a charity which is a grantee of CBF to provide full transparency.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2022/23 £000	2021/22 £000	Detail of transaction
London Funders (LF)	An Officer of The City Corporation is a Trustee of LF	796 (781)	300 (400)	LF received grant funding from CBF
		4 (-)	3 (-)	The charity paid a membership fee to LF
Trust for London (TL)	The City Corporation nominates three Members to TL	25 (3,945)	4,375 (4,475)	TL received grant funding from CBF
		100 (-)	200 (-)	CBF received grant as contribution to Cornerstone fund
		264 (-)	216 (132)	TL paid rent, service charges & insurance
Partnership for Young London (PYL)	A Member of The City Corporation is a Trustee of PYL	373 (318)	27 (-)	PYL received grant funding from CBF
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of The City Corporation are Trustees of CF	269 (390)	225 (225)	CF received grant funding from CBF
Heart of the City (HoTC)	An Officer and a Member of The City Corporation are Trustees of HoTC	- (24)	- (119)	HoTC received grant funding from CBF
Guild of Freemen of the City of London (GF)	A Member is a Director of GF	- (-)	20 (-)	GF paid rent, service charges & insurance to the Charity
Augmentum Capital Limited (AC)	A Member of The City Corporation is a Director of AC Ltd	131 (-)	12 (-)	AC paid rent, service charges & insurance to the Charity

Related party	Connected party	2022/23 £000	2021/22 £000	Detail of transaction
CBRE Global Investors (CBRE)	A Member of the City Corporation is an employee of CBRE	4,169 (328)	259 (3)	CBRE provided various advisory services on the Charity's investment properties.
WSP Group plc (WSP)	A Member is a Consultant at WSP	23 (-)	19 (19)	WSP provided consultancy services to the Charity

The Members and Officers noted above did not participate in the discussions or decision making relating to the award of the grants.

Related Party Transactions with the City Fund (the City Fund is held by the City Corporation in respect of its activities as a local authority, police authority and port health authority).

During the year CBF contributed £52k towards Corporate IT projects and £138k towards the 'Secure City' project, relating to CCTV and telecommunications (2021/22: £255k). The balance owed to City Fund at year end was nil (2021/22: nil).

Related Party Transactions with City's Cash (City's Cash is held by the City Corporation and finances activities mainly for the benefit of London as a whole but also of relevance nationwide):

City's Cash holds a lease with CBF for the rental of a property. Rental income of £24k was received in the year (2021/22: £24k). The balance owed to CBF year end was nil (2021/22: nil). At the year-end, City's Cash held a cash balance of nil (2021/22: £303k), relating to rental receipts on behalf of the Charity.

27. Subsequent events

The Supplemental Royal Charter was placed before the Privy Council meeting in February 2023 and His Majesty the King, upon the advice of his Privy Council, made an Order granting the Supplemental Charter to The City Corporation as trustee in respect of CBF. The Great Seal was affixed in June 2023, at which time the Charter became legally effective.

As a result of this Charter, the Charity was granted the power to adopt the total return approach to investment for the permanent endowment, a decision taken with effect from the date of the Great Seal being affixed. In adopting the total return approach, the Trustee identified the initial value of the trust for investment as £188.1m as at the date of valuation (March 1994). An additional irreversible transfer of £152.2m to the trust for investment was approved by the Trustee at the date of adoption, to reflect increases in the real value of this amount up to March 2022.

The remainder of the permanent endowment is the unapplied total return, which can be accessed by the Trustee to spend on the charity's objects. The unapplied total return is to be used to provide for future requirements for bridge replacement, and hence in June 2023, the unrestricted designated fund for bridge replacement was released.



City Bridge Foundation

City Bridge Foundation is the operating name of Bridge House Estates, a registered charity 1035628 (England and Wales).

Principal office:

Guildhall, London, EC2P 2EJ

Trustee:

The Mayor and Commonalty & Citizens of the City of London

CBF Board members:

- Deputy Dr Giles Shilson (Chair)
- Paul Martinelli (Deputy Chair from 27/04/2022)
- Deputy Henry Colthurst
- Colonel Simon Duckworth, OBE DL (from 21/04/2022)
- Alderman Professor Emma Edhem
- Alderman & Sheriff Alison Gowman (from 15/04/2021, Interim Deputy Chair to 27/04/2022)
- John Griffiths (from 27/04/2023)
- Deborah Oliver (from 27/04/2023)
- Judith Pleasance (to 27/04/2023)
- Deputy Henry Pollard (to 27/04/2023)
- Deputy Nighat Qureishi (from 21/04/2022)
- Deputy James Thomson (from 21/04/2022)

City Corporation – Senior officers:

Chief Executive	John Barradell OBE – The Town Clerk and Chief Executive of the City of London Corporation (to 31/12/2022)
	Michael Cogher – Acting Town Clerk and Chief Executive of the City of London Corporation (from 01/01/2023 to 05/02/2023)
	Ian Thomas – The Town Clerk and Chief Executive of the City of London Corporation (from 06/02/2023)
Chief Financial Officer	Caroline Al-Beyerty – The Chamberlain of The City of London Corporation
Solicitor	Michael Cogher – The Comptroller and City Solicitor of The City of London Corporation
Surveyor	Paul Wilkinson – City Surveyor

CBF Executive Leadership team:

Managing Director	David Farnsworth OBE
Finance Director	Karen Atkinson
Chief Operating Officer	Simon Latham
CBF Associate Director	Dinah Cox OBE (to 19/01/2023)
Chief Funding Director	Sacha Rose Smith (from 09/01/2023)
Philanthropy Director	Fiona Rawes MBE
Director of Communications and Engagement	Catherine Mahoney

Auditors

Crowe U.K.LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 oLS

Financial investment advisors

Mercer, Quatermile One, 15 Lauriston Place, Edinburgh, EH3 9EP

Contact for City Bridge Foundation, to request copies of governance documents – CBF@cityoflondon.gov.uk



CITY BRIDGE FOUNDATION

City Bridge Foundation
City of London
PO Box 270
Guildhall
London EC2P 2EJ

www.cityoflondon.gov.uk
Telephone: 020 7606 3030
Registered Charity 1035628



BRIDGE HOUSE ESTATES

England & Wales - Charity number 1035628

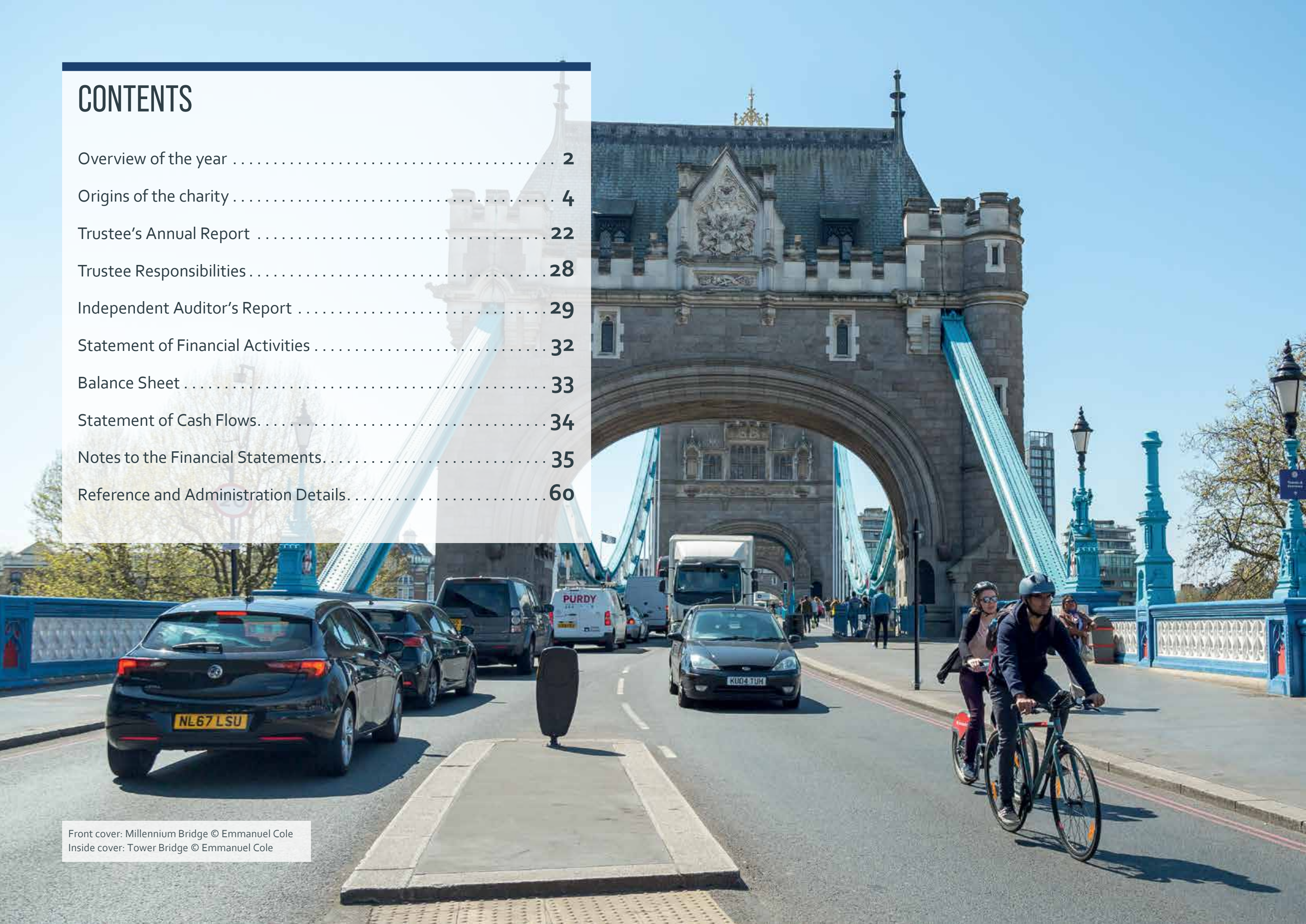
Accounts

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2022

CONTENTS

Overview of the year	2
Origins of the charity	4
Trustee’s Annual Report	22
Trustee Responsibilities	28
Independent Auditor’s Report	29
Statement of Financial Activities	32
Balance Sheet	33
Statement of Cash Flows.	34
Notes to the Financial Statements.	35
Reference and Administration Details.	60



Front cover: Millennium Bridge © Emmanuel Cole
Inside cover: Tower Bridge © Emmanuel Cole

OVERVIEW OF THE YEAR

Giles Shilson, Chair of the Bridge House Estates Board, looks back at the challenges and key successes of the past year.

Our charity Bridge House Estates (BHE) is able to trace its London roots back more than 900 years, to when a single wooden bridge spanned the Thames. Over the centuries the capital has withstood many threats, including previous pandemics such as the Black Death, the Great Fire of London and Blitz bombing. As Covid-19 continues to impact around the globe, I'm pleased to say that BHE continues to play its part in supporting London's recovery.

BHE's primary purpose is to manage and maintain five of London's key bridges (Blackfriars, London, Millennium, Southwark and Tower Bridges), vital infrastructure which connects the capital and those who live and work here. Our bridges are symbols of London's history and beacons for its future. BHE is also, by way of sound investment and good financial governance, able to maintain and support the Bridges and award at least £30m in grants every year. This funding supports some of the most vulnerable and disadvantaged communities living across Greater London.

The management and maintenance of the five Bridges continues on track, undertaking an essential service to London. An extensive three-year refurbishment project commenced at Blackfriars Bridge, which includes the full reconstruction of the parapets and repainting overall.

Meanwhile, Southwark Bridge celebrated its 100th birthday on 6 June 2021, with a specially commissioned light display, made possible by the architectural lighting system previously installed for the Illuminated River project. At only one century old, Southwark Bridge stands as a relatively young reminder of BHE's long history, its deep ties to London, and the people of London.

London's most iconic visitor attraction, Tower Bridge, was able to reopen as a public attraction and events venue in May 2021, but considerable care was necessary to balance increasing visitor numbers while retaining Covid-specific safety measures. The Bridge's offer has clearly been very effective, with a 'Gold Accolade' from Visit England and a Trip Advisor Traveller's Choice Award. The Bridge's online popularity has also increased, following the decision to remain digitally open while physically closed at the start of the pandemic. Tower Bridge offers a superb range of online learning and creative resources, along with a virtual visitor experience.

The majority of BHE's revenue is generated from its property and financial investments. The global impact of Covid-19, followed by market volatility and high inflationary pressures, has prompted fears of an economic slowdown. While BHE is financially secure, and

able to meet the needs of the Bridges that it maintains and supports, these factors have emphasised the need for continuous financial forecasting and consideration of the impacts that these challenging conditions have on our ability to manage the activities of the charity now and in the future.

Rising inflation rates and the cost of living crisis are impacting heavily on the communities the funding arm of BHE, City Bridge Trust (CBT) supports. Organisations in receipt of funding are finding that grants are less effective than expected due to rising costs, and that staff and volunteers, often working on the frontline in grassroots organisations, are experiencing increased demand when already very stretched due to the impact of the pandemic.

Hence CBT's role has perhaps never been more important in bridging London's communities, and as an influencer and convenor in the broader London charitable sector. As the capital's largest independent funder, CBT continued to reshape and increase its grant-making programme *Bridging Divides*, and by working in partnership with other funders, CBT was able to boost its reach, efficiency and impact. The *Bridging Divides* review drew on lessons from the previous year, when some funding streams were put on hold in favour of supporting the sector-wide London Community Response, which was created to respond to the needs of communities in the capital affected by the Covid-19 pandemic. To ensure no one was left behind, a new support scheme, called 'Transition Funding', was launched to provide interim funding where some grant-making programmes remained paused.

At only one century old, Southwark Bridge stands as a relatively young reminder of BHE's long history, its deep ties to London, and the people of London.

CBT's non-financial support - offered to funded organisations via our 'Funder Plus' programme, was bolstered by the launch of the 'Bridge Programme' in early 2021. Funded organisations can benefit from a wide range of free offers, including training courses, peer-to-peer learning, property advice and in-depth management consultancy projects.

Several lessons learned from the pandemic influenced changes in CBT's funding practices over the year, from continuing to allow grant-holders to convert their funding to core unrestricted grants, to working more closely with equity partners within the London charity sector, to revisiting CBT's monitoring processes and making them more streamlined in order to free up valuable time for funded organisations.

All in all, BHE is a charity that continues to evolve and learn, in order to be as progressive, diverse and modern as the capital it serves and the people who live or work in it.

We are committed to work together to improve the lives of all those who live or work in the capital - for a London where everyone is truly connected.

ORIGINS OF THE CHARITY

The origins of Bridge House Estates can be traced back to 1097 when William II, successor as King to William the Conqueror, raised a special tax to help repair London Bridge.

By the end of the twelfth century, the shops and houses adorning Peter de Colechurch's new stone London Bridge were beginning to generate not only increased cross-river trade, but also increased taxes, rents and bequests. A significant fund began to accumulate, administered from a building on the south side of the bridge called Bridge House. Over succeeding centuries this fund has been administered by the City of London Corporation ('the City Corporation') as Trustee.



The Bridge House Mark, established as an identifying emblem of the charity for many centuries was designed by William Leybourn, a famous seventeenth century surveyor.

The work of Bridge House Estates now reaches out across the whole of London in many important and diverse ways:

The River Bridges

The maintenance and support of five of the bridges that cross the Thames into or by the City of London – London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge, and Millennium Bridge – is the primary purpose of the charity. They are gateways to the City of London and require sustained investment and expert care.

London Bridge – The first stone bridge across the Thames was built between 1176-1209 and replaced between 1823-1831. The current bridge was built between 1967-1972 and designed by the City Engineer, Harold Knox King with architects Mott, Hay & Anderson and William Holford & Partners. Made of concrete with polished granite, the Bridge has three spans founded on concrete piers fixed deep into the river clay. It was opened by Her Majesty, The Queen in 1973.

Blackfriars Bridge – Blackfriars Bridge was originally built between 1760-1769 and was known as 'Pitt Bridge' after William Pitt the Elder. This structure was replaced between 1860-1869 with a design by Joseph Cubitt of five wrought iron arches faced with cast-iron, on granite piers. The decorations include ornithological sculptures surmounting the granite columns on each cutwater, archaded cast iron parapets and enormous attached columns in red granite with Portland stone capitals. The sculptures depict land birds on the landward side of the bridge and sea birds on the side facing the sea. Queen Victoria opened the bridge in 1869.

Southwark Bridge – Originally built between 1814-1819, Southwark Bridge was purchased by the charity in 1868. The City of London had been trying to obtain control since 1827 to catch criminals escaping to Southwark, outside its jurisdiction! It was replaced between 1912-1921 with a design by Sir Ernest George and Basil Mott and comprises five steel arches with granite cutwaters and piers.

Tower Bridge – Designed by the Victorian architect Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB, Tower Bridge was opened in June 1894 after eight years of construction. It is a working bascule, suspension and girder bridge, constructed as a steel frame clad in stone and granite in Gothic style to complement the neighbouring Tower of London and is the only bridge where no part actually touches the City footprint. Under the Corporation of London (Tower Bridge) Act 1885 (as amended), the City

Corporation is required to raise the Bridge to provide access to and egress from the Upper Pool of London for registered vessels with a mast or superstructure of 30 feet or more. The service is provided free of charge subject to 24 hours' notice and is available any time, day or night, 365 days per year. The City Corporation as BHE's Trustee ensures that the Bridge, a designated Grade 1 listed building, is properly maintained and protected as part of the nation's heritage.

As a world-famous icon of London, Tower Bridge enables tourists to have access to the internal areas of the Bridge, with a public exhibition having been in place since 1982. The exhibition showcases the Victorian architecture, engineering and also the original Victorian engines used to power the lifting of the Bridge. The operational and tourism activities at Tower Bridge are managed by the Trustee on behalf of the charity.

Millennium Bridge – As the first new pedestrian bridge to be built across the Thames for over a century, Millennium Bridge links the City of London at St Paul's Cathedral with the Tate Modern Gallery at Bankside. Funded by the charity and the Millennium Commission, the 'Blade of Light' is a 325 metre steel pedestrian bridge, conceived by Sir Anthony Caro OM CBE and built by Ove Arup and Foster Associates under the project management of the London Borough of Southwark and subsequently transferred to the charity to own and maintain.

The Grant-Making and Other Charitable Activities of City Bridge Trust

After the responsibilities relating to the bridges have been met, the charity can use surplus income in any year for its ancillary charitable purposes, the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London, further to a cy-près scheme settled by the Charity Commission in 1995. This scheme enables the charity to work through its charitable funding arm, CBT for a fairer London through tackling disadvantage. CBT works collaboratively to further these purposes through three key areas of activity, namely:

- Grant-making;
- Social investment; and
- Encouraging philanthropy.

Further information on the activities of CBT is available at www.citybridgetrust.org.uk

TRUSTEE'S ANNUAL REPORT

Structure and Governance

Governing Document

Reflecting its ancient nature, complex history and long connection to the City Corporation, Bridge House Estates' (BHE) "governing document" is made up of a number of different sources or instruments, some of which are referenced below. In March 1994, the charity was registered with the Charity Commission.

Founders

By various ancient gifts of property, added to over the centuries.

Governing Instruments

Historic trust documents governing gifts, grants and bequests including, a Royal Charter of 24 May 1282.

A supplemental Royal Charter of 26 November 1957
Private Acts of Parliament including:

- The Blackfriars Bridge Act 1863
- The Blackfriars and Southwark Bridges Act 1867
- The Corporation of London (Tower Bridge) Act 1885
- The Corporation of London (Bridges) Act 1911
- The City of London (Various Powers) Act 1926, section 11

- The City of London (Various Powers) Act 1949, section 13
- The City of London (Various Powers) Act 1963, sections 9 & 32
- The London Bridge Act 1967
- The City of London (Various Powers) Act 1979, section 19

Various Schemes and Orders made by the Charity Commission:

- The Charities (Bridge House Estates) Order 1995 (S.I.1995/1047) and the Charity Commission Scheme which took effect by that Order
- An Order of the Charity Commission sealed 10 July 1997 (350.97)
- An Order of the Charity Commission sealed 20 July 1998 (251.98)
- The Charities (Bridge House Estates) Order 2001 (S.I.2001/4017)
- The Charity Commission Scheme dated 26 August 2005
- The Charities (Bridge House Estates) Order 2007 (S.I. 2007/550)

Ancient custom and practice.

Governance Arrangements

BHE is an unincorporated charity. The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of

London Corporation'), a corporation by prescription, is the corporate Trustee of BHE. The City Corporation is Trustee acting by its Court of Common Council and that executive assembly has delegated responsibility in respect of the day-to-day administration and management of this charity for the period of this report to the BHE Board, subject to those matters expressly reserved to the Court.

The BHE Board was formally constituted by the Court of Common Council in April 2021 and is responsible for the management and control of the charity, in the discharge of the City Corporation's functions as Trustee, under the oversight of the Court. This revised governance arrangement provides a framework for effective decision-making and which better demonstrates decisions have been taken solely in the best interests of the charity. In considering ongoing and effective administration and governance, the BHE Board established a Grants Committee of the Board to discharge operational functions in advancing the charity's ancillary object. As with the exercise of any delegated authority, the BHE Board retains responsibility and accountability for all decisions taken by its Grants Committee, with ultimate responsibility and oversight for the City Corporation as Trustee of BHE remaining vested in the Court.

Membership of the BHE Board and the Grants Committee is drawn from the 125 elected Members of the Common Council together with external appointees. In making appointments, the Court of Common Council will take into consideration any skills, knowledge and

experience of the elected Members, and where relevant, external appointees. External appointments are made after a 'skills' audit. Members of the Court of Common Council are unpaid for support provided to BHE and are elected by the electorate of the City of London.

To support the BHE Board in its first year of constitution, the Board resolved to proactively consult with, and seek the advice of, other Committees of the Court of Common Council, drawing on their skills, knowledge and experience, to facilitate delivery of existing workstreams under the revised delegation arrangements, and to better inform the Board's decision-making on certain matters. The following Committees' advice were sought on matters as described below in the year 2021/22:

Policy and Resources Committee – in relation to any existing and on-going BHE projects which were previously within the purview of that Committee prior to the constitution of the BHE Board to assist the Board in taking its decisions for the successful delivery of those projects, as appropriate.

Investment Committee – in relation to strategic property and financial investment matters, that committee previously having had responsibility for such matters for BHE, to assist the BHE Board in taking related decisions for the charity.

Audit and Risk Management Committee – with these matters for BHE previously having fallen within the purview of this Committee, in relation to audit and risk matters as they affected both the external audit of BHE, and the internal audit and risk management for the charity as it operates and is managed within the City Corporation's operational and management audit and risk framework adopted in the discharge of all the City Corporation's functions.

All the above Committees are ultimately responsible to the Court of Common Council. Meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

Good governance is considered by the Trustee to be fundamental to the success of the charity. The comprehensive governance review that commenced in 2017/18 concluded during the year, with a move to an implementation stage. Following the constitution of the BHE Board, which provides more cohesive oversight of the charity's activities, a senior leadership team was established in January 2022, holding responsibility for the day-to-day operational management of the charity.

Utilising the Target Operating Model process established by the City Corporation, this team builds on a greater institutional definition for the charity within the City Corporation's wider operational framework, whilst maintaining appropriate autonomy of operation and decision-making for the charity. Appropriate consideration is being given to the practices recommended within the Charity Governance Code throughout this review.

Consistent with the Trustee's duty to keep BHE's governance under review to ensure the charity is operating effectively to further its charitable purposes, the work to seek further changes to BHE's governing documents by way of a Supplemental Royal Charter continued throughout the year with Her Late Majesty giving her assent at the meeting of her Privy Council in June 2022. The powers granted will enable the charity to operate more effectively and generate greater impact.

Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee discharges its duties and functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference setting out the scope of delegations from the Court of Common Council, Standing Orders, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations). These City Corporation governance documents can be obtained via a request to the email address stated on page 61.

Each elected Member by virtue of their membership of the Court of Common Council, its relevant boards, committees and sub-committees, has a duty to support the City Corporation in the proper discharge of its duties and functions as Trustee of the charity by faithfully acting in accordance with charity law, the charity's governing documents, the Terms of Reference of the relevant board, committee or sub-committee to which responsibilities are delegated from the Court, and the City Corporation's agreed corporate governance framework and procedures as noted above.

Induction and Training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to perform their duties efficiently and effectively. Induction

meetings are provided on specific aspects of the work of BHE, with an emphasis on involvement for those Members (and external appointees) actively working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members (and external appointees) are advised of these opportunities.

Purposes and activities

The purposes of the charity are the support and maintenance of London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge. After these responsibilities are met, any income surplus to that which can be usefully applied in accordance with the subsisting trusts in any given year is applied for the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London in accordance with a policy settled by the Trustee following consultation.

Public benefit statement

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing BHE aims and objectives and in planning future activities. The five river bridges maintained and supported by the charity are available to the general public on an open access basis. Regarding grant-making activities of the charity and other support for the charitable sector undertaken by the charity's funding arm 'City Bridge Trust,' the Trustee awards grants at its discretion to address disadvantage across London's diverse communities and provides more general support to the charitable sector through various strategic initiatives. This process is based upon published criteria, and through thoughtful analysis and collaboration with other partners in the sector regarding the needs of marginalised communities in Greater London. The charity uses a transparent and fair assessment process and ensures that a robust monitoring system is in place to establish the public benefit derived from each grant approved alongside the other activities of the charity.

Consequently, the Trustee considers that BHE operates to benefit the general public and satisfies the public benefit test.

Reference and administrative details

The administrative details of the charity are stated on pages 60 - 61.



Gardening and food growing at the Albany arts centre in Deptford, funded by City Bridge Trust

ACHIEVEMENTS AND PERFORMANCE

The Bridges

Bridge House Estates maintains and supports five of the main river bridges in central London. These are road and pedestrian bridges which cross the Thames into (or nearby) the City: Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge. These vital thoroughfares are managed and maintained by a specialist team, working closely with other stakeholders to ensure the bridges continue to serve the capital, safely and securely now and in the future.

On 6 June 2021, Southwark Bridge celebrated its centenary. Following a commemorative boat inspection by the Lord Mayor, the bridge was lit with a specially commissioned light display over its birthday weekend. Each evening, the bridge glowed with slow pulses of bright, white light, repeating in 100-second cycles. The display made use of the architectural lighting system previously installed by the Illuminated River project.

There has been significant activity at Blackfriars Bridge with the commencement of the long-awaited Blackfriars Bridge refurbishment project. Infrastructure services company FM Conway was appointed to carry out the extensive refurbishment, including the full reconstruction of the parapets and full repainting of the bridge. The refurbishment will take place over three years. There was a considerable period of engagement, owing to the number of significant projects and stakeholders in the area, such as Tideway. However, work started on site in earnest in January 2022. As part of the project, the cast iron parapets have started to be stripped down to their component parts and taken back to bare metal whilst being meticulously tracked and recorded. This is the first time this has been attempted across the whole of the bridge since its construction in 1869. Any new elements required are being re-cast in the traditional manner before being coated in a modern paint system to protect the bridge structure for years to come. The distinct red

and white colour scheme will be restored, and the rust staining removed. The benefits of this project will be visibly apparent over the coming years as the refurbishment traverses the bridge, span by span.

Adjacent to Blackfriars Bridge, the Thames Tideway Tunnel project (a massive new Super Sewer being constructed along the line of the river) has continued at pace. The City Corporation's Bridges Engineering Team have been working closely as part of the project team to provide technical approval and ensure that BHE's assets are protected throughout. The extensive monitoring of the Bridges continued to show lower than anticipated settlement as a result of tunnelling activity, well within safety limits.

Discussions have continued with the developer of Colechurch House over the replacement of the footbridge over Duke Street Hill which provides access from London Bridge to London Bridge Station.



Millennium Bridge
© Emmanuel Cole / City Bridge Trust



Tourism at Tower Bridge

For almost 130 years Tower Bridge has been the symbolic gateway to London. It is one of the capital's most recognisable landmarks, a working bascule bridge which is also an award-winning and popular, paid visitor attraction. In May 2021, following the third national lockdown, the Bridge was able to again reopen as an attraction and events venue to the public, carefully increasing capacities while retaining the majority of its Covid-specific safety measures, in line with public feedback and expectations.

The UK and London tourism and events economies started to experience gradual recovery in 2021/22, following the severe impact of the pandemic on domestic and international visitor appetite and ability to travel. Preparations ahead of the year saw Tower Bridge working closely with industry bodies and working partners in order to understand the latest predictions for recovery, following which a flexible operational and promotional plan was created and deployed. As a result, visitor levels at Tower Bridge increased to a greater degree than experienced at many of its peer major central London attractions in 2021/22, due to an agile marketing approach which initially targeted Londoners and the

'hyper-local' market, after which the sector continued to recover and international travel restrictions were lifted.

Following the third national lockdown, the Bridge reopened as an attraction and events venue to the public on 17 May 2021. It was in the first wave of UK attractions to do so, and welcomed over 2,000 visitors in its first week, which saw the restarting of income generation for the charity in terms of admissions, events and retail. Following reopening, government restrictions including distancing measures remained in place until July 2021, which meant significantly reduced capacities in order to maintain social distancing.

Visitor sentiment research undertaken by key tourism bodies and associations showed there was significant public appetite (75% of the visitor attraction-going UK public) for seeing distancing measures retained past the removal of legal requirements in mid-July, with 40% stating they would not visit without measures in place. As a result, Tower Bridge retained the majority of its Covid-specific safety measures to the end of the financial year, while carefully increasing capacities in line with positive changes in national data. Feedback illustrated this was instrumental in maintaining confidence and encouraging visitors back to the attraction.

	21/22*	20/21**	19/20	18/19
Visitor numbers to Tower Bridge	261,815	45,127	835,821	862,696
No. of pupils participating in education programme	2,604	1,429	4,344	3,975
Admissions Income	£1,867,911	£320,625	£4,033,965	£4,367,647
Retail Income	£703,458	£147,512	£1,698,765	£1,498,267
Venue Hire Income	£529,502	£10,448	£931,116	£916,478

*Business recovery year following the pandemic – reopened from mid-May 2021 in line with Government restrictions, to reduced capacities and increased safety measures. Onsite school sessions did not recommence until October 2021. Visitor appetite gradually increased throughout the year, although a return to pre-pandemic levels is not predicted by industry bodies until 2023/24.

**Business and operations severely affected by the pandemic. Open for only four months of the financial year in line with Government restrictions and substantially reduced footfall and appetite across the tourism industry after initially reopening in July 2020.

The operational management of Tower Bridge as a working bascule bridge, transport infrastructure and its 24-hour security provision continued throughout 2021/22, including the fulfilment of the Trustee's statutory obligation for raising Tower Bridge for river vessels, and

In terms of quality of experience, the Bridge achieved its record score of 93% for its annual Visit England (VE) assessment, which resulted in contention for the 2021 VE Accolades and the awarding of a subsequent 'Gold Accolade' in October 2021. The Bridge also achieved a Trip Advisor Traveller's Choice Award in 2021 and at the time of writing is ranked on their website as second of all London 'things to do' and 'Visitor Attractions'.

The Learning team at Tower Bridge maintained the Sandford Award for Heritage Education in 2021, receiving highly positive feedback following a period of piloting the return of onsite learning sessions with enhanced safety measures. The Bridge's digital presence was also developed further in 2021/22. After remaining digitally open while physically closed at the outset of the pandemic, its online learning provision and virtual visitor offer proved very popular and were clearly here to stay, including extensive workshops and online resources.

The Bridge also experienced its highest participation levels for specific onsite initiatives over the course of the year, including family activities and 'relaxed early openings', designed to provide an autism-friendly environment.

The venue hire business at Tower Bridge was unable to restart until September 2021 due to Government restrictions after which it experienced a sharp increase in bookings and enquiries. Weddings, receptions, dinners and other celebrations took place in the Bridge's event spaces across the latter half of the financial year, which included the highest number of events facilitated in March 2022 in comparison with any previous year.

the protection of the Bridge and the public. A number of major operational projects were also successfully completed in 2021/22, including a ten-month replacement of the Bridge's hydraulic pipework and components, while it remained operational throughout.



Bridge House Estates' Funding and Philanthropic Activities

Since 1995, BHE's charitable funding arm CBT has distributed surplus income that is not required for the long-term maintenance and support of the five bridges. As London's largest independent funder, CBT provides grants to hundreds of organisations every year, and works collaboratively with other funders and partners to maximise efficiency and extend reach. The funding is used to reduce inequality and grow stronger, more resilient and thriving communities for a London that serves everyone.

The ongoing impact of the pandemic influenced much of CBT's work across the capital. The team worked hard to support London's charitable and social sector with funding and investment, while maintaining a focus on a just and equitable recovery. CBT's Bridge Programme provided additional free support to funded organisations, engaging a network of partners to help with a wide range of support options, including organisational development and governance, fundraising and impact measurement.

Bridging Divides

An interim review of BHE's charitable funding strategy, 'Bridging Divides', delivered through the charity's funding arm, CBT, led to many open funding programmes being updated to better deliver the core policy objectives of the strategy. A new support scheme, 'Transition Funding', was launched to provide interim funding where some programmes remain paused.

Despite the challenges of the pandemic, the charity's overall strategy through CBT remains valid, empowering people and communities across London to reach their full potential by:

- tackling disadvantage and exclusion
- reducing inequalities and marginalisation
- fostering more resilient and thriving communities.

CBT aims to support communities in using their assets to tackle the root causes of, and mitigate the impact of, disadvantage, exclusion, inequality, and marginalisation. Following two years of disruption, CBT is not returning to 'business as usual' but is undergoing a process of learning and adaption.

As well as grant-making, CBT offers robust, non-financial support for funded organisations via the Bridge Programme. This connects CBT-funded organisations with a range of free support, making use of the non-financial resources of BHE and the City Corporation, encompassing assets such as expertise, networks, venues and training. The initiative aims to enhance organisations' capacity, resilience and long-term sustainability, and is supported by partners Rocket Science, Locality and Cranfield Trust.

CBT is also proactive in seeking additional opportunities to support sustained, positive change across the capital, by making the most of resources, influence, networks, skills and assets.

Diversity, Equity and Inclusion

CBT is committed to being truly inclusive and anti-racist with a robust and progressive Diversity, Equity and Inclusion (DEI) programme. There is a power imbalance inherent in grant-making structures and practices and CBT is working hard to redress this, guided by a dedicated DEI working group. This is with the understanding that a greater diversity of views, skills and lived experience will help generate better ideas and better decision making.

CBT strives for equal opportunities and outcomes for those supported by its work, taking into account different backgrounds, cultures, race and abilities. The team actively seek out the opinions and experiences of under-represented people and communities to inform our services and aim to fund more organisations led by people with lived experience.

CBT is actively working on delivering a DEI Action Plan, which incorporates a Race Action Plan.

Alliance Partnerships

CBT values the benefits of working in alliance with other funders. By collaborating with other organisations CBT increases the reach and impact of its grant-making. Notable examples from this year include:

The Rise Fund: CBT provided £500k over two years to Rosa, a grant-making charity that funds grassroots women's organisations and works to make the UK a fairer, safer place for women and girls. The Rise Fund invests in the future of Black and minoritised-led women's and girls' organisations, providing grants to strengthen the sector.

Civil Society Roots 3: A collaboration with the Greater London Authority (GLA). CBT contributed £720k. The GLA is coordinating the distribution of grants across 10 London boroughs. Funding is for groups that are led by and for communities impacted by structural inequalities, with the aim of strengthening networks, capacity and voice.

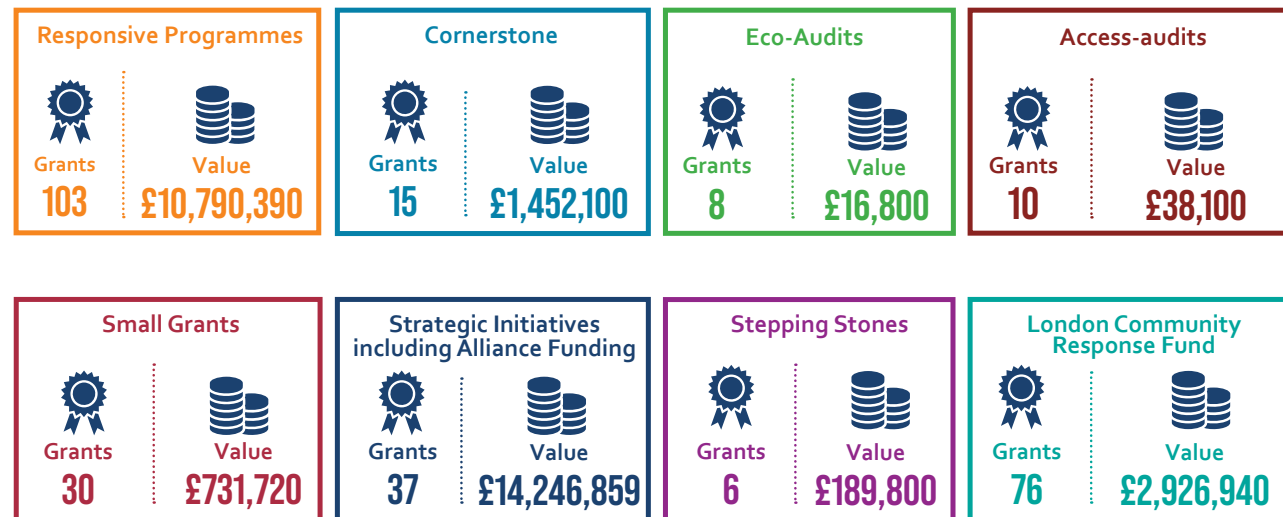
Trust for London (TFL): CBT provided £2m to TFL's Racial Justice Fund, which aims to tackle racial injustice by increasing economic empowerment among London's Black and minoritised communities.

CBT also provided £1.5m to TFL's Disability Justice Fund which will supply grants to strengthen the disability movement in London by supporting organisations led by Deaf and Disabled people, enabling growth in effectiveness, power, and influence.

City Bridge Trust Charitable Funding

FINANCIAL YEAR 2021/22

BRIDGING DIVIDES



In 2021/22, Strategic Initiatives grants included six Alliance Funding awards, totalling £6,239,999



Strategic Initiatives

In addition to its responsive grant-making, each year CBT also funds Strategic Initiatives which enhance London's voluntary and community sector. These include:

A contribution of £485k towards LocalMotion. This collaboration of six funders, including CBT, will use their collective resources, experience and strengths to support local communities, working with local partners to address specific social, environmental and economic priorities.

A grant of £37k to Spectra, providing initial funding for the development of a Trans Learning Partnership. This trans and non-binary research and development programme will share knowledge, experience and good practice to directly improve lives.

A grant of £35k towards the access costs of people with disabilities taking part in TFL's Commission on Social Security, which is exploring ways of improving the social security system.

Stronger Voices

As part of CBT's focus on equity, support is made available to those that need it most. For example, CBT is funding a training programme designed to strengthen the voices of London-based equality organisations. This will help them effectively advocate for their beneficiaries and causes, driving through positive change for the capital's marginalised and vulnerable groups.

This Stronger Voices project is being led by Media Trust, backed with CBT funding of £223k over three years. The programme provides six months of free training, specifically designed for the voluntary sector. The aim is to empower people with lived experience to share their stories, and to level the playing field.

Grant-making policy

The Trustee has established BHE's grant-making policy to achieve the charity's ancillary purpose, as laid out on page 5, for the public benefit. In the name of CBT, its charitable funding arm, BHE considers and funds a large number of organisations and makes awards through a wide programme of funding schemes. The majority of grant commitments are usually for revenue expenditure, awarded over 2–5 years.

All applications are assessed via a robust process to ensure that proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity's criteria. Approved grantees are required to report annually on the impact of their work. Information is collected in a uniform and

systematic way, enabling analysis and feedback to take place. The results of monitoring reports are used to assess the overall effectiveness of grant-making, along with a commissioned grantee perception survey providing benchmarking and performance data.

Details of how to apply for grants are available on the CBT website – www.citybridgetrust.org.uk

Social Investment

CBT isn't just a grant funder. It also invests, providing loans where a well-defined and measurable social benefit can be achieved within the term of the investment.

As an example, during the year the drawdown against the £320k investment in social enterprise Micro Rainbow was used to support its aims to provide safe shelter for LGBTQI-asylum seekers and refugees in London. Such investment builds on CBT's vision for an equitable London, a city where people from every background can access the opportunities and support they need, and where all individuals and communities can thrive.

Impact and Learning

CBT has a dedicated Impact and Learning team. Their task is to continue boosting a culture of learning (externally and internally), enhance data collection, enable impact measurement and catalyse sector feedback. By making better use of evidence the team improves CBT's work and impact, increasingly ensuring this data benefits sector partners.

Processes have been put in place to enable funded organisations to help improve CBT's work. The Team analyse and act on insights gathered through feedback, case studies and learning visits. Further information is gathered from an online service called GrantAdvisor UK, which allows grant-seekers to submit free, anonymous reviews of grant-makers.

Research began in 2021 to examine how disabled people experience hybrid working. The research - in collaboration with The Work Foundation (part of Lancaster University) will also examine how hybrid working could support job entry, return-to-work and job retention, creating policy recommendations.

As the capital recovers from the past two years, CBT remains committed to working in accordance with its PACIER values (Progressive, Adaptable, Collaborative, Inclusive, Environmentally Responsible and Representative) – and with its partners to catalyse a London where people from every background can access the same opportunities and support; where all have a chance to thrive.



BHE Investments

The Investment Strategy Statement (ISS) held by BHE provides the framework for managing the charity's investment portfolio and incorporates the strategic objectives approved within the overarching strategy for BHE, *Bridging London 2020 – 2045*. This reflects the radical Climate Action Strategy adopted in 2020 by the City Corporation for both the organisation itself and as Trustee for BHE.

The purpose of the ISS is to ensure that the charity maintains consistent funding for its primary purpose, meeting the needs of the five Thames Bridges, with surplus investment income being appropriately managed to support the ancillary purpose in line with BHE's latest approved charitable funding strategy, delivered in the name of CBT. The ISS covers the investment of the charity's permanent endowment fund – both now and in the future - and unrestricted income fund, and encompasses property, financial and social investments.

Investment policy

The charity's investments are invested in accordance with the powers set out in an Order of the Charity Commission dated 20 July 1998, the Trustee Act 1925, the Trustee Act 2000 and within its Investment Strategy Statement (ISS). The Order, in addition to its other powers, enables the Trustee to invest the property of the charity either:

- in the acquisition of any securities or property (real or personal) of any sort; or
- on deposit or loan whether in the UK or elsewhere.

The charity defines investment risk principally as the danger of failing to meet its primary purpose. As an endowed charity, the Trustee has a duty, when investing the permanent endowment, to balance capital growth and income return to meet the charity's purposes now and in the future. To achieve this, the real value of the permanent endowment is required to be preserved, after providing for annual expenditure, alongside consideration of required levels of income generation. Due to the in-perpetuity nature of the objects and size of the charity's funds, the charity can take a more longer-term view and tolerate a reasonable level of short-term volatility to the value of the endowment fund as an investment opportunity rather than as a threat. The long-term investment objectives of the portfolio are currently to:

- a. Apply a targeted income return of CPI +4% to the financial investment funds held.
- b. Outperform the MSCI Benchmark (Greater London Properties) for total return on an annualised 5-year basis, for the property investment funds held.
- c. Apply a minimum targeted income return of CPI to the Social Investment Fund.

The Trustee is committed to being a responsible investor of the charity's funds and the long-term steward of the assets in which it chooses to invest those funds. It expects this approach to protect and enhance the value of the charity's assets over the long term. The Trustee is aware that the charity's mission or its credibility may be

undermined if it invests in businesses whose activities undermine the charity's values and charitable purposes. The Trustee recognises it is consistent with its fiduciary duties and duty in investing charity property to manage Environmental, Social and Governance (ESG) issues that may be financially material. As a long-term investor, BHE recognises that it should manage ESG risks that can be both long-term and short-term in nature. In addition, the Trustee seeks to identify investment opportunities for BHE aligned with the charity's long-term purposes. As a signatory to the Principles for Responsible Investment (PRI), the Trustee has also agreed to incorporate the six core principles of PRI into the charity's investment analysis and decision-making processes. The Trustee is also committed to align the charity's financial investment portfolio with the goals of the Paris Agreement on climate change (2015). It is further committed to being net zero across BHE's full value chain, working closely with other aspects of the City Corporation's business to deliver the joint Climate Action Strategy adopted for BHE as Trustee and by the City Corporation for itself, with a deadline of net zero by 2040.

The performance of the charity's investments during the year is discussed on pages 19 - 20 and set out in Notes 13 - 15.

Property Investments

BHE has a property investment portfolio comprising of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents the permanent endowment funds of the charity. There are now 66 assets (2020/21: 65 assets) within the portfolio of which around 50% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio but are valued externally.

The underlying value of the property portfolio, as disclosed in the balance sheet, increased by £45.3m (5.3%) to £888.1m at 31 March 2022. The objectives for this portfolio, as stated within the ISS, are to maximise rental income and to outperform the MSCI Benchmark (Greater London Properties including owner occupied) total return on an annualised 5-year basis. The portfolio outperformed the MSCI Benchmark across all reported periods. The performance of the property portfolio is depicted in the table below:

	31 March 2022	31 March 2021
Capital Value*	£888.1m	£843.8m
Gross Rental Income **	£26.2m	£27.0m
5-year annualised Total Return	8.6%	10.2%
Benchmark 5-year annualised Total Return	6.3%	4.3%
MSCI Universe (All UK Property) 5-year annualised Total Return	2.1%	3.1%

* Inclusive of lease smoothing adjustment

** Inclusive of service charge income

Review of activities from 2021/22:

- Increased investment in industrial sector with purchase of DNL House, Walthamstow (£13.8m) with passing rent of £430k per annum and estimated rental value of £582k per annum
- Maximised the price of £19.5m achieved from the sale of 64 & 65 London Wall EC2 (ahead of valuation of £17.5m)
- Regear of Millennium Bridge House ground lease to allow major refurbishment with phased premium of £12m (£5m received to date)
- Agreement for lease exchanged with Fashion Retail Academy for pre-let at 84 Moorgate for total rent of £2.8m per annum after expiry of rent-free period
- Progressed major refurbishments at 120 Cannon Street, 30 New Bridge Street, 23 Finsbury Circus and 74 Moorgate & 84 Moorgate, all targeting Energy Performance Certificate (EPC) ratings of a minimum of B and BREEAM sustainability ratings of Excellent, while reducing carbon emissions.

Financial Investments

The BHE financial investment portfolio primarily represents the unrestricted income funds of the charity, although currently around a fifth of the portfolio forms part of the permanent endowment fund. The aim of the portfolio, as set out in the Investment Policy on [page 16](#), is to seek an absolute return over the long term to provide for increases in annual expenditure whilst preserving its capital base in real terms, which is currently set at CPI + 4%.

To achieve its objective, the portfolio is invested across a diverse array of asset classes, on a global basis, which includes exposure to publicly listed equities, fixed income,

multi-asset funds, infrastructure and private equity. The charity primarily accesses these asset classes through pooled fund vehicles, each managed by specialist appointed fund managers. Twenty percent of the portfolio is managed on a segregated account basis by Ruffer LLP.

The performance of the financial investment portfolio is shown in the table below:

	31 March 2022	31 March 2021
Financial Investments Portfolio Value*	£879.5m	£834.0m
One Year Total Return	6.6%	26.5%
Absolute Return Target	11.0%	4.7%
Asset Allocation Benchmark	11.4%	18.4%

* The Portfolio Value includes £879.5m long term investments (£843.0m as at 31 March 2021) plus £8.5m short term investments with fund managers (£9.1m as at 31 March 2021).

Financial markets started the year to 31 March 2022 positively as economies reopened and a strong recovery in corporate earnings supported momentum in equity returns. However, by the middle of the year market volatility had increased as supply chain challenges constrained the recovery, exerting inflationary pressures and prompting fears of an economic slowdown. After a brief resurgence at the end of 2021, Markets contracted in the final three months to March both as a result of Russia's invasion of Ukraine (which led to a further increase in commodities prices) and due to changes in monetary policy conditions, as central banks acted to combat inflation.

It is very difficult for the portfolio to outpace high inflation over the short term and under these challenging investment conditions, the charity's financial investments generated an annual return of 6.6% in the year to 31 March 2022. Although this trailed the charity's absolute return target (11.0%) and asset allocation benchmark (11.4%) for the year, this followed a year of strong outperformance in 2020/21 and it should be noted that the charity aims to meet its investment targets over the long term, where performance continues to be positive.

Social Investments

BHE holds £8.6m (2020/21: £9.1m) of unrestricted income funds as social investments. The activities and performance of the social investment fund is stated on [page 16](#) alongside the section on BHE's philanthropic and funding activities.

Plans for future periods

BHE has always existed, and continues to exist, for the benefit of London, and is anchored by the needs of London's communities. BHE's role continues to be more important than ever in bridging and connecting London – both physically via its five bridges, and through supporting causes at the heart of London's communities that help bridge divides in society. The grant of the Supplemental Royal Charter will provide the opportunity to enhance the governance of the charity ensuring that BHE is a modern and progressive charity that can continue to respond to the issues of today. The changes that the new charter will bring includes:

- greater flexibility in the application of BHE's funds, with suitable safeguards to protect the primary object to maintain and support needed for the five Bridges
- provision of more modern and flexible powers in relation to the administration of BHE and
- greater clarity around the operation of the Trustee's existing powers and embedding of the principles of modern, good governance in the charity's governing document.

The vision for the next year across the activities of the charity includes:

The Bridges: A major focus over the coming year continues to be the Blackfriars Bridge refurbishment project, with Southwark Bridge also seeing major works, with the waterproofing of approach structures on both sides of the Bridge. The Team will continue to work closely with the Tideway Tunnel Team and in enhancing bridge security. Discussions are ongoing with Transport for London regarding traffic access constraints on London Bridge, and concerns regarding the potential damage to Tower Bridge arising from increased contraventions of the weight restrictions for heavy goods vehicles.

Tower Bridge Tourism: The continued recovery of the Bridge's tourism, events business and education provision will remain a priority, allied to adaptive and responsive operational and strategic marketing models. Current business support facilities will be reviewed with the potential procurement and implementation of a new ticketing, bookings, point of sale and back of house system. The journey towards official 'Green Tourism' accreditation will be commenced, in support of BHE's strategic focus on sustainability.

Activities of City Bridge Trust: CBT will apply learning from the last two years to set out a clear, accessible funding offer that supports communities to use their assets to tackle the root causes of, and mitigate the

impact of, disadvantage, exclusion, inequality, and marginalisation. By collaborating with other funders, CBT will increase reach and maximise use of resources. A new website for BHE will increase engagement, transform the user experience and enable more audiences to access funding and support. With Covid restrictions lifting, face-to-face learning visits with funded organisations will restart. In April 2022 CBT held its first Networking and Learning Day - enabling a wide range of funded organisations to come together and share their stories and experiences with one another.

Investments: A detailed review of the current ISS is planned for 2022/23, considering the future management of the charity's investment portfolio and the approach to be taken on matters such as impactful investing. The intention is for a revised policy to be adopted ahead of the 2023/24 financial year. Plans for the specific investment areas during 2022/23 include:

Property Investments: major office refurbishments which continue at 120 Cannon Street and 30 New Bridge Street are targeting EPC ratings of B and BREEAM ratings of Excellent for sustainability and a consultant will be appointed to advise on achieving EPC ratings of B by 2030 and net zero carbon by 2040 across the portfolio. The impacts of high inflation on these and other projects will require management, with funds raised by re-gearing the ground lease at Adelaide House (EC4) and Salisbury House (EC2) potentially being redirected to address escalating costs.

Financial Investments: the BHE Board will continue to manage the charity's financial investment portfolio in line with the overall objectives, awaiting changes that may arise from the review of the ISS. Throughout 2022/23 it will monitor the performance of the financial investments, ensuring that asset allocation remains appropriate and managing the performance of appointed investment managers.



Millennium Bridge © Emmanuel Cole



The Heart n Soul project in Deptford, enabling young people to learn new skills, make new music and art. Funded by City Bridge Trust

FINANCIAL REVIEW

Overview of financial performance

Over the year, the charity continued to focus on managing the impacts of the pandemic. This included the reopening of Tower Bridge as a visitor attraction in May 2021, keeping on track with our bridge maintenance programme and reviewing our funding programmes to meet the needs of Londoners. Economic factors, such as increasing inflation rates, low interest rate levels and the impacts of the Government's plans to address the pandemic, continued to cause uncertainties for the cost of various projects, the Tower Bridge visitor operations and the ability of our investments to raise sufficient income to undertake plans. The prudent management of unrestricted income funds has ensured that the charity has sufficient funds available to meet its primary objective - the support and maintenance of its five Thames bridges - alongside its ancillary purpose of charitable funding for the general benefit of the inhabitants of Greater London.

Income

Total income for 2021/22 was £34.1m, a reduction of £13.3m on the previous year (£47.4m). 2020/21's total income benefited from restricted grant income of £15.0m received towards the London Community Response Fund.

Following the lifting of pandemic-related restrictions, Tower Bridge tourism experienced a steady recovery in income. The income derived from visitor admissions, retail and events at Tower Bridge increased to £3.1m from the previous year's £0.5m. March 2022 enjoyed a boost in visitor admissions which had an impact on the full year results.

Investment income, made up of rental and other related income from the property portfolio and income from the financial investment holdings of the charity, totalled £30.4m, the same as was achieved in the previous year. Within this total, income received from financial investments increased due to the impacts of the reopening of economies at the beginning of the financial year alongside improved returns on private equity funds however there was a decrease in property rental income. The charity continued to support its tenants with offers such as rent-free periods, plus due to delayed completion of property refurbishment projects, alongside some tenants exercising lease breaks, void periods with no rental income increases.

The remainder of the charity's investment income comes from interest earned from monies placed on

treasury deposits and social investments held, at £0.3m (2020/21: £0.9m). The reduction in interest income reflects lower returns available in the money markets, alongside there being net repayments made within social investments held.

Other income in 2020/21 included £0.8m in claims under the Government's Coronavirus Job Retention Scheme (CJRS) for staff who were furloughed due to the Covid-19 pandemic. With the phasing out of the CJRS, the amount receivable for 2021/22 totalled £0.2m.

Expenditure

Total expenditure for 2021/22 was £66.6m, a reduction of £23.0m on the previous year.

Expenditure on charitable activities comprises spend for supporting and maintaining the bridges, the operational costs of Tower Bridge as both a working bridge and a visitor attraction, and the charitable funding activities undertaken by BHE in the name of City Bridge Trust (CBT). In 2021/22, expenditure on charitable activities reduced to £49.0m from the previous year's £72.3m. There was an increase in spend supporting and maintaining the bridges with the commencement of the Blackfriars Bridge refurbishment project and other cyclical improvement works for all five bridges. An increase in Tower Bridge tourism spend reflected the increased visitor numbers following the lifting of pandemic-related restrictions. The overall reduction in charitable activities expenditure was attributable to the decrease in funding activities compared to the record high of commitments made in the previous year, which included grants awarded under the London Community Response Fund (LCRF) programme. A pause in grant-making, whilst an interim review of the Bridging Divides programme took place, led to this position.

In contrast to the above, expenditure on raising funds increased to £15.3m (2020/21: £15.0m). The increase was driven by fees relating to the management of the charity's financial investments, with these being based on the market value of assets under management which increased over the year. However, property investment expenditure reduced, following an improvement in the collection of rent arrears, with the release of £0.6m of bad debt provision previously provided.

Overall performance

The above-mentioned activities for the year resulted in an overall deficit of £32.5m (2020/21: £42.2m), prior to movements on investments held. Total gains of £104.5m were reported as at 31 March 2022, compared to £155.5m for the previous year. Financial investments

followed on from the previous year's record result with another strong performance with gains of £62.4m. There was a net gain on property investments of £42.3m as the property market experienced a significant improvement compared to the Covid-19 depressed property market as at March 2021. Further details on the performance of investments is stated on pages 19 - 20.

There was an unrealised loss of £0.2m on the social investment fund (2020/21: gain of £0.2m).

Funds held

Total funds held by the charity as at 31 March 2022, increased by £77.0m, representing 4.7%, to £1,720.2m (2021: £1,643.2m). Within total funds, £1,030.1m represent the permanent endowment funds which are held in perpetuity to generate income for the future activities of the charity. All income arising from the endowment fund is accounted for within unrestricted funds. Such income enables the charity to meet its primary purpose of maintaining and supporting the five river bridges across the Thames, with the remaining surplus income available to undertake the activities of CBT.

Restricted funds held as at year-end amounted to £0.5m (2021: £3.8m). Details of these are stated on page 55.

The unrestricted income funds of the charity include both the general fund (free reserves) and a number of designated funds. As at 31 March 2022, these funds totalled £689.6m (2021: £659.9m) being net of £25.0m held to cover the pension deficit (2021: £27.7m).

From the charity's unrestricted income funds, it has set aside or designated funds for specific purposes. At year-end, these designated funds totalled £494.8m (2021: £445.6m). To ensure the charity can meet future maintenance costs of its five bridges, £17.1m was transferred into the bridges repair fund increasing the total held at year-end to £56.2m (2021: £48.1m). This increase reflects the major project underway on Blackfriars Bridge, alongside the need to provide for inflationary pressures. A further £22.5m was transferred into the bridges replacement fund, giving a total of £191.2m (2021: £168.7m) held as at year-end to fund future rebuild costs. The balance on the grant-making fund at year-end was £210.3m (2021: £206.9m), a decrease of £3.4m.

During the year, the charity established a new designated fund to enable the charity to further progress and potentially accelerate delivery of its Climate Action Strategy (CAS). £15.0m was transferred into this fund.

Details of all funds held, including their purposes, is set out within Note 21 to the financial statements.

Reserves policy

The permanent endowment funds are held in perpetuity. It is the Trustee's policy to invest the assets of the charity held within this fund to retain the real value of the endowment, while also generating sufficient returns to fund the charity's primary purpose to maintain and support its five river bridges, whilst preserving both the 'real' value of the asset base and the purchasing power of the sums available for annual expenditure over the long term.

Any income surplus to that required to be applied to the charity's primary purpose is predominantly used to provide assistance in the form of grants to charitable organisations across Greater London. The level of funds available for charitable funding is monitored and adjusted to ensure compliance with the policy to preserve the 'real' value of the asset base.

The free reserves of the charity are held to cover working capital needs and a provision for unplanned urgent activities. The Trustee believes that an amount of £35m should be held for these purposes, although has approved that an additional amount of up to £55m (giving a total of £90m) should be held due to the uncertain economic conditions with high inflation and managing the aftereffects of Covid-19 pandemic. This amount is subject to at least annual review.

The charity is considering, within its governance review, adopting a total return basis for its permanent endowment fund – with this power being within the new Supplemental Royal Charter. With this approach, the charity's Trustee decides each year how much of the total return within the endowment fund can be released to income for spending against the objectives and how much is retained for investment.

Reserve levels held as at 31 March 2022 are set out in Note 21. The charity holds free reserves of £194.8m (2021: £214.3m). Amounts held are £104.8m above the current revised policy, following a strong performance during the year by the investments in which the unrestricted income funds are held. The Trustee remains cautious of the impacts of the uncertain economic climate on its investment portfolio, noting the potential risk of future realised losses and increase in property construction costs and continues to review the level of reserves held.

Remuneration policy

The charity's senior staff are employees of the City Corporation and, alongside all staff, pay is reviewed annually. These expenses incurred by the Trustee in administering the charity are re-charged to BHE. The City Corporation is committed to attracting, recruiting and

retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of bonuses and recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within Note 11 to the financial statements.

Senior staff posts of the charity are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established by the City Corporation to actively promote equality, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan. This also includes addressing the City Corporation's gender pay gap.

Fundraising

Section 162(1)(a) of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Although the charity does not undertake widespread fundraising activities, any such amounts receivable are presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is undertaken by the CBT team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2020/21: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities, including those designed to protect vulnerable people.

Principal risks and uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed and adopted by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks
Structural damage to Bridges Major structural damage to one of the bridges may cause it to become non-operational.	The City Surveyor’s Department and Department of the Environment within the City Corporation work together (for the charity and in the discharge of the City Corporation’s separate statutory and regulatory functions), alongside other bodies and stakeholders, to manage ongoing actions associated with this risk which includes potential structural damage as a result of issues such as a substantial vessel strike or through acts of terrorism. Possible impacts from the Thames Tideway tunnelling continue to be monitored. A 50-year maintenance plan is in place to manage on-going works.
Reputation Management A range of incidents both within and outside the direct control of the Trustee, may adversely impact upon the charity’s operations, activities, and reputation. Ineffective delivery of responses to actual and/or potential events that damage the charity’s reputation.	Operate a proactive strategic communications approach that positively promotes the BHE brand and the whole range of the charity’s activities. Regularly review the Principal Risks register and current/future issues that could potentially expose the charity to adverse comment and initiate appropriate responses. When appropriate initiate the charity communications crisis response arrangements ensuring effective communication to both internal and external stakeholders and other relevant media channels.
Unsustainable financial position to meet objects Insufficient returns from investment activities are available to meet the charity’s purposes, strategies and objectives. Continued high inflation leading to increased costs and hence additional demand from income.	Monitor investments held against the ‘transitional’ Investment Strategy. Implement a new Investment Strategy and regularly review to ensure that the investments are suitable and appropriately diverse (i.e. appropriate levels of asset allocation between asset types and within funds held by the charity). Continuation of ongoing financial scenario planning, with focus on ensuring sufficient liquidity is in place.
Failure to deliver BHE’s strategy and organisational change Lack of support for BHE’s strategic vision; insufficient capacity and resources to deliver strategy; poor communication/ collaboration within and between teams; lack of cohesive business plan to deliver strategic aims; lack of engagement from CoLC in implementing strategic decisions for organisational change within the CoLC as they affect BHE.	Deliver a detailed implementation plan for the charity’s overarching strategy, Bridging London, and embed an appropriate strategic framework for Policies and plans are in place which support the delivery of the Strategy. Effective planning and implementation of a change management programme for the charity. Align BHE changes within the City Corporation’s Target Operating Model process in accordance with the charity’s best interests.

Risk	Actions to manage risks
Safeguarding Safeguarding requirements not embedded into all of the charity’s activities, including lack of regular and effective safeguarding training for the Board and for all relevant staff; insufficient monitoring of safeguarding issues across operational delivery of strategies furthering the primary and ancillary objects.	Develop and embed a new bespoke Safeguarding Policy for the charity across all its activities and deliver ongoing general training to staff and the BHE Board in adopting the policy. Deliver further tailored/ specific training to teams within the charity to effectively monitor and manage safeguarding risks in their area of work.

Going concern

The financial statements of BHE have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity’s ability to continue as a going concern. In making this assessment, the Trustee has considered the potential ongoing impact of the Covid-19 pandemic and the current high inflationary pressures on the value of investment assets held, future income levels, expenditure requirements and the liquidity of the charity over the next 12-month period. The Trustee is satisfied that the charity could absorb significant changes in investment value with no impact on its ability to continue as a going concern. The charity’s funds grew by £77m in the year to 31 March 2022, with funds available in liquid assets to meet any cash needs as they fall due.

Financial projections have been considered over the short-term, being a 3-year period, with the assumption that income levels will initially continue to be below normal expectations. Financial investments held have

generated gains which have exceeded previous forecasts although this is not a guaranteed portrayal of future performance, with the early months of 2022/23 showing a decline in valuation. The primary purpose of the charity is to meet the needs of the charity’s five Thames bridges, ensuring that adequate funds have been set aside to cover both their short and long-term needs. The Trustee continues to be satisfied that it will have the necessary resources to meet these needs, with sufficient funds available as at 31 March 2022 to make the necessary transfers to designated funds for these purposes, based on current requirements. The ancillary purpose of BHE is undertaken only where surplus income is available after responsibilities relating to the Bridges have been met, as stated on page 5, and the charity continues to be able to fund both its responsibilities for the Bridges and its ancillary purpose. However, should it be required, this method of operation provides flexibility to the charity when approving future plans. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

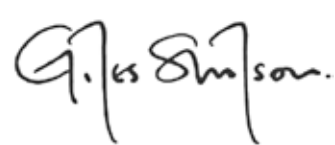
The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The Trustee is 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.



Dr Giles Shilson
Chairman of BHE Board

Guildhall, London



Paul Martinelli
Deputy Chairman of BHE Board

30 January 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF BRIDGE HOUSE ESTATES

Opinion

We have audited the financial statements of Bridge House Estates ('the charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustee’s report; or
- sufficient and proper accounting records have not been kept by the charity; 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 trustee’s responsibilities statement set out on page 28, the trustee is 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 trustee 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 trustee is 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 trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditor’s 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor’s report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and

regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, the valuation of financial investments and investment properties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates including those specific to the investment valuations for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity’s trustee 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 charity’s trustee those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity’s trustee for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor
London, UK

31 January 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2022

BALANCE SHEET

As at 31 March 2022

	Notes	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	2021/22 Total Funds £m	2020/21 Total Funds £m
Income and Endowments from:						
Voluntary income	2	—	0.2	—	0.2	15.4
Charitable activities	3	3.1	—	—	3.1	0.5
Investments	4	30.4	—	—	30.4	30.4
Other income	5	0.4	—	—	0.4	1.1
Total Income		33.9	0.2	—	34.1	47.4
Expenditure on:						
Raising funds	6	14.9	—	0.4	15.3	15.0
Charitable activities						
Repair and maintenance of bridges		9.8	—	—	9.8	9.4
Tower Bridge tourism		4.7	—	—	4.7	4.3
Charitable funding		31.0	3.5	—	34.5	58.6
Total charitable activities	7	45.5	3.5	—	49.0	72.3
Other						
Net pension scheme costs	19	2.3	—	—	2.3	2.3
Total Expenditure		62.7	3.5	0.4	66.6	89.6
Net (expenditure) before gains/(losses) on investments		(28.8)	(3.3)	(0.4)	(32.5)	(42.2)
Net gains/(losses) on property investments	13	—	—	42.3	42.3	(23.4)
Net gains on financial investments	14	53.7	—	8.7	62.4	178.7
Net (losses)/gains on social investments	15	(0.2)	—	—	(0.2)	0.2
Total gains on Investments		53.5	—	51.0	104.5	155.5
Net income/(expenditure) after gains/(losses) on investments		24.7	(3.3)	50.6	72.0	113.3
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension scheme	19	5.0	—	—	5.0	(6.5)
Net movement in funds		29.7	(3.3)	50.6	77.0	106.8
Reconciliation of funds:						
Fund balances brought forward at 1 April 2021		660.0	3.8	979.5	1,643.2	1,536.4
Total funds carried forward	21	689.7	0.5	1,030.1	1,720.2	1,643.2

All of the above results are derived from continuing activities.
There were no other recognised gains and losses other than those shown above.
The notes on pages 35 to 59 form part of these financial statements.

	Notes	2022 Total £m	2021 Total £m
Fixed assets:			
Tangible assets	12	3.1	3.1
Investment properties	13	888.1	843.8
Financial investments	14	879.5	834.0
Social investment fund	15	8.6	9.1
Total fixed assets		1,779.3	1,690.0
Current assets			
Stock		0.2	0.3
Debtors	16	11.3	11.7
Short term investments and deposits	14	26.9	38.0
Cash at bank and in hand		4.1	4.5
Total current assets		42.5	54.5
Creditors: Amounts falling due within one year	17	(47.4)	(44.8)
Net current (liabilities)/assets		(4.9)	9.7
Total assets less current liabilities		1,774.4	1,699.7
Creditors: Amounts falling due after more than one year	18	(29.2)	(28.8)
Net assets excluding pension scheme liability		1,745.2	1,670.9
Defined benefit pension scheme liability	19	(25.0)	(27.7)
Total net assets	20	1,720.2	1,643.2
The funds of the charity:			
Permanent endowment funds		1,030.1	979.5
Restricted funds		0.5	3.8
Designated funds		494.8	445.6
General funds		194.8	214.3
Total funds	21	1,720.2	1,643.2

The notes on pages 35 to 59 form part of these financial statements

Approved and signed on behalf of the Trustee

Chamberlain of London and Chief Financial Officer
30 January 2023

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Notes	2021/22 Total £m	2020/21 Restated Total £m
Cash flows from operating activities:			
Net cash (used in) operating activities	22	(56.7)	(68.1)
Cash flows from investing activities:			
Dividends, interests and rents from investments		30.0	30.2
Additions to short term deposits		(58.2)	(84.9)
Proceeds from sale of short term deposits		69.3	96.3
Sale of investment property		24.7	14.3
Purchase of property		(26.7)	(26.6)
Additions to Social Investments		(1.0)	(0.6)
Social Investments repayments		1.3	4.3
Additions to financial investments		(136.1)	(60.5)
Proceeds from sale of financial investments		153.0	92.4
Net cash provided by investing activities		56.3	64.9
(Decrease) in cash in the year		(0.4)	(3.2)
Change in cash and cash equivalents in the reporting period		(0.4)	(3.2)
Cash and cash equivalents at the beginning of the reporting period		4.5	7.7
Cash and cash equivalents at the end of the year	23	4.1	4.5

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

a. Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified for the revaluation of investment property and financial investments measured at fair value, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

The City Corporation is Trustee of the charity, with officers of the City Corporation providing administrative services for both the charity and other Funds for which it is responsible. All assets, liabilities, income and costs are accounted for by the charity individually. Where required, costs are apportioned based on actual activity of the charity. Please see Note 1 (c) (vi) below for further explanation.

The Financial Statements are presented in sterling which is the functional currency of the charity.

b. Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. A rolling annual review of the charity's forecast financial position over a five-year period is carried out to confirm that sufficient income funds will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding.

In making this assessment, the Trustee has considered the potential ongoing impact of the Covid-19 pandemic

and the current high inflationary pressures on the value of investment assets held, future income levels, expenditure requirements and the liquidity of the charity over the 12-month period from the date of the signed accounts. Financial projections have been considered over the short-term assuming that income levels will continue to be below former expectations, with some of the investments held unlikely to generate gains in line with previous financial years results. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both the short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. For this reason, and as set out in the Trustee's report above on page 28 the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

c. Critical accounting judgements and assumptions

Key accounting judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the significant judgements that have been made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

i. Valuation of investment properties

Investment properties are properties ultimately owned by the charity and are held for capital appreciation, rental income, or both. They are valued at each balance sheet date at fair value as determined by professionally qualified internal and external valuers.

Valuations are calculated, in accordance with "RICS Valuation – Global Standards 2020" together with the UK National Supplement (the "RICS Red Book") current edition at valuation date. The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security of income.

Where lease premia or costs relating to rent free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

The outbreak of Covid-19, declared by the World Health Organisation as a global pandemic on 11 March 2020, continues to impact on the global economy. Property markets are functioning again, with adequate transaction volumes providing market evidence upon which to base opinions of value. Accordingly, valuations are not reported as being subject to 'material valuation uncertainty' as defined by the RICS Red Book Global, which contains mandatory rules, best practice guidance and related commentary for all RICS members undertaking asset valuations.

In considering the specific portfolio of 66 assets which the charity holds, the valuers have not identified any assumptions that provide a material impact on a single or sub-group of those assets which were specifically sensitive to the impacts of the pandemic and which were relevant to the judgments applied as at 31 March 2022.

ii. Investment property disposals

When accounting for the disposal of long leaseholds of investment properties, the charity utilises the methodology as set out within the RICS Professional Standards ("the Red Book") in apportioning values between land and buildings. This includes a number of factors such as insurance values and future construction costs, which are subject to judgement.

iii. Valuation of financial investments

Within financial investments are amounts invested in private equity fund vehicles. These funds are valued by the fund managers based on a number of assumptions, some of which are based on non-observable inputs (such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples).

iv. Valuation of social investments

Unquoted social investments are in some cases internally valued, and management is required to make certain judgemental assumptions. Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

v. Defined benefit pension scheme

The charity has an obligation to pay pension benefits to those working for it. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See Note 19 for the disclosures relating to the defined benefit pension scheme, alongside further detail on the sensitivity of assumptions made.

The Pension Fund is the responsibility of the City Corporation as a corporate body exercising its functions including as Trustee of BHE, and the charity does not have an exclusive relationship with the City of London Pension Fund. Although the proportion of the Pension Fund that relates to City Corporation employee members engaged on BHE activities is not separately identifiable, *an estimated share* of the total Pension Fund net deficit has been allocated to BHE based on employer's pension contributions paid into the Fund by BHE as a proportion of total employer's contributions paid.

vi. Allocation of support costs

Support costs, incurred by the City Corporation on behalf of the charity, are allocated on a cost recovery basis to the charity. Human resources and digital services are apportioned on headcount basis. Legal support and public relations are allocated per usage, premises costs are allocated on space occupied basis, accounting services costs are allocated on the basis of time spent and number of invoices processed with committee administration costs allocated on the basis of the number of committees overseeing the charity's activities.

d. Income and expenditure

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income; it is probable that the economic benefit associated with the transaction will come to the charity and the amount can be measured reliably. Income consists of fees and charges from the tourism operation at Tower Bridge, grants income, income from property (see policy g below) and financial investments and income on money market deposits held.

Grant income - Grant income is accounted for on a receivable basis when there is evidence of entitlement to the grant, receipt is probable, and the amount of the grant can be measured reliably.

Tower Bridge tourism fees and charges - Income included under this heading includes admissions fees, events income, retail and filming fees, all of which are recognised in the period to which the income relates.

Investment property income - Income is recognised on an accrual basis and on a straight-line basis (Note (1) (g)).

Financial investments income – consists of dividend and interest which are recognised when receivable.

Other income - is recognised in the period in which the charity becomes entitled to receipt.

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds', 'expenditure on charitable activities' and 'other expenditure'.

Expenditure on raising funds comprises those related to management of the investment property portfolio and financial investments, including apportioned support costs. The element of costs relating to property and financial investments that are attributable to maintaining the capital value of the endowment are charged to that fund, with the balance of these costs coming from the unrestricted income fund.

Expenditure on charitable activities comprises repair and maintenance of the bridges, those related to the operation of the Tower Bridge tourist attraction, alongside grant-making, including apportioned support costs.

Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. Where the payment is planned to be more than 12 months after the reporting date of the charity's accounts, the charity reviews the present value of future payments and considers whether the effective financing cost is material to the charity's reporting. If so, the financing charge is disclosed in the SOFA. Otherwise, the unadjusted value of the grant awarded is shown within creditors. In 2021/22 the charity does not consider the effective financing cost of future payments as material, and no adjustment has been made.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in the activities undertaken. These include external audit, internal audit and costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, technology, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 10.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid, with details provided in Note 11.

e. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the year-end rate of exchange. All gains or losses on translation are taken to the Statement of Financial Activities in the year in which they occur.

f. Pension costs

Defined benefit scheme

The Trustee operates a funded defined benefit pension scheme for its staff employed on its activities, which includes staff acting for the Trustee on behalf of Bridge House Estates. The original scheme is based on final salary and length of service on retirement. Changes to the Scheme came into effect from 1 April 2014 and any benefits accrued from this date are based on career average revalued salary, with various protections in place for those members in the Scheme before the changes took effect.

For the defined benefit scheme the amounts charged within expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The assets of the scheme are held separately from those in the charity and are invested by independent fund managers appointed by the Trustee. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary using the projected unit method and discounted at a rate equivalent to the current rate of return on a high

quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the balance sheet.

g. Operating leases – Bridge House Estates as the lessor

Assets subject to operating leases are included in the Balance Sheet according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis until the next rent review, even if the payments are not received on this basis, unless another method is more representative of the time pattern in which the benefits derived from the leased asset are diminished. Rent- free periods are allocated over the term of the lease.

Where rent concessions have been granted because of the Covid-19 pandemic, these have included the forgiveness of a portion of or all lease payments for an agreed period (i.e. a temporary rent reduction or rent holiday). These concessions have been recognised over the periods that the change relate to, in accordance with amendments to FRS 102 issued in October 2020.

h. Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

i. Fixed assets

Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

Computer software	3 years
Computer and other equipment	5 years
Fixtures and fittings	8-20 years
Operational assets	10-30 years
Land is not depreciated.	

Where a fixed asset (other than freehold land) is not depreciated or has a life of more than 50 years, an annual impairment review is carried out.

Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e. they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2022 was £1,034.2m (2021: £944m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1 (d).

Investment properties

Investment properties for which fair value can be measured reliably on an on-going basis are measured at fair value annually with any change recognised in the Statement of Financial Activities. The valuations are estimated by appropriately qualified professional valuers.

No depreciation or amortisation is provided in respect of freehold or leasehold investment properties.

Financial investments

i. Quoted investments

Quoted investments comprise publicly quoted, listed securities including shares, bonds and units. Quoted investments are stated at fair value at the balance sheet date. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade.

ii. Unquoted investments

Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018). Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes

in the fair value of financial assets or to adjust earnings multiples. Where a valuation is not available at the balance sheet date, the most recent valuation is used, adjusted for cashflows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date. These valuations are provided by fund managers and are subject to either independent valuation or annual audit.

iii. Cash held by fund managers

The fund managers utilised by the charity may hold investments in the form of cash from time to time when making transactions. These amounts are recognised within investments due to the intention to reinvest.

Social investments

Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

j. Stocks

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the Tourism operation at Tower Bridge.

k. Cash

Cash and cash equivalents include cash in hand, short term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less and, if any, overdrafts.

l. Financial assets and liabilities

Since the charity only has financial instruments which qualify as basic financial instruments, it has chosen to adopt Section 11 of FRS 102 in respect of financial instruments. Financial assets and liabilities, including

debtors and creditors, are recognised when the charity becomes party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

m. Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purposes of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

Restricted funds – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

Designated funds – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

2. Income from voluntary activities

	Restricted Income Funds £m	Total 2021/22 £m	Restricted Income Funds £m	Total 2020/21 £m
Grant income	0.2	0.2	15.4	15.4
	0.2	0.2	15.4	15.4

Previous year's Restricted Income included £15.0m received for the London Community Response Fund from various funders.

3. Income from charitable activities

	Unrestricted Income Funds £m	Total 2021/22 £m	Unrestricted Income Funds £m	Total 2020/21 £m
Tower Bridge tourism fees and charges	3.1	3.1	0.5	0.5
	3.1	3.1	0.5	0.5

4. Income from investments

	Unrestricted Income Funds £m	Total 2021/22 £m	Unrestricted Income Funds £m	Total 2020/21 £m
Investment property	26.2	26.2	27.0	27.0
Financial investments	3.9	3.9	2.5	2.5
Interest receivable	0.3	0.3	0.9	0.9
Total Investment income	30.4	30.4	30.4	30.4

All investments are held to provide an investment return to the charity.

5. Other income

	Unrestricted Income Funds £m	Total 2021/22 £m	Unrestricted Income Funds £m	Total 2020/21 £m
Other income	0.2	0.2	0.3	0.3
Government grants	0.2	0.2	0.8	0.8
	0.4	0.4	1.1	1.1

Government grants covers claims from HMRC under the Government's Coronavirus Job Retention Scheme (CJRS) for staff who were furloughed due to the Covid-19 pandemic. There are no unfulfilled conditions or other contingencies relating to this grant income and no other forms of government assistance were received in the year.

6. Expenditure on raising funds

	Direct costs £m	Support costs £m	Total 2021/22 £m	Direct costs £m	Support costs £m	Total 2020/21 £m
Investment property expenses	5.8	2.6	8.4	6.0	3.1	9.1
Financial investment expenses	6.7	0.2	6.9	5.9	–	5.9
	12.5	2.8	15.3	11.9	3.1	15.0

Of the total expenditure on raising funds, £14.9m (2020/21: £14.6m) relates to the unrestricted income fund and £0.4m (2020/21: £0.4m) to the endowment fund.

Investment property expenses - staff costs, repairs and maintenance costs, and professional fees relating to the management of the investment property portfolio.

Financial investment expenses - fees paid to fund managers. An allocation of support costs has been included against this activity.

7. Expenditure on charitable activities

	Direct costs £m	Support costs £m	Total 2021/22 £m	Direct costs £m	Support costs £m	Total 2020/21 £m
Repair and maintenance of bridges	9.0	0.8	9.8	8.8	0.6	9.4
Tower Bridge tourism	3.9	0.8	4.7	3.5	0.8	4.3
Charitable funding	33.3	1.2	34.5	57.4	1.2	58.6
	46.2	2.8	49.0	69.7	2.6	72.3

Repair and maintenance of bridges - staff costs, repairs and maintenance, insurance, equipment and materials costs relating to the Thames River bridges maintained by the charity.

Tower Bridge tourism - staff costs and other expenses related to the management and operation of the Tower Bridge tourist attraction.

Charitable funding - grants awarded in the name of CBT, the grant-making arm of the charity, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £29.8m (2020/21: £54.7m) and costs of administering the grants process of £3.5m (2020/21: £2.7m).

8. Charitable funding

During the year ended 31 March 2022, grants were awarded to institutions under the following programmes:

	2021/22 £m	2020/21 £m
Bridging Divides:		
Core activities	13.0	25.3
Strategic Initiatives	14.2	1.1
London Community Response Fund	2.9	28.3
Stepping Stones Fund	0.2	0.4
CBT 20th Anniversary Grants	-	0.1
Charitable funding	30.3	55.2
Charitable funding adjustments and cancellations	(0.5)	(0.5)
Net charitable funding	29.8	54.7
Other charitable funding related activities	3.5	2.7
	33.3	57.4

Grants were made to 251 organisations in the year (2020/21: 1,617), supporting 278 projects (2020/21: 2,031). The average amount of a grant equalled £109,326 (2020/21: £27,171). The reduction in the number of organisations supported and increase in average value of grant funding in 2021/22 is due to the focus in the previous year on the London Community Response Fund driving low value, high volume funding activity. All grantees receiving funding must work for the benefit of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

Details of all the grants approved are shown on the CBT website www.citybridgetrust.org.uk, within the News & events section, including organisation name, amount given and purpose of the award.

Reconciliation of grants payable:

	2021/22 £m	2020/21 £m
Commitments at 1 April	46.6	43.3
Commitments made in the year	30.3	55.2
Charitable funding adjustments and cancellations	(0.5)	(0.5)
Charitable funding paid during the year	(28.3)	(51.4)
Commitments at 31 March	48.1	46.6

Outstanding grant commitments at 31 March 2022 are payable as follows:

	2021/22 £m	2020/21 £m
Within one year (note 19)	32.6	31.5
After more than one year (note 20)	15.5	15.1
Commitments at 31 March	48.1	46.6

The split of future payment dates is based upon contractual terms, which may relate to multi-year commitments.

9. Net income for the year

Net income is stated after charging:

	2021/22 £m	2020/21 £m
Auditors remuneration for the audit of the financial statements	75,000	78,000
Additional fees incurred for the audit of 2020/21 financial statements	9,000	-
Depreciation	262,873	313,492

10. Support costs

Support costs include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity on the basis of resources consumed by the respective activities as follows:

	Tourism £m	Investment Property £m	Financial Investments £m	Bridges £m	Grants £m	Governance £m	2021/22 £m	2020/21 £m
Department:								
Chamberlain	-	0.3	0.1	0.1	-	-	0.5	0.4
Comptroller & City Solicitor	-	0.1	-	0.1	0.1	-	0.3	0.2
Town Clerk	0.1	-	-	-	0.2	0.2	0.5	0.4
City Surveyor	-	2.0	-	0.2	-	-	2.2	2.5
Built Environment	-	-	-	0.1	-	-	0.1	0.1
Culture, Heritage & Libraries	0.1	-	-	-	-	-	0.1	0.2
Digital Services	0.2	-	-	-	0.2	-	0.4	0.7
Premises costs	0.1	-	-	0.1	0.2	-	0.4	0.4
BHE Central costs	0.1	0.1	0.1	0.1	0.4	-	0.8	-
Other	0.1	0.1	-	-	-	0.1	0.3	0.8
Sub-total	0.7	2.6	0.2	0.7	1.1	0.3	5.6	5.7
Reallocation of governance costs	0.1	-	-	0.1	0.1	(0.3)	-	-
Total Support costs	0.8	2.6	0.2	0.8	1.2	-	5.6	5.7

All support costs are undertaken from unrestricted funds. Governance costs are allocated on the basis of FTE staff within each activity. An allocation of support costs has been included against Financial Investments in 2021/22. Costs for management and administration support services provided directly to the charity are included in BHE Central costs.

11. Details of staff costs

All staff that work on behalf of the charity are employed by the City Corporation. The average full-time equivalent number of people directly undertaking activities on behalf of the charity during the year was:

	2021/22 Number	2020/21 Number
Investment properties	9	11
Tower Bridge tourism	49	50
Repair & maintenance of bridges	31	29
Grants team	34	36
Administration	8	4
	131	130

The above figures are for the FTE average number of staff rather than the average number of employees on an annual basis due to the City Corporation employing all staff. FTE is based on the activities undertaken on behalf of the charity.

In addition, support staff are charged to the charity on the basis described within Note 10. The full-time equivalent number of support service staff charged is 56.7 (2020/21: 61.1).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2021/22 £m	2020/21 £m Restated
Salaries and wages	5.5	5.4
National Insurance costs	0.6	0.5
Employer's pension contributions	1.0	0.9
Total emoluments of employees	7.1	6.8

Salaries and wages for 2020/21 have been restated to include £0.4m for staff in newly created departments within the charity.

The number of directly charged employees whose emoluments for the year were over £60,000 was:

	2021/22	2020/21
£60,000 – £69,999	7	6
£70,000 – £79,999	2	2
£80,000 – £89,999	–	1
£90,000 – £99,999	2	1
£120,000 – £129,999	1	1
	12	11

All employees paid over £60,000 have retirement benefits accruing under the defined benefit scheme.

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, senior officers employed by the City Corporation and key members of the BHE leadership team. The senior officers of the City Corporation include the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor, and the City Surveyor. These officers work on a number of the City Corporation's activities and their salaries and associated costs are allocated to the activities under its control, including BHE, on the basis of employee time spent on the respective services, as stated within Note 11. Further details on this can be found within the Annual Report for City Fund. The key members of the BHE leadership team included within Key Management Personnel comprise the Managing Director, Finance Director, Chief Operating Officer, Associate Director of CBT, Philanthropy Director and Director of Communications and Engagement.

Total employment benefits, including employer pension contributions and employer national insurance contributions for key management personnel in 2021/22 was £351k (2020/21: £259k). The increase is due to the establishment of the BHE leadership team in January 2022.

The highest paid role is the Managing Director of BHE, with total employment benefits, including employer pension contributions and employer national insurance contributions in 2021/22 being £173k. This role was not in place during 2020/21, with the highest paid role being the Chief Grants Officer and Director of CBT with equivalent cost being £168k.

No Members received any remuneration for time spent on BHE matters with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2021/22 from the charity (2020/21: Nil).

12. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold improvements £m	Total £m
Cost				
At 1 April 2021	0.6	2.4	4.2	7.2
Additions	0.1	0.1	0.1	0.3
Disposals	–	–	–	–
At 31 March 2022	0.7	2.5	4.3	7.5
Depreciation				
At 1 April 2021	0.4	1.3	2.4	4.1
Charge for the year	0.1	0.1	0.1	0.3
Disposals	–	–	–	–
At 31 March 2022	0.5	1.4	2.5	4.4
Net book value				
At 31 March 2022	0.2	1.1	1.8	3.1
At 31 March 2021	0.2	1.1	1.8	3.1

13. Investment properties

	2022 £m	2021 £m
Market value at 1 April	843.8	854.9
Purchases and improvements	26.7	26.6
Book value of disposed assets	(17.4)	(14.8)
Total unrealised gains/(losses)*	35.0	22.9
Market value at 31 March	888.1	843.8

* Includes rent free adjustment of £4.4m (2020/21: £3.7m).

The net gain on property investments is arrived at as follows:

	2022 £m	2021 £m
Total unrealised gains/(losses)	35.0	(22.9)
Realised gains/(losses) on disposal	7.3	(0.5)
	42.3	(23.4)

A full valuation was performed as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards (“the Red Book”). This was undertaken by C&W(UK) LLP and Savills (UK) Ltd, chartered surveyors, acting as independent valuers. The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties and various indices.

As many of the investment properties were gifted to the charity and others were acquired centuries ago, it is impracticable to provide historical cost information. It has therefore been assumed that the historical cost is nil. The properties are all situated in Greater London.

The charity determines its valuation policies and procedures and is responsible for overseeing the valuations. Valuations performed by the charity’s independent external valuers are based on information extracted from the charity’s financial and property reporting systems, such as current rents and the terms and conditions of lease agreements, together with assumptions used by valuers (based on market observation and their professional judgement) in their valuation models.

14. Financial investments

Total financial investments as at 31 March are split as follows:

	2022 £m	2021 £
Long term investments	879.5	834.0
Short term investments:		
- short term deposits and money market funds	18.4	28.9
- short term investments in hands of fund managers	8.5	9.1
	26.9	38.0
Total investments at 31 March	906.4	872.0

	2022 £m	2021 £m
Investments held by fund managers		
Market value 1 April	834.0	687.2
Additions to investments at cost	136.1	60.5
Disposals at market value	(153.0)	(92.4)
Gain from change in fair value	62.4	178.7
Investments at 31 March	879.5	834.0

Cash investments		
Investments at 1 April	38.0	49.4
Additions to investments at cost	58.2	84.9
Disposals at market value	(69.3)	(96.3)
Investments at 31 March	26.9	38.0
Total investments at 31 March	906.4	872.0

The geographical spread of investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2022 £m	Total at 31 March 2021 £m
Fixed Interest	18.4	41.7	60.1	61.0
Index Linked	35.4	10.9	46.3	45.0
Pooled units	125.9	528.8	654.7	626.3
Listed equities	28.5	29.9	58.4	53.8
Managed funds	8.5	–	8.5	9.1
Private equity	4.0	21.5	25.5	28.4
Infrastructure	–	52.9	52.9	48.4
	220.7	685.7	906.4	872.0

The majority of the charity's financial investments are held in mutual funds operated by professional asset managers whereby the charity's assets are pooled with other investors and invested in equities, bonds and other securities. These investment assets are termed "pooled units" in the above table.

15. Social Investment Fund

	Value as at 1 April 2021	Drawn down	Repaid	Investment (loss)	Value as at 31 March 2022
	£m	£m	£m	£m	£m
Investment Fund	3.0	0.5	–	(0.2)	3.3
Loan	1.2	0.2	(0.4)	–	1.0
Bond	2.3	–	(0.9)	–	1.4
Property Fund	2.6	0.3	–	–	2.9
	9.1	1.0	(1.3)	(0.2)	8.6

The geographical spread of social investments at 31 March was as follows:

	Held in the UK	Held outside the UK	Total at 31 March 2022	Total at 31 March 2021
	£m	£m	£m	£m
Investment Fund	3.1	0.2	3.3	3.0
Loan	1.0	–	1.0	1.2
Bond	1.4	–	1.4	2.3
Property Fund	2.9	–	2.9	2.6
	8.4	0.2	8.6	9.1

At the year-end £1.3m (2020/21: £2.6m) had been committed but remained undrawn, making a total promised of £9.9m (2020/21: £12.5m). Details of all investments placed are shown on the City Bridge Trust website www.citybridgetrust.org.uk.

16. Debtors

	2022 £m	2021 £m
Debtors - amounts due in less than one year		
Trade debtors	0.5	0.1
Rental debtors	2.6	3.8
Prepayments & accrued income	3.5	4.1
Sundry debtors	0.3	–
	6.9	8.0
	2022 £m	2021 £m
Debtors - amounts due in more than one year		
Rental debtors	4.4	3.7
	4.4	3.7
Total debtors	11.3	11.7

17. Creditors – amounts falling due within one year

	2022 £m	2021 £m
Grants payable (note 8)	32.6	31.5
Trade creditors	1.6	1.2
Accruals	3.9	2.2
Deferred income	6.0	6.2
Rent deposits	3.0	3.3
Other creditors	0.3	0.4
	47.4	44.8

Deferred income comprises property rental income and lease premiums received in advance.

	2022 £m	2021 £m
Deferred income analysis within creditors:		
Balance at 1 April	6.2	6.3
Amounts released to income	(6.2)	(6.4)
Amounts deferred in the year	6.0	6.3
Balance at 31 March	6.0	6.2

18. Creditors – amounts due after more than one year

	2022 £m	2021 £m
Grants payable (note 8)	15.5	15.1
Deferred income	11.9	11.9
Other creditors	1.8	1.8
	29.2	28.8
	2022 £m	2021 £m
Deferred income – due after more than one year:		
Balance at 1 April	11.9	11.9
Amounts transferred to less than one year	(1.6)	(1.7)
Amounts deferred in the year	1.6	1.7
Balance at 31 March	11.9	11.9

Deferred income relates to lease premiums that will be released over periods of up to 163 years.

19. Pensions

City of London Corporation defined benefit pension scheme

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating predominantly to the three principal funds for which it is responsible (City Fund, City's Cash and Bridge House Estates).

The assets of the scheme are held in a specific trust separately from those of the Corporation and contributions are paid to the scheme as agreed with the scheme's Trustees. As the proportion of the Pension Fund deficit that relates to Bridge House Estates is not separately identifiable, the share of pension contributions paid to the scheme by the charity is calculated pro-rata to employer's contributions paid by each of the City Corporation contributors to the scheme. Further details can be found in the Annual Report of City Fund.

Accounting for the defined benefit scheme under IAS19

The full actuarial valuation of the defined benefit scheme was updated to 31 March 2021 by an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with the City Fund requirements, rather than under FRS102, with no material differences between the two accounting standards identified.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2021/22 is £965,000 (2020/21 actual: £914,000). This figure is calculated pro-rata to total contributions that will be payable by the City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

Barnett Waddingham LLP, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2019, using the projected unit method. The actuary will carry out the next triennial actuarial assessment of the scheme as at 31 March 2022 during 2022/23, which will set contributions for the period from 1 April 2023 to 31 March 2026.

a) Major assumptions by the actuary

Financial

The financial assumptions used for the purposes of the FRS102 calculations are as follows:

Assumptions as at:	2022 % p.a.	2021 % p.a.	2020 % p.a.	2019 % p.a.
CPI increases	3.3	2.9	1.9	2.4
Salary increases	4.3	3.9	2.9	3.9
Pension increases	3.3	2.9	1.9	2.4
Discount rate	2.6	2.0	2.4	2.4

Life expectancy

The demographic assumptions used are consistent with those used for the most recent Fund valuation (31 March 2019), except for the post-retirement mortality assumptions which have been updated in light of the coronavirus pandemic. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		2022	2021
Age 65 retiring today	Males	21.6	21.6
	Females	24.3	24.3
Retiring in 20 years	Males	23.0	22.9
	Females	25.8	25.7

Sensitivity analysis

The sensitivity of the liabilities to changes in the key assumptions used to measure the Pension Scheme's liabilities is shown in the table below:

	Change to assumptions %	Impact on liabilities	
		Increase £m	Decrease £m
Salary increases	+/- 0.1	0.1	(0.1)
Life expectancy	+/- 0.1	2.8	(2.6)
Discount rate	+/- 0.1	(1.3)	1.3

b) Amounts included in the balance sheet

The amounts included in the charity's balance sheet arising from the City Corporation pension scheme's liabilities in respect of the defined benefit scheme for the current and previous two periods are as follows:

	2022 £m	2021 £m	2020 £m
Fair value of assets (bid value)	38.0	35.6	28.3
Fair value of liabilities	63.0	63.3	47.2
Net liability in balance sheet	25.0	27.7	18.9

The net pension fund liability represents 3% (2019/20: 3%) of the total net balance sheet liability in the City Corporation Pension Fund financial statements.

c) Amounts included in the statement of financial activities

The amounts included within total expenditure in relation to the defined benefit scheme are as follows:

	2022 £m	2021 £m
Current service cost	2.5	2.4
Past service cost	0.3	0.3
Settlements and curtailments	–	0.1
Interest cost	0.6	0.5
Contributions	(1.1)	(1.0)
Total expense	2.3	2.3

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2019/20: 3%) of the total charge in the City Corporation Pension Fund financial statements.

d) Asset allocation

The current allocation of the scheme's assets is as follows:

Employer asset share - bid value	2022		2021	
	£m	% p.a.	£m	% p.a.
Equity investments	22.5	60	21.4	59
Cash	0.5	1	0.2	2
Infrastructure	4.7	12	4.1	12
Absolute return portfolio	10.3	27	9.9	27
Total assets	38.0	100	35.6	100

The charity's share of pension scheme assets at 31 March 2022 represents 3% (2020/21: 3%) of the total pension scheme assets of the City Corporation Pension Fund.

e) Movement in the present value of scheme liabilities

Changes in the present value of the scheme liabilities over the year are as follows:

	2022 £m	2021 £m
(Deficit) at beginning of the year	(63.3)	(47.2)
Current service cost	(2.6)	(2.4)
Interest cost	(1.2)	(0.9)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in demographic assumptions	–	0.5
Actuarial (losses)/gains arising from changes in financial assumptions	(3.4)	14.5
Other actuarial (losses)/gains	(0.1)	(0.6)
Past service cost, including curtailments	(0.3)	(0.3)
Liabilities extinguished on settlements	–	(0.2)
Benefits paid	1.4	1.4
Contributions from scheme participants	(0.3)	(0.3)
(Deficit) at the end of the year	(63.0)	(63.3)

The charity's share of the closing value of the pension scheme liabilities represents 3% (2019/20: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

f) Movement in the scheme net liability

The net movement in the scheme liabilities over the year are as follows:

	2022 £m	2021 £m
(Deficit) at beginning of the year	(27.7)	(18.9)
Current service cost	(2.8)	(2.8)
Net interest	(0.6)	(0.5)
Employer contributions	1.1	1.0
Actuarial gains/(losses)	5.0	(6.3)
Other (losses)	–	(0.2)
(Deficit) at the end of the year	(25.0)	(27.7)

g) Movement in the present value of scheme assets

Changes in the fair value of the scheme assets over the year are as follows:

	2022 £m	2021 £m
As at 1 April	35.6	28.3
Interest on assets	0.7	0.4
Remeasurement gains/(losses):		
Return on assets less interest	1.8	6.9
Contributions by employer including unfunded	1.1	1.0
Contributions by scheme participants	0.3	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.5)	(1.4)
Settlement prices received	–	0.1
Closing value of scheme assets	38.0	35.6

h) Projected pension expense for the year to 31 March 2023

No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. As it is only an estimate, actual experience over the year may differ. No balance sheet projections have been provided on the basis that they will depend upon market conditions and the asset value of the scheme at the end of the following year.

	Year to 31/03/2023 £m	Year to 31/03/2022 £m
Service cost	–	2.4
Interest cost	0.6	0.5
Total expense	0.6	2.9
Employer contribution	1.0	1.0

20. Analysis of net assets between funds

	Unrestricted Income Funds		Restricted Funds	Endowment Funds		
As at 31 March 2022	General Funds £m	Designated Funds £m	Restricted Funds £m	Endowment Funds £m	Total at 31 March 2022 £m	Total at 31 March 2021 £m
Fixed assets – Investment properties	–	–	–	888.1	888.1	843.8
Fixed assets – Financial investments	278.4	486.2	–	114.9	879.5	834.0
Other fixed assets	3.1	8.6	–	–	11.7	12.2
Current assets & liabilities	(32.6)	–	0.5	27.1	(5.0)	9.7
Long-term liabilities	(29.1)	–	–	–	(29.1)	(28.8)
Pension liability	(25.0)	–	–	–	(25.0)	(27.7)
	194.8	494.8	0.5	1,030.1	1,720.2	1,643.2
	Unrestricted Income Funds		Restricted Funds	Endowment Funds		
As at 31 March 2021	General Funds £m	Designated Funds £m	Restricted Funds £m	Endowment Funds £m	Total at 31 March 2021 £m	Total at 31 March 2020 £m
Fixed assets – Investment properties	–	–	–	843.8	843.8	854.9
Fixed assets – Financial investments	291.3	436.5	–	106.2	834.0	687.2
Other fixed assets	3.1	9.1	–	–	12.2	16.0
Current assets & liabilities	(23.6)	–	3.8	29.5	9.7	31.1
Long-term liabilities	(28.8)	–	–	–	(28.8)	(33.9)
Pension liability	(27.7)	–	–	–	(27.7)	(18.9)
	214.3	445.6	3.8	979.5	1,643.2	1,536.4

21. Movement in funds

As at 31 March 2022	Total as at 1 April 2021 £m	Income £m	Expenditure £m	Gains & Losses £m	Transfers £m	Total as at 31 March 2022 £m
Endowment Funds	979.5	–	(0.4)	51.0	–	1,030.1
London Communities Response Fund	3.4	–	(3.1)	–	–	0.3
Other restricted Funds	0.4	0.2	(0.4)	–	–	0.2
Total Restricted Funds	3.8	0.2	(3.5)	–	–	0.5
General Funds	242.0	33.5	(23.5)	53.7	(85.9)	219.8
Pension Reserve	(27.7)	–	(2.3)	5.0	–	(25.0)
Total General Funds	214.3	33.5	(25.8)	58.7	(85.9)	194.8
Property Dilapidations	0.4	–	–	–	–	0.4
Climate Action	0.0	–	–	–	15.0	15.0
Bridges Repairs	48.1	–	(9.0)	–	17.1	56.2
Bridges Replacement	168.7	–	–	–	22.5	191.2
Grant-making	206.9	–	(27.9)	–	31.3	210.3
Social Investment Fund	21.5	0.4	–	(0.2)	–	21.7
Total Designated Funds	445.6	0.4	(36.9)	(0.2)	85.9	494.8
Total Unrestricted Income Funds	659.9	33.9	(62.7)	58.5	–	689.6
Total Funds	1,643.2	34.1	(66.6)	109.5	–	1,720.2

As at 31 March 2021	Total as at 1 April 2020 £m	Income £m	Expenditure £m	Gains & losses £m	Transfers £m	Total as at 31 March 2021 £m
Endowment Funds	984.2	–	(0.4)	(4.3)	–	979.5
Total Endowment Funds	984.2	–	(0.4)	(4.3)	–	979.5
London Community Response Fund	2.8	15.0	(28.7)	–	14.3	3.4
Other Restricted Funds	–	0.4	–	–	–	0.4
Total Restricted Funds	2.8	15.4	(28.7)	–	14.3	3.8
General Funds	127.6	31.6	(23.0)	159.6	(53.8)	242.0
Pension Reserve	(18.9)	–	(2.3)	(6.5)	–	(27.7)
Total General Funds	108.7	31.6	(25.3)	153.1	(53.8)	214.3
Property Dilapidations	0.4	–	–	–	–	0.4
Bridges Repairs	41.7	–	(8.8)	–	15.2	48.1
Bridges Replacement	158.5	–	–	–	10.2	168.7
Grant-making	219.2	–	(26.4)	–	14.1	206.9
Social Investment Fund	20.9	0.4	–	0.2	–	21.5
Total Designated Funds	440.7	0.4	(35.2)	0.2	39.5	445.6
Total Unrestricted Income Funds	549.4	32.0	(60.5)	153.3	(14.3)	659.9
Total Funds	1,536.4	47.4	(89.6)	149.0	–	1,643.2

Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. Any income arising from this capital is accounted for within unrestricted funds. Further detail of the origins of this fund is stated on page 4.

Purposes of restricted funds

London Community Response Fund (LCRF) – established in response to the Covid-19 health pandemic to establish a collective response with other funders to support London's civil society in furtherance of the BHE funding policy, 'Bridging Divides' (£0.3m held).

Other Restricted Funds includes:

The Cornerstone Fund - a funder collaboration that aims to bring about systemic change in how civil society organisations access and receive support and which tackles structural inequalities in order to grow stronger, more resilient communities (£0.2m held).

Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

Property Dilapidations	represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
Climate Action	represents funds set aside to further progress and potentially accelerate delivery of the Charity's Climate Action Strategy.
Bridges Repairs	represents funds required to maintain the bridges for the next 5 years.
Bridges Replacement	represents funds set aside to fund the future rebuild of the bridges. This is based on the annually calculated present value of estimated future costs, adjusted for increases in construction costs.
Grant-making	represents surplus income which has been designated for future grant-making activities in the name of CBT.
Social Investment Fund	to finance investments that generate a financial return, alongside an associated social return, consistent with the agreed investment policy.

The charity also maintains a Pension Reserve Fund, representing the net liability owed.

Transfers between funds

In 2020/21, a transfer of £14.3m was made from the grant-making designated fund to the LCRF restricted fund to support the response to the Covid-19 pandemic.

Transfers are made to and from unrestricted income funds in order to maintain designated funds at the required levels.

22. Note to the statement of cash flows

Reconciliation of net income to net cash outflow from operating activities.

	2021/22 £m	2020/21 £m
Net income for the reporting period (as per the statement of financial activities)	72.0	113.3
Adjustments for:		
Interest and income from investments	(30.4)	(30.2)
Depreciation charges	0.3	0.3
(Gains) on financial investments	(62.4)	(178.7)
(Gains)/losses on property investments	(42.3)	23.4
Losses/(gains) on social investments	0.2	(0.2)
Decrease in stock	0.1	–
Decrease/(increase) in debtors	0.5	(0.1)
Increase in creditors falling due within one year	2.7	6.9
(Increase)/decrease in long term creditors	0.3	(5.1)
Net pension scheme costs	2.3	2.3
Net cash (used in) operating activities	(56.7)	(68.1)

23. Analysis of changes in net funds/cash and cash equivalents

	Total as at 1 April 2021 £m	Cash Flows £m	Total as at 31 March 2022 £m
Cash and cash equivalents			
Cash	4.5	(0.4)	4.1
Total	4.5	(0.4)	4.1

Other non-cash changes are detailed in Note 22.

24. Operating Leases

Minimum lease payments receivable under operating leases:

	31 March 2022 £m	31 March 2021 £m
Not later than one year	23	26
Later than one year and not later than five years	77	84
Later than five years	1,073	1,249
	1,173	1,359

25. Commitments

The following commitments exist as at 31 March in respect of future accounting periods:

	2022 £m	2021 £m
Works to bridges	14.6	–
Investment properties	26.3	3.9
	40.9	3.9

26. Related parties

The City Corporation is the sole Trustee of the charity, as described on page 6. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in Note 10.

The charity is required to disclose information on related party transactions with bodies or individuals that control or have significant influence over the charity. Members are required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and Senior Staff are requested to disclose all related party transactions, including instances where their close family has made such transactions. The charity has decided to disclose all instances whereby a Member or officer has a connection with a charity which is a grantee of BHE to provide full transparency.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2021/22 £000	2020/21 £000	Detail of transaction
London Funders (LF)	An Officer of the City Corporation is a Trustee of LF	300 (400)	180 (250)	LF received grant funding from CBT
		3 (-)	3 (-)	The charity paid a membership fee to LF
Trust for London (TL)	The City Corporation nominates three Members to TL	570 (200)	400 (770)	TL received grant funding from CBT
		4,375 (4,475)	570 (200)	TL received grant funding from CBT
		200 (-)	200 (-)	CBT received grant as contribution to Cornerstone fund
		216 (132)	410 (24)	TL paid rent, service charges & insurance
Blind in Business (BiB)	A Member of the City Corporation is a Trustee of BiB	- (-)	93 (-)	BiB received grant funding from CBT
Partnership for Young London (PYL)	A Member of the City Corporation is a Trustee of PYL	27 (-)	157 (60)	PYL received grant funding from CBT
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of the City Corporation are Trustees of CF	225 (225)	40 (55)	CF received grant funding from CBT
Heart of the City (HoTC)	An Officer and a Member of the City Corporation are Trustees of HoTC. Two Members of City Corporation are Council Members of HoTC, with a further Council Member having departed the BHE Board in December 2021	- (119)	95 (214)	HoTC received grant funding from CBT
Guild of Freemen of the City of London (GF)	A Member is a Director of GF	20 (-)	21 (3)	GF paid rent, service charges & insurance to the Charity

Related party	Connected party	2021/22 £000	2020/21 £000	Detail of transaction
Museum of London Archaeology (MOLA)	A member is a Director/Trustee of MOLA	- (-)	10 (41)	MOLA received grant funding from CBT
Augmentum Capital Limited (AC)	A Member of the City Corporation is a Director of AC Ltd.	12 (-)	-	Contribution towards AC's fit-out as part of the tenancy agreement
CBRE Global Investors (CBRE)	A Member of the City Corporation is an employee of CBRE	259 (3)	-	CBRE provided surveys, consultancy and development, and property purchase advisory services and rent reviews to the Charity
WSP Group plc (WSP)	A Member is a Consultant at WSP	19 (19)	-	WSP provided consultancy services to the Charity

The Members and Officers noted above did not participate in the discussions or decision making relating to the award of the grants.

Related Party Transactions with the City Fund (the City Fund is held by the City Corporation in respect of its activities as a local authority, police authority and port health authority).

During the year BHE contributed £126k towards Corporate IT projects and £129k towards the 'Secure City' project, relating to CCTV and telecommunications (2020/21: nil). The balance owed to BHE at year end was nil (2020/21: nil).

Related Party Transactions with City's Cash (City's Cash is held by the City Corporation and finances activities mainly for the benefit of London as a whole but also of relevance nationwide):

City's Cash holds a lease with BHE for the rental of a property. Rental income of £24k was received in the year (2020/21: £24k). The balance owed to BHE at year end was nil (2020/21: nil). At the year-end, City's Cash held a cash balance of £303k (2020/21: nil), relating to rental receipts on behalf of the Charity.

27. Subsequent events

In September 2022, the charity sold the freehold of investment properties held at 230, 244, 244a and 232-236 Lewisham High Street for £3.1m.

REFERENCE AND ADMINISTRATION DETAILS

Bridge House Estates

Registered charity number 1035628

The grant-making and other charitable activity of the charity operates under the name City Bridge Trust.

Principal office:

Guildhall, London, EC2P 2EJ

Trustee:

The Mayor and Commonalty & Citizens of the City of London

BHE Board members:

Deputy Dr Giles Shilson (Chair) (from 15/04/2021)

Paul Martinelli (from 15/04/2021, Deputy Chair from 27/04/2022)

Deputy Henry Colthurst (from 15/04/2021)

Colonel Simon Duckworth OBE DL (from 21/04/2022)

Alderman Professor Emma Edhem (from 15/04/2021)

Alderman & Sheriff Alison Gowman (from 15/04/2021, Interim Deputy Chair from 11/01/2022 to 27/04/2022)

Judith Pleasance (from 15/04/2021)

Deputy Henry Pollard (from 15/04/2021)

Deputy Nighat Qureshi (from 21/04/2022)

Deputy James Thomson (from 21/04/2022)

Jamie Ingham Clark (from 15/04/2021 to 24/03/2022)

Dhruv Patel OBE (Deputy Chair) (from 15/04/2021 to 09/12/2021)

John Petrie OBE (from 15/04/2021 to 24/03/2022)

Jeremy Mayhew OBE (from 13/01/2022 to 24/03/2022)

City Corporation - Senior officers:

Chief Executive John Barradell OBE – The Town Clerk and Chief Executive of the City of London Corporation (to 31/12/2022)

Michael Cogher – Acting Town Clerk and Chief Executive of the City of London Corporation (from 01/01/2023)

Chief Financial Officer Peter Kane (to 30/04/2021); Caroline Al-Beyerty (from 01/05/2021) – The Chamberlain of the City of London Corporation

Solicitor Michael Cogher – The Comptroller and City Solicitor of the City of London Corporation

Surveyor Paul Wilkinson – City Surveyor

BHE leadership team:

Managing Director David Farnsworth (from 16/04/2021)

Finance Director Karen Atkinson (from 04/01/2022)

Chief Operating Officer Simon Latham (from 04/01/2022)

CBT Associate Director Dinah Cox OBE (from 04/01/2022)

Philanthropy Director Fiona Rawes MBE (from 04/01/2022)

Director of Communications and Engagement Catherine Mahoney (from 04/01/2022)

Auditors

Crowe U.K.LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

Financial investment advisors

Mercer, Quatermile One, 15 Lauriston Place, Edinburgh, EH3 9EP

Contact for Bridge House Estates, to request copies of governance documents –

BHE@cityoflondon.gov.uk

Back cover: Tower Bridge © R.Classen/Shutterstock

A photograph of the Tower Bridge in London at sunset. The bridge's two massive stone towers are illuminated with warm lights, and the suspension cables are highlighted in a bright blue. A red double-decker bus is visible on the bridge deck. In the background, the modern glass architecture of the City of London is visible against the twilight sky.

BRIDGE HOUSE ESTATES

Bridge House Estates
City of London
PO Box 270
Guildhall
London EC2P 2EJ

www.cityoflondon.gov.uk
Telephone: 020 7606 3030
Registered Charity 1035628



BRIDGE HOUSE ESTATES

England & Wales - Charity number 1035628

Accounts

BRIDGE HOUSE ESTATES

Charity registration
number: 1035628

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2021



CONTENTS

Overview of the year 2

Origins of the charity 4

Trustee’s Annual Report 6

Trustee Responsibilities 29

Independent Auditor’s Report 30

Report of the Audit Review Panel 33

Statement of Financial Activities 34

Balance Sheet 35

Statement of Cash Flows..... 36

Notes to the Financial Statements..... 37

Reference and Administration Details..... 65

Front cover: Millennium Bridge © James Newton / Illuminated River Foundation.

All photographs in this report © Catarina Rodrigues / City Bridge Trust unless otherwise stated

OVERVIEW OF THE YEAR

Bridge House Estates (BHE) stands on solid foundations, with a history more than nine centuries old. Originally established to maintain and support London Bridge, BHE now maintains and supports five bridges across the Thames, using surplus funds for wider charitable purposes across Greater London. By asset value, BHE is currently the 7th largest charity in the UK.

The past year has been an important one in the history of BHE. In 2018, a Strategic Review was begun to enhance the governance, management and administration of BHE – to increase the reach and impact of the charity's activities and to ensure it models good practice, in line with its ambition to be a modern and progressive charity.

A strategy was approved in October 2020: *Bridging London 2020 – 2045*, and in March 2021, the Court of Common Council of the City Corporation, in its capacity as BHE's Trustee, agreed to establish a new committee named the "Bridge House Estates Board", to have day-to-day management of the charity. Through its new Board, BHE will continue to work to build a fairer London in 2021 as it continues to maintain its bridges.

In October 2020, the City Corporation, both as Trustee of BHE and in delivering its wider functions and activities, adopted a radical joint *Climate Action*

Strategy. The Strategy breaks new ground, setting out how it will achieve net zero carbon emissions by 2040, build climate resilience and champion sustainable growth. This is in line with the ambition for BHE to deliver its activities and manage its assets in the most sustainable, ethical and responsible ways possible.

Like the bridges, BHE is deeply rooted in the Capital, but also highly flexible, and the challenging, ever-changing nature of the past year saw all its staff adapting quickly to new working conditions.

When the UK went into lockdown in March 2020, income from Tower Bridge's visitor attraction was immediately hit, and as the year progressed, income from BHE's investment property portfolio also dropped, as offices and businesses remained closed. Meanwhile, BHE's charitable grant-making and funding arm, City Bridge Trust (CBT), was speedily adapting the support it could offer to Londoners struggling under the impact of Covid-19.

Tower Bridge reopened to the public in July 2020 but was subsequently forced to close as a visitor attraction for a total of seven months. Early on, a strategy for business recovery was devised. However, the Bridge remained 'digitally open' throughout the year, with extensive uptake of the Bridge's refocused digital education provision and online resources.

At London Bridge, less than 1km upriver, the bridges team were just one week into a major maintenance programme when the first lockdown hit. Despite the circumstances, work to replace the waterproofing and paving was completed under budget, safely, and ahead of schedule. Cycle lanes were introduced, along with new traffic management, as part of Transport for London's Streetspace programme.

Below and around the bridges, work has continued on the Tideway Tunnel project, a massive new Super Sewer being constructed along the line of the river. BHE worked closely with the Tideway Tunnel project team to ensure minimal impact on the charity's bridges, particularly at Blackfriars Bridge, where a new public open space of over one acre will hide a 3,700 tonne culvert, floated in below the bridge, and a 65m deep tunnel shaft.

CBT's funding to existing grantees and small grants continued throughout the pandemic, but the Bridging Divides (BD) funding programme was paused to applications for new projects, allowing the BD programme to refocus attention on supporting those most affected by the pandemic. CBT distributed £1.7m of Covid-19 small charity emergency support funding to existing grantees, and overall across the year, funded £55.2m grant commitments.

BHE helped to provide greater security to Londoners during this period of uncertainty and increased need.

CBT was quick to flex its funding offer, providing additional one-off payments to grantees, allowing grantees to convert project funding to core costs; and also collaborating to launch the London Community Response (LCR), a pioneering alliance of more than 65 diverse funders, united to maximise their impact and co-ordinated by London Funders. Launched just four days after the first lockdown was announced, the LCR galvanised over £53.3m of funding, enabling 3,327 grants to be made.

As part of the LCR, the London Community Response Fund (LCRF) was established as a restricted fund which enabled other funders, who chose not to fund projects directly via the LCR, to join the efforts, with CBT administering the LCRF. CBT distributed £15.2m of BHE funding through LCRF alongside a further £13.1m received from other funders, totalling £28.3m.

As the Black Lives Matter protests took place across the globe, CBT responded by creating a Race Action Plan that would be fit for the future, and set up a Diversity, Equity and Inclusion work group to deliver agreed actions to tackle racial injustice. CBT also awarded a strategic grant for research and development to the Baobab Foundation, a new organisation led by the black and ethnic minority organisations it supports.

One of BHE's key strengths is that of a convenor and collaborator in the capital. It is without doubt that these strong relationships with key partners built on BHE's wider strengths have, over the past year, helped to provide greater security to Londoners during the period of uncertainty and increased need. This was achieved not just through the on-going maintenance and support of the physical structures of the five bridges themselves, but also through the support provided to Londoners as London's largest independent charitable funder, under the CBT banner.

The board and management of BHE want to commend and praise their staff across all teams who went the extra mile to ensure that the charitable mission was not just met, but surpassed. Notably this was shown by their ability to work flexibly and collaboratively under often extremely challenging circumstances, to ensure the emerging needs of Londoners were met.

Blackfriars Bridge.

ORIGINS OF THE CHARITY

The origins of Bridge House Estates can be traced back to 1097 when William II, successor as King to William the Conqueror, raised a special tax to help repair London Bridge.

By the end of the twelfth century, the shops and houses adorning Peter de Colechurch's new stone London Bridge were beginning to generate not only increased cross-river trade, but also increased taxes, rents and bequests. A significant fund began to accumulate, administered from a building on the south side of the bridge called Bridge House. Over succeeding centuries this fund has been administered by the City of London Corporation ('the City Corporation') as Trustee.



The Bridge House Mark, established as an identifying emblem of the charity for many centuries was designed by William Leybourn, a famous seventeenth century surveyor.

The work of Bridge House Estates now reaches out across the whole of London in many important and diverse ways:

The River Bridges

The maintenance and support of five of the bridges that cross the Thames into or by the City of London – London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge, and Millennium Bridge – is the primary purpose of the charity. They are gateways to the City of London and require sustained investment and expert care.

London Bridge – The first stone bridge across the Thames was built between 1176-1209 and replaced between 1823-1831. The current bridge was built between 1967-1972 and designed by the City Engineer, Harold Knox King with architects Mott, Hay & Anderson and William Holford & Partners. Made of concrete with polished granite, the Bridge has three spans founded on concrete piers fixed deep into the river clay. It was opened by Her Majesty The Queen in 1973.

Blackfriars Bridge – Blackfriars Bridge was originally built between 1760-1769 and was known as 'Pitt Bridge' after William Pitt the Elder. This structure was replaced between 1860-1869 with a design by Joseph Cubitt of five wrought iron arches faced with cast-iron, on granite piers. The decorations include ornithological sculptures surmounting the granite columns on each cutwater, archaded cast iron parapets and enormous attached columns in red granite with Portland stone capitals. The sculptures depict land birds on the landward side of the bridge and sea birds on the side facing the sea. Queen Victoria opened the bridge in 1869.

Southwark Bridge – Originally built between 1814-1819, Southwark Bridge was purchased by the charity in 1868. The City of London had been trying to obtain control since 1827 to catch criminals escaping to Southwark, outside its jurisdiction! It was replaced between 1912-1921 with a design by Sir Ernest George and Basil Mott and comprises five steel arches with granite cutwaters and piers.

Tower Bridge – Designed by the Victorian architect Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB, Tower Bridge was opened in June 1894 after eight years of construction. It is a working bascule, suspension and girder bridge, constructed as a steel frame clad in stone and granite in Gothic style to complement the neighbouring Tower of London and is the only bridge where no part actually touches the City footprint. Under the Corporation of London (Tower Bridge) Act 1885 (as amended), the City Corporation is required to raise the Bridge to provide

access to and egress from the Upper Pool of London for registered vessels with a mast or superstructure of 30 feet or more. The service is provided free of charge subject to 24 hours' notice and is available any time, day or night, 365 days per year. The City Corporation as BHE's Trustee ensures that the Bridge, a designated Grade 1 listed building, is properly maintained and protected as part of the nation's heritage.

As a world-famous icon of London, Tower Bridge enables tourists to have access to the internal areas of the Bridge, with a public exhibition having been in place since 1982. The exhibition showcases the Victorian architecture, engineering and also the original Victorian engines used to power the lifting of the Bridge. The operational and tourism activities at Tower Bridge are managed by the Trustee on behalf of the charity.

Millennium Bridge – As the first new pedestrian bridge to be built across the Thames for over a century, Millennium Bridge links the City of London at St Paul's Cathedral with the Tate Modern Gallery at Bankside. Funded by the charity and the Millennium Commission, the 'Blade of Light' is a 325 metre steel pedestrian bridge, conceived by Sir Anthony Caro OM CBE and built by Ove Arup and Foster Associates under the project management of the London Borough of Southwark and subsequently transferred to the charity to own and maintain.

The Grant-Making and Other Charitable Activities of City Bridge Trust

After the responsibilities relating to the bridges have been met, the charity can use surplus income in any year for its ancillary charitable purposes, the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London, further to a cy-près scheme settled by the Charity Commission in 1995. This scheme enables the charity to work through its charitable funding arm, City Bridge Trust (CBT), for a fairer London through tackling disadvantage. CBT works collaboratively to further these purposes through three key areas of activity, namely:

- Grant-making;
- Social investment; and
- Encouraging philanthropy.

Further information on the activities of CBT is available at www.citybridgetrust.org.uk

TRUSTEE'S ANNUAL REPORT

Structure and Governance

Governing Document

Reflecting its ancient nature, complex history and long connection to the City Corporation, Bridge House Estates' (BHE) "governing document" is made up of a number of different sources or instruments, some of which are referenced below. In March 1994, the charity was registered with the Charity Commission.

Founders

By various ancient gifts of property, added to over the centuries.

Governing Instruments

Historic trust documents governing gifts, grants and bequests including, a Royal Charter of 24 May 1282 A supplemental Royal Charter of 26 November 1957 Private Acts of Parliament including:

- The Blackfriars Bridge Act 1863
- The Blackfriars and Southwark Bridges Act 1867
- The Corporation of London (Tower Bridge) Act 1885
- The Corporation of London (Bridges) Act 1911
- The City of London (Various Powers) Act 1926, section 11
- The City of London (Various Powers) Act 1949, section 13

- The City of London (Various Powers) Act 1963, sections 9 & 32
- The London Bridge Act 1967
- The City of London (Various Powers) Act 1979, section 19

Various Schemes and Orders made by the Charity Commission:

- The Charities (Bridge House Estates) Order 1995 (S.I.1995/1047)
- and the Charity Commission Scheme which took effect by that Order
- An Order of the Charity Commission sealed 10 July 1997 (350.97)
- An Order of the Charity Commission sealed 20 July 1998 (251.98)
- The Charities (Bridge House Estates) Order 2001 (S.I.2001/4017)
- The Charity Commission Scheme dated 26 August 2005
- The Charities (Bridge House Estates) Order 2007 (S.I. 2007/550)

Ancient custom and practice.

Governance Arrangements

BHE is an unincorporated charity. The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate by prescription and politic, is the corporate Trustee of BHE. The City

Corporation is Trustee acting by its Court of Common Council and that executive assembly has delegated responsibility in respect of the administration and management of this charity for the period of this report to various committees and sub-committees.

Membership of those committees and sub-committees is drawn from the 125 elected Members of the Common Council together with external appointees. In making appointments, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after a skills audit. Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The key committees which had responsibility for directly managing matters related to the charity during 2020/21 were as follows:

Policy and Resources Committee – responsible for allocating resources, administering the charity, and for determining the investment strategy between property and financial investments.

Investment Committee – responsible for the strategic oversight and monitoring of the performance of the charity's investments, which are managed by three separate sub-committees, namely the Financial Investment Board, the Property Investment Board and the Social Investment Board.

Finance Committee – responsible for controlling budgets, support costs and other central charges that

affect the charity as a whole, alongside approving the Annual Report and Financial Statements.

Audit and Risk Management Committee – responsible for overseeing systems of internal control, risk management and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.

Planning and Transportation Committee – responsible for the maintenance and upkeep of the bridges with the exception of the tourism operation at Tower Bridge.

Culture, Heritage and Libraries Committee – responsible for the tourism operation at Tower Bridge.

The City Bridge Trust Committee – responsible for reviewing and approving individual grants to voluntary organisations up to the value of £500,000 and otherwise for other charitable expenditure under the Bridging Divides Strategy. Funding commitments above £500,000 are agreed by the Court of Common Council, on recommendation of this committee.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of the charity's governance, which commenced in 2017/18, continues with its aim of enhancing the impact and reach of the charity's activities for the public benefit. During the year, the Trustee approved an overarching strategy *Bridging London 2020 – 2045* which provides a framework for all the charity's activities and outlines the collective impact seeks to achieve through furthering its primary and ancillary purposes. An Investment Strategy Statement was also approved, establishing investment objectives in line with the overarching strategy.

Further to the recommendation of the review noted above, in April 2021 the Trustee constituted a new committee named the Bridge House Estates Board. The BHE Board is now the only committee of the Court of Common Council responsible for the day-to-day management and control of BHE, in the discharge of the City Corporation's functions as Trustee. In due course the Board may also establish sub-committees and appropriate links with other committees of the Court of Common Council to support its work. The revised

governance arrangements are intended to provide more cohesive oversight of the charity's operation and activities and a framework for decisions which can be better demonstrated to have been taken solely in the best interests of the charity. Following the establishment of the BHE Board, the committees listed above/on page 7 will no longer be responsible for future decisions relating to the charity. The Court of Common Council is ultimately responsible for the discharge of the City Corporation's trustee functions, and certain matters remain reserved to the whole Court rather than being delegated to the BHE Board, or to staff of the City Corporation.

Consistent with the Trustee's duty to keep BHE's governance under review to ensure the charity is operating effectively to further its charitable purposes, further changes to BHE's governing documents are being sought by way of a Supplemental Royal Charter. The powers sought will enable the charity to operate more effectively and generate greater impact. Appropriate consideration is being given to the practices recommended within the Charity Governance Code throughout this review.

Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee carries out its functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference setting out the scope of delegations from the Court of Common Council, Standing Orders, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations). These City Corporation governance documents can be obtained via a request to the email address stated on page 65. Each elected Member by virtue of their membership of the Court of Common Council, its relevant committees and sub-committees, has a duty to support the City Corporation in the proper discharge of its duties and functions as Trustee of the charity by faithfully acting in accordance with charity law, the charity's governing documents, the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework and procedures as noted above.

Induction and Training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to carry out their duties efficiently and effectively. Induction

meetings are provided on specific aspects of the work of BHE, with an emphasis on involvement for those Members closely working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

Purposes and activities

The purposes of the charity are the support and maintenance of London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge. After these responsibilities are met, any income surplus to that which can be usefully applied in accordance with the subsisting trusts in any given year is applied for the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London in accordance with a policy settled by the Trustee following consultation.

Public benefit statement

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing BHE aims and objectives and in planning future activities. The five river bridges maintained and supported by the charity are available to the general public on an open access basis. Regarding grant-making activities of the charity and other support for the charitable sector undertaken under the name 'City Bridge Trust', the Trustee awards grants at its discretion to address disadvantage across London's diverse communities and provides more general support to the charitable sector through various strategic initiatives. This process is based upon published criteria, and through thoughtful analysis and collaboration with other partners in the sector regarding the needs of marginalised communities in Greater London. The charity utilises a transparent and fair assessment process and ensures that a robust monitoring system is in place to establish the public benefit derived from each grant approved alongside the other activities of the charity.

Consequently, the Trustee considers that BHE operates to benefit the general public and satisfies the public benefit test.

Reference and administrative details

The administrative details of the charity are stated on page 65.



Southwark Bridge

ACHIEVEMENTS AND PERFORMANCE

The Bridges

Bridge House Estates maintains and supports five river crossings, ensuring that London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge, and Millennium Bridge not only serve the capital now, but will continue to do so, for as long as they are needed. Upkeep and major overhauls of the bridges are managed by a specialist team, working closely with other stakeholders to ensure the public's safety and security.

Major maintenance work was undertaken at London Bridge, with the bridge's waterproofing and all 24 bearings in the bridge abutments replaced. Replacement of the waterproofing required removal and replacement of all the paving and road surfacing on the bridge. One week into the construction programme, the nation went into Covid-19 lockdown. Despite this, the work was completed under budget, safely, and a month ahead of schedule. The bridge reopened with cycle lanes in both directions and new traffic management as part of Transport for London's Streetspace programme, the highway passing over the bridge being the responsibility of Transport for London.

Nearby, following consultation to remove the footbridge over Duke Street Hill, discussions have continued with the developer of Colechurch House to erect a replacement bridge and walkway at the developer's expense, subject to the Trustee's final agreement to those terms as they affect BHE.

Over the year, the Tideway Tunnel project has had a significant bearing on all BHE river crossings. The massive main tunnel was constructed along the line of the river and underneath all five bridges. Substantial monitoring regimes were approved and installed to ensure the effects of tunnelling were fully scrutinised and understood. The impact of the work has so far been minimal, and the bridges team continue to work with the project to ensure there are no long-term operational implications.

Works to create Tideway's new foreshore area adjacent to Blackfriars Bridge also progressed significantly. In August, a large 3,700 tonne culvert was precisely floated into position below the bridge. This will intercept a polluting discharge point hidden beneath the bridge, and also protect the long-term integrity of the bridge structure.

Nearby, a 65m deep tunnel shaft has been sunk into the foreshore. Along with the culvert this will form part of the new Bazalgette Embankment, a new public space providing fresh views of Blackfriars Bridge and the Thames. The bridges team have been working with local authority planning colleagues at the City Corporation to ensure the new embankment connects seamlessly with the bridge, while respecting its heritage.

Blackfriars Bridge also played host to the Illuminated River project during the installation of the second phase of their unified light installation. Drawing on experience gained during the project's first phase, the Bridges team, in conjunction with lighting colleagues within the City Corporation on behalf of the charity, have worked closely with the project to provide technical approval and ensure that the charity's assets are protected throughout the design, installation and operation of the artwork on the bridge structure. The addition of Blackfriars Bridge to the Illuminated River project means that the feature lighting of four of the five river crossings has now been successfully updated.

The design and tender process for the significant refurbishment of Blackfriars Bridge has also been completed. Subject to approval, the project is expected to start on site in 2021/22.

The Bridges team have also been working with the City Corporation's local authority highways team to install permanent security measures, replacing the Metropolitan Police's temporary barriers and amending the containment kerbs. The work on Southwark Bridge has been completed, using sympathetic adjustments to the road layout.



Tourism at Tower Bridge

Tower Bridge is one of London's most recognised landmarks, a working bascule bridge which, in normal years, is an extremely popular, paid visitor attraction. With visitor numbers severely curtailed, the Tower Bridge team adapted and turned to new ways of reaching audiences, while ensuring the Bridge maintained operational duty as London's most famous gateway.

Tower Bridge was in the first wave of UK attractions, museums and cultural sites to reopen to the public on 4 July 2020, following the first national lockdown. Considerations while closed included a strategy for business recovery and detailed planning at an early stage for safety measures, risk assessments and operational considerations, all of which were continuously adapted in line with evolving Government advice.

Evidence that these Covid-secure operational measures were received well by visitors was apparent in post-visit questionnaires and surveys, conducted from the point of reopening. 98% of visitors did not feel uncomfortable with the amount of people onsite and 78% scored Tower Bridge as 10 out of 10 for safety measures.

A significant challenge was the need to balance a warm welcome while ensuring social distancing and safety. Staff reported emotional responses from visitors, with visits representing normality and an opportunity to safely meet family members for the first time since lockdown. The provision of excellent customer service in addition to ensuring confidence was key. 95% of visitors scored Tower Bridge as nine or 10 out of 10 for welcome and customer service after it reopened in July. In terms of the Bridge's learning programme and focus on inclusivity, the months following reopening saw extensive uptake of its refocused digital education provision, exceptional levels of engagement with on-site family activities and its highest take-up of 'Relaxed Early Opening' sessions, designed to create an autism-friendly environment.

“Ninety five percent of visitors scored Tower Bridge as nine or 10 out of 10 for welcome and customer service after it reopened in July.”

Prior to this, following closure in line with the first national lockdown from March 2020, Tower Bridge became 'digitally open' despite being physically closed. Similar to many of its peer attractions, the Bridge's visitor offer was swiftly redeveloped digitally in an effort to stay relevant, visible and provide meaningful cultural content and learning resources for public engagement during lockdown. Digital content on the new Tower Bridge website included activities and articles on a range of subjects, including the history of BHE, quizzes, short films, and podcasts. An artist's exhibition, commissioned for the 125th anniversary and launched in February, was recreated as a digital exhibition and film being shared on the website in April. The film won three independent film awards during the summer.

Digital approaches were also adopted for learning provision, including workshops and online resources, a dedicated family activities hub, and community engagement collaborations and partnerships. Many of these resources have been retained as the Bridge and wider sector move towards recovery.

As a tourist attraction, Tower Bridge celebrated a record year in 2019/20, but the impact of the pandemic, severe across the sector, resulted in a significant downturn in visitors in 2020/21. The Bridge was forced to close as a visitor attraction on a number of occasions and for a total of seven months. Throughout the year, efforts were made to reduce losses for the charity, including utilisation of the Government's furlough scheme and significant reductions to the Bridge's variable costs. Although income was severely impacted, the Bridge's potential was maximised by effectively engaging with local audiences, as the Bridge's previous international and wider domestic visitor base was cut off. Tower Bridge remained operational as a working bascule bridge throughout the crisis, with staff managing the statutory obligation of raising the Bridge for river vessels, while protecting the structure and public.

Bridge House Estates' Funding and Philanthropic Activities

Beyond BHE's management and protection of the five bridges, surplus income is used by CBT – BHE's charitable funding arm and London's largest independent funder – to benefit marginalised communities across Greater London. Under the *Bridging Divides* strategy, over £25m per year is dispersed to groups working to reduce inequality and grow stronger, more resilient and thriving communities.

The City Corporation both as Trustee of BHE and otherwise in delivering its wider functions and activities, has adopted a joint Philanthropy Strategy. In so doing, the Strategy has support from both the charity's and from the City Corporation's own funds. Higher value philanthropy can be achieved through this joint approach, role modelling in London through support for, and awareness-raising of high impact philanthropy initiatives in the UK and internationally.

CBT's Activities

When Covid-19 hit the CBT team acted swiftly: collaborating with other London funders to launch the London Community Response (LCR); flexing their funding offer; offering a one-off payment to grantees; and showing solidarity with the sector. Senior staff played an integral part of the pan-London response, a critical role they continue to play in the drive to build London back better. In line with the critical needs of many charities, CBT offered core cost grants to many of their funded organisations, releasing a financial burden at a challenging time. Whilst funding to existing grantees and the small grants programme continued, the charity's Bridging Divides funding programme was temporarily paused to new applications.

The LCR was a pioneering collaboration of over 65 institutional, statutory and corporate funders who united to maximise their impact. It galvanised over £53.3m of funding from across these funders and enabled 3,327 grants to be made. It also presented an opportunity to

fund new organisations and test new ideas. Significant innovations in funding practice resulted, with the associated funders pooling expertise and streamlining processes to accelerate impact. Lessons learnt gave a boost to the dynamic learning and impact strategy and prompted an interim review of the Bridging Divides strategy which commenced in January 2021.

The LCR launched on 27 March 2020, just four days after the first national lockdown was announced. Co-ordinated by London Funders, it featured a set of eight funding principles anchored in equitable grant-making and drawing on learning from previous joint-funder responses to emergencies. A common online application form allowed civil society organisations to make applications for emergency support, which any of the 67 funders involved could consider.

At the same time, BHE established the London Community Response Fund (LCRF). This was, and continues to be held as, a restricted fund within BHE's ancillary purpose to enable funders (including grant-makers, Livery Companies, and City businesses) who chose not to directly fund via the LCR to join the collaboration. Major donors included the Mayor of London, Quadrature Capital Foundation, Paul Hamlyn Foundation and Macquarie Group Foundation. The LCRF is administered by the City Corporation through the CBT Team.

Between April 2020 and March 2021, five waves of LCRF funding provided support to voluntary organisations across the capital. The LCRF was responsible for distributing £28.3m in the year, via 1,591 grants. CBT allocated a total of £15.2m from its own resources from BHE, with £13.1m leveraged from 19 other funders. In Wave 3, The National Lottery Community Fund contributed significantly, providing funds for 201 grants totalling £6.7m. In Wave 5, CBT awarded an additional £990k as aligned funding from BHE to 21 organisations.

Acknowledging the disproportionate impact of Covid-19 on racialised communities and other groups affected by structural inequality, a key feature of the collaboration was the LCR equity and inclusion partners; Ubele Initiative, Inclusion London, Consortium and Women's Resource Centre, who co-developed each wave of funding.

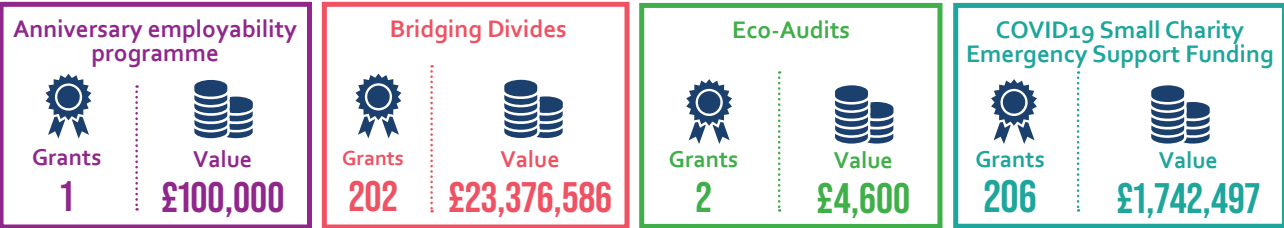
Strategic Initiatives

In 2020-2021 CBT funded various strategic initiatives focused on increasing the impact and scale of philanthropy, as well as CBT's learning. Examples of support in this area include:

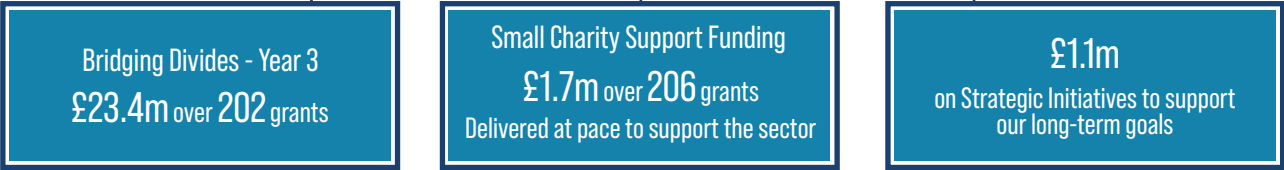
- **London's Giving:** supporting the development of place-based giving schemes in each of London's 32

City Bridge Trust Main Giving

FINANCIAL YEAR 2020/21



TOTAL SPEND £26.9M



LONDON COMMUNITY RESPONSE FUND EQUITY

Equity data – percentage of grants approved to organisations led by and for their communities in each funding Wave.

'led by' category	% of approved grants Wave 1 & 2	% of approved grants Wave 3	% of approved grants Wave 4	% of approved grants Wave 5**	Wave	Total number of grants awarded	Total value of grants	Average grant size
LGBT+	5%	9%	12%	8%	1&2	976	£12,960,262	£13,279
BAME	43%	58%	71%	66%	3	361	£12,027,219	£33,316
Deaf and disabled	8%	13%	12%	7%	4	207	£1,918,087	£9,266
Women	59%*	40%	43%	38%	5	47	£1,417,542	£30,160

Note these values do not sum to the number of approved grants as there can be more than one category per grant

* Data not collected in early waves

** change to classification which resulted in fewer applicants meeting the criteria

boroughs. Bringing together the voluntary, private and statutory sectors, it acknowledges that everyone has something to give – time, skills or money.

- **London Funders:** the membership network for funders and investors of civil society from all sectors – be they charitable, statutory and private.
- **LondonPlus:** established by CBT in 2017 as a co-ordinating body for London’s civil society, it played a vital role in the voluntary sector’s response to the Covid-19 crisis.

The Prince’s Trust

This 10-year partnership was set up to positively impact some of the most socially deprived areas of London, assisting young Londoners from challenging backgrounds. Training, education and development programmes provide essential support to young people who are at risk or underachieving in education or unemployed and not ready for work. Over six years, more than 11,000 young Londoners have been supported and 77% have achieved a positive outcome. The full impact of the Covid-19 pandemic fallout has yet to materialise, but it is clear that young people are disproportionately affected; with many facing a hostile environment with regards to job opportunities, mental health and well-being. Although positive outcomes have been achieved over the six years, a review of the strategic partnership has commenced to develop The Prince’s Trust’s ability to measure its long-term impact and inform the focus of the partnership going forward. Once the review is complete, the seventh year of delivery will commence.

Bridge to Work

Many activities being delivered through this programme were suspended as lockdown restrictions made it harder for organisations to deliver employability support and many staff were furloughed. However, partners continued to work with young disabled Londoners in other ways: bringing together beneficiaries for discussions about their well-being, providing online opportunities to interact with their peers and keeping young people engaged with the core purpose of the programme.

Responding to the Resilience Risk (RRR)

The RRR programme finished its first phase and was evaluated. This project worked with the voluntary sector to investigate and learn how to support staff resilience, acknowledging that this is a cadre of workers who are often missed out. CBT’s learning partner, Renaisi, found that overall, individual resilience levels were increased, but highlighted the potential to increase impact by delivering a combination of group and one-to-one

activities within organisations. To progress and refine understanding of resilience support, a further research phase has been agreed.

Social Investment

The Social Investment Fund represents the designation of £21.5m from the charity’s unrestricted income funds, which are to be invested for a financial return as part of the charity’s balanced investment portfolio. It focuses solely on enterprises and markets that achieve social impact. Since its inception in 2012 the Social Investment Fund has committed a total of £20.3m and achieved a return of 3.11% (gross) on invested funds.

During the year, the Fund committed and deployed funds (£0.63m in total) including to the Thera Trust to provide accommodation for adults with learning disabilities, and to the Women In Safe Homes Fund, who provide accommodation and support to vulnerable women. CBT also committed funds to Snowball Impact Management, to invest in a range of public and private funds to create positive outcomes for people and the planet. Following two major redemptions, the total funds invested at the end of 2020/21 were £9.1m with a further £3.4m either committed but not yet placed or subject to agreement of terms.

CBT continues to run its Stepping Stones Fund, a funding programme in partnership with UBS, offering social investment-readiness grants to charitable organisations and social enterprises working in Greater London.



Action On Disability works with young disabled people
© Action On Disability



Millennium Bridge.

BHE Investments

During the year, the Trustee approved a ‘transitional’ Investment Strategy Statement (ISS) to incorporate the strategic objectives approved within the new overarching strategy for BHE, *Bridging London 2020 – 2045*. This transitional ISS lays the foundation to incorporate future changes regarding the charity’s overall investment portfolio, enabling the Trustee to have considered discussions in response to changing circumstances.

The purpose of the ISS is to ensure that the charity maintains consistent funding for its primary purpose, meeting the needs of the five Thames Bridges across the short, medium and long-term, with surplus investment income being appropriately managed to support the ancillary purpose in line with BHE’s latest approved charitable funding strategy, delivered in the name of CBT. The ISS covers the investment of the charity’s permanent endowment fund and unrestricted income fund, and encompasses property, financial and social investments.

In October 2020, the City Corporation adopted a radical Climate Action Strategy for both the organisation itself and BHE, in its role as Trustee. The Strategy breaks new ground and sets out how the City Corporation, both as Trustee and otherwise in its other activities, will achieve net zero carbon emissions by 2040 across its full value chain. This is in line with BHE’s ambition to deliver its activities and manage its assets in the most sustainable, ethical and responsible ways possible. It is acknowledged that BHE’s approach to Responsible Investment will need to continually evolve, both due to the changing landscape and with respect to environmental, social and governance (ESG) issues as well as broader industry developments. The Trustee is committed to making ongoing improvements to its approach and the processes that underpin the delivery of this strategy for BHE to ensure the ISS remains relevant.

Property Investments

BHE has a property investment portfolio comprising of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents the permanent endowment funds of the charity. There are now 65 assets within the portfolio of which around 50% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio, but are externally valued alongside the rest of the portfolio.

The impact of Covid-19 reduced rental income receipts, however the underlying value of the property portfolio, as disclosed in the balance sheet, only decreased by £11.1m (1.3%) to £843.8m at 31 March 2021. Where possible BHE worked with tenants to provide rent assistance to support smaller businesses. The objectives for this portfolio, as stated within the ISS, are to maximise rental income and to outperform the MSCI Benchmark (Greater London Properties including owner occupied) total return on an annualised 5-year basis. The portfolio outperformed the MSCI benchmark across all reported periods. The performance of the property portfolio is depicted in the table below:

	31 March 2021	31 March 2020
Capital Value*	£843.8m	£854.9m
Gross Rental Income **	£27.0m	£34.6m***
5-year annualised Total Return	10.18%	13.33%
Benchmark 5-year annualised Total Return	4.29%	7.42%
MSCI Universe (All UK Property) 5-year annualised Total Return	3.10%	5.40%

* Inclusive of lease smoothing adjustment

** Inclusive of service charge income

*** Including a surrender premium of £3.1m received in 2019/20

Review of activities from 2020/21:

- Increased investment in industrial sector with purchase of Viper Estate in Romford for £12m and head leases at 30 Engate Street, Lewisham (£2.75m) and 207 Southwark Bridge Road (£2.63m);
- Maximised the price of £14.2m achieved from the sale of Tower Bridge Road retail parade in March 2021 (ahead of valuation of £12.1m) and reduced exposure to non-prime retail;
- Progressed major refurbishments at 120 Cannon Street, 30 New Bridge Street, 74 Moorgate and 84 Moorgate, all due to achieve EPC B / BREEAM Excellent sustainability certification while reducing carbon emissions;
- Progressed joint ventures at Southwark’s Ministry of Sound site and 32-34 Southwark Bridge Road to maximise value for BHE;
- £260,000 per annum of new lettings between April 2020 and March 2021.

Financial Investments

The BHE financial investment portfolio primarily represents the unrestricted income funds of the charity, although currently around 13% of the portfolio forms part of the permanent endowment fund. The aim of the portfolio is to seek an absolute return over the long term to provide for increases in annual expenditure whilst preserving its capital base in real terms, which is currently set at CPI + 4%.

To achieve its objective, the portfolio is invested across a diverse array of asset classes, on a global basis, which includes exposure to publicly listed equities, fixed income, multi-asset funds, infrastructure and private equity. The charity primarily accesses these asset classes through pooled fund vehicles, each managed by specialist appointed fund managers. Twenty percent of the portfolio is managed on a segregated account basis by Ruffer LLP.

The performance of the financial investment portfolio is shown in the table below:

	31 March 2021	31 March 2020
Financial Investments Value	£834.0m	£687.2m
One Year Total Return	26.50%	-2.90%
Absolute Return Target	4.70%	5.50%
Asset Allocation Benchmark	8.00%	-1.60%

The year to 31 March 2021 has been defined by a marked recovery in financial markets following the worst quarterly decline in a decade (Jan - Mar 2020), precipitated by the onset of the global pandemic in early 2020. Global equities and fixed income markets rebounded sharply at the start of the reporting period as governments and central banks adopted supportive fiscal and monetary policies alongside social and economic restrictions to reduce the spread of Covid-19. Economic sectors that were at the forefront of this ‘new normal’, particularly technology companies, performed strongly. Markets remained volatile as authorities struggled to bring the virus under control, and in the run up to the US presidential election in November, but the news of several successful vaccine trials in the autumn lifted equities markets further. The prospect of a wider reopening of the economy and the end of pandemic-related restrictions led to an increase in bond yields as confidence in the global economic recovery grew. The rally in equities was sustained into the first quarter of 2021, led by many of the cyclical stocks that had lagged behind technology holdings in the first half the year, such as financial institutions and energy companies.

Under these supportive conditions, the charity’s financial investments generated an annual return of 26.5% in the year to 31 March 2021 which compares favourably to an absolute return target of 4.7% and an asset allocation benchmark of 8.0%. The diverging fortunes of particular economic sectors at various times during 2020/21 underscores the importance of maintaining a diversified asset allocation strategy that seeks broad exposure to different sources of risk and return. The charity sets out to do this through its investment strategy, and this approach has delivered robust returns over the past year and the longer term.

Social Investments

BHE holds £9.1m (2019/20: £12.6m) as social investments. The activities and performance of the social investment fund is stated on page 17 alongside the section on BHE’s philanthropic and funding activities.



Plans for future periods

BHE has always existed, and continues to exist, for the benefit of London, and is anchored by the needs of London’s communities. BHE’s role is perhaps more important than ever in bridging and connecting London – both physically via its five bridges, and through supporting causes at the heart of London’s communities that help bridge divides in society. The constitution of the BHE Board in April 2021 was a key moment for the charity and presents the opportunity to model best practice by enhancing its governance, management and administration – ensuring that BHE is a modern and progressive charity that can continue to respond to the issues of today. Key for 2021/22 will be the development of an appropriate board culture to ensure that it is engaged, efficient and effective in its management of the charity. The vision for the next year across the activities of the charity includes:

The Bridges: A major focus will be the refurbishment of Blackfriars Bridge, a three-year project scheduled to start in 2021. The team will continue to work closely with the Tideway Tunnel project team, and to enhance security across the bridges. BHE will celebrate the centenary of Southwark Bridge on 6 June 2021.

Tower Bridge Tourism: Moving forward, the focus will be on continued recovery of the tourism business and venue hire business, while remaining adaptable to changing circumstances. The new digital strategy will continue to be developed. Work will commence on a complete overhaul of the Bridge’s high voltage system and replacement of hydraulic pipework.

Activities of City Bridge Trust: Having adapted to support those sectors of society most hard-hit by Covid-19, CBT will continue to develop new funding programmes and ways of working, while continuing to cultivate a learning culture. The aim will be to inform, influence and benefit the wider public and charity sector.

Investments: The new BHE Board will be reviewing the weighting of its investments in the next year as part of the future development of its current ISS. Plans for the specific investment areas include:

Property Investments: additional investment in industrial assets and raising funds by re-gearing the ground lease at Millennium Bridge House and selling office freeholds at 64 & 65 London Wall. A major office refurbishment at 120 Cannon Street will achieve EPC B and BREEAM Excellent sustainability ratings and a consultant will be appointed to advise on achieving EPC B by 2030 and net zero carbon by 2040 across the portfolio.

Financial Investments: looking ahead, the BHE Board will continue to manage the charity’s financial investment portfolio in line with the overall objectives. Throughout 2021/22 it will monitor the performance of the financial investments, ensuring that asset allocation remains appropriate and interrogating the performance of appointed investment managers.

Kiln Theatre Company, working with young people to build their confidence and immerse themselves in the arts © Alex Brenner.

FINANCIAL REVIEW

Overview of financial performance

The charity has been impacted financially as a result of the Covid-19 pandemic, with uncertainties on the level of investment income receivable, reductions in investment growth and the closure of Tower Bridge as a visitor attraction for lengthy periods. Despite this, careful management of the available financial assets has enabled the charity to continue as planned with support and maintenance of the bridges, alongside reaching a record high for grant commitments made in a single year.

Income

In 2020/21, the charity's total reported income was £47.4m, an overall increase of £0.8m against the previous year (£46.6m). The overall increase has been driven by the £15.4m of restricted grant income received in the year, with £15.0m of this having been donated by various funders towards the London Community Response Fund (LCRF), which more than offset the decline in other sources of income.

The combined income derived from visitor admissions, retail and events at Tower Bridge, reported within income from charitable activities, reduced to £0.5m from the previous year's £6.7m due to the required closures of the visitor attraction during the year. The charity was a beneficiary of the Government's Coronavirus Job Retention Scheme, more commonly known as the 'furlough scheme', with the £0.8m received to support staff as disclosed within other income.

Investment income principally comprises the rental and other related income earned from the property portfolio held by the charity, which is currently all held within the endowment fund. For 2020/21, such income totalled £27.0m, a reduction of £7.6m against the previous year (2019/20: £34.6m). The charity worked to support its tenants during the pandemic, approving rent-free periods and reduced rents for categories of tenant whose businesses were significantly impacted. The previous years' income was unusually high due to inclusion of a £3.1m surrender payment following a tenant's early exit from a lease. With the majority of the

financial investment holdings of the charity being held on a pooled basis, the income equivalent forms part of the movement in the value of the assets within the balance sheet. For those investments held on a non-pooled basis, income totalled £2.5m, matching that of the previous year. The remainder of the charity's investment income comes from interest earned from social investments and monies placed on treasury deposits, at £0.9m (2019/20: £0.8m).

Expenditure

Total expenditure for the year was £89.6m, an increase of £26.8m when compared to 2019/20 (£62.8m). This uplift in spend was as a result of the increased grant-making commitments in the year following the establishment of the LCRF in March 2020. Together with the donations received from other funders across London, BHE utilised £15.2m of its own funds to enable a total of £28.3m grants to be approved in the year, alongside the costs of administration, within this restricted trust.

Expenditure on raising funds reduced slightly to £15.0m (2019/20: £15.3m), with these costs relating to the management of the charity's investments. Whilst the costs attributable to the property investments reduced, following the significant increase to the bad debt provision required last year as a result of the Covid-19 pandemic, the costs of the financial investment portfolio increased in the year with the inclusion of one-off performance fees.

The spend on charitable activities covers that of supporting and maintaining the bridges, the operational costs of Tower Bridge as both a working bridge and a visitor attraction, and the grant-making activities undertaken under the name of City Bridge Trust. Expenditure for 2020/21 totalled £72.3m, compared to the previous year's £46.4m. Within this, spend on the five Thames bridges totalled £9.4m (2019/20: £6.5m), including that on a major maintenance project on London Bridge which was successfully completed within budget despite the impacts caused by the pandemic. The design and tender process for the planned refurbishment of Blackfriars Bridge was completed in the year, with work due to start in 2021/22. The spend in year on Tower Bridge was contained as much as possible as a result of the closures enforced due to the various lockdowns during the period under review. The furlough grants received for staff unable to work during these closure periods are shown within other income, as opposed to being netted off expenditure. Grant-making activities and related spend achieved a record annual high for the charity at £58.6m, with the spend in 2019/20 of £33.7m having been the previous record. In addition

to the £28.3m grants committed within the LCRF restricted fund, noted above, a further amount of £26.9m was committed under the Bridging Divides funding policy.

Overall performance

The above activities in the year resulted in an overall deficit of £42.2m (2019/20: £16.2m), prior to movements on investments held. Total gains of £155.5m were reported as at 31 March 2021, compared to £63.3m the previous year. A strong performance was delivered from the financial investment portfolio, with gains of £178.7m, the majority of which added to the value of the unrestricted income fund. A loss of £23.4m was reported against the investment property portfolio, with £22.9m of this being unrealised, as a result of the impacts of the Covid-19 pandemic on the underlying value of the portfolio. Further details on the performance of investments is stated on pages 18-20.

The social investment fund delivered an unrealised gain of £0.2m in the year (2019/20: loss of £0.9m).

Funds held

As at 31 March 2021, the total funds held by the charity were £1,643.2m (2020: £1,536.4m), an increase over the year of £106.8m. Within these, £979.5m represent permanent endowment funds which are held in perpetuity as a capital fund to generate income for the future activities of the charity. All income arising from this capital fund is accounted for as unrestricted funds. Such income enables the charity to meet its primary purpose of maintaining and supporting the five river bridges across the Thames, with the remaining surplus income available to undertake the activities of CBT.

Restricted funds held as at year-end amounted to £3.8m (2020: £2.8m). £3.4m of these represent grant income received into the LCRF with £0.4m held for other funding programmes being undertaken by CBT. Details of these are stated on page 60.

The unrestricted income funds of the charity include both the general fund (free reserves) and a number of designated funds. As at 31 March 2021, these funds totalled £659.9m (2020: £549.4m) being net of £27.7m held to cover the pension deficit (2020: £18.9m).

The Trustee has decided to set aside, or designate, unrestricted income funds for specific purposes. These designations total £445.6m (2020: £440.7m). The bridges repair fund increased by £6.4m in the year, ensuring that sufficient funds are set aside to cover planned projects across the next five years. A further

£10.2m was added to the bridges replacement fund, giving a total of £168.7m (2020: £158.5m) held to fund future rebuild costs. The balance on the grant-making fund at year-end is £206.9m (2020: £219.2m), a decrease of £12.3m. The charity utilised both unrestricted and restricted funds during the year in achieving its highest ever level of giving in a single year.

Details of all funds held, including their purposes, is set out within Note 23 to the financial statements.

Reserves policy

The permanent endowment funds are held in perpetuity. It is the Trustee's policy to invest the assets of the charity held within this fund to retain the real value of the endowment, while also generating sufficient returns to fund the charity's primary purpose to maintain and support its five river bridges, whilst preserving both the 'real' value of the asset base and the purchasing power of the sums available for annual expenditure over the long term.

Any income surplus to that required to be applied to the charity's primary purpose is predominantly used to provide assistance in the form of grants to charitable organisations across Greater London. The level of funds available for grant awards is monitored and adjusted to ensure compliance with the policy to preserve the 'real' value of the asset base.

The free reserves of the charity are held to cover working capital needs and a provision for unplanned urgent activities. The Trustee believes that an amount of £35m should be held for these purposes, although has approved that an additional amount of up to £55m (giving a total of £90m) should be held due to the uncertainties resulting from the Covid-19 pandemic. This amount is subject to at least annual review.

The charity is considering, within its governance review, adopting a total return basis for its permanent endowment fund – subject to this power being adopted within the Supplemental Royal Charter. With this approach, the charity's Trustee decides each year how much of the total return within the endowment fund can be released to income for spending against the objectives and how much is retained for investment. Prior to adopting this approach, the Trustee will be maintaining a designated fund for bridge replacement out of the charity's unrestricted income funds.

Reserve levels held as at 31 March 2021 are set out in Note 23. The charity holds free reserves of £214.3m (2020: £108.7m). Amounts held are £124.3m above the current revised policy, following a strong performance by the investments in which the unrestricted income

funds are held. The Trustee remains cautious on the long-term impacts of the Covid-19 pandemic across its investment portfolio, noting the potential risk of future realised losses, and against the potential of increased future construction costs and continues to review plans for the future use of reserves held.

Investment policy

The charity's investments are invested in accordance with the powers set out in an Order of the Charity Commission dated 20 July 1998, the Trustee Act 1925, the Trustee Act 2000 and within its Investment Strategy Statement (ISS). The Order, in addition to its other powers, enables the Trustee to invest the property of the charity either:

- in the acquisition of any securities or property (real or personal) of any sort; or
- on deposit or loan whether in the UK or elsewhere.

The objective of the charity's ISS, as approved by the Trustee in January 2021, is to ensure consistent funding for the primary purpose of BHE, meeting the financial needs of maintaining and supporting the five Thames Bridges across the short, medium and long-term, with surplus investment income generated being available to support the ancillary purpose of the charity.

The charity defines investment risk principally as the danger of failing to meet its primary purpose. As an endowed charity, the Trustee has a duty, when investing the permanent endowment, to balance capital growth and income return to meet the charity's purposes now and in the future. To achieve this, the real value of the permanent endowment is required to be preserved, after providing for annual expenditure, alongside consideration of required levels of income generation. Due to the in-perpetuity nature of the objects and size of the charity's funds, the charity can make a more longer term view and tolerate a reasonable level of short-term volatility to the value of the endowment fund as an investment opportunity rather than as a threat. The long-term investment objectives of the portfolio are currently to:

- Apply a targeted income return of CPI +4% to the financial investment funds held.
- Outperform the MSCI Benchmark (Greater London Properties) for total return on an annualised 5-year basis, for the property investment funds held.
- Apply a minimum targeted income return of CPI to the Social Investment Fund.

The Trustee is committed to being a responsible investor of the charity's funds and the long-term steward of the assets in which it chooses to invest those funds. It expects this approach to protect and enhance the value of the charity's assets over the long term. The Trustee is aware that the charity's mission or its credibility may be undermined if it invests in businesses whose activities undermine the charity's values and charitable purposes. The Trustee recognises it is consistent with its fiduciary duties and duty in investing charity property to manage Environmental, Social and Governance (ESG) issues that may be financially material. As a long-term investor, BHE recognises that it should manage ESG risks that can be both long-term and short-term in nature. In addition, the Trustee seeks to identify investment opportunities for BHE aligned with the charity's long-term purposes. As a signatory to the Principles for Responsible Investment (PRI), the Trustee has also agreed to incorporate the six core principles of PRI into the charity's investment analysis and decision-making processes. The Trustee is also committed to align the charity's financial investment portfolio with the goals of the Paris Agreement on climate change (2015). It is further committed to being net zero across BHE's full value chain, working closely with other aspects of the City Corporation's business to deliver the joint Climate Action Strategy adopted for BHE as Trustee and by the City Corporation for itself, with a deadline of net zero by 2040.

The performance of the charity's investments during the year is discussed on pages 18-20 and set out in Notes 14 - 16.

Grant-making policy

The Trustee has established BHE's grant-making policy to achieve the charity's ancillary purpose, as laid out on page 5, for the public benefit. In the name of City Bridge Trust, its charitable funding arm, BHE considers and funds a large number of organisations and makes awards through a wide programme of funding schemes. The majority of grants are usually for revenue expenditure, awarded over 2–5 years. 2020/21 was an exceptional year in the charity's grant-making history with the Covid-19 pandemic disrupting many organisations' delivery plans. Many of the organisations already in receipt of funding were offered the opportunity to convert funds towards core costs (subject to retaining a restriction for London benefit), with conversion requests decided on a case-by-case basis. Open funding programmes were paused for requests for new projects whilst grant-making activities focused on a multi-funder emergency response, which included funds awarded over shorter than usual time periods (up to 1 year).

All applications are assessed via a robust process to ensure that proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity’s criteria. Approved grantees are required to report annually on the impact of their work. Information is collected in a uniform and systematic way, enabling analysis and feedback to take place. The results of monitoring reports are used to assess the overall effectiveness of grant-making, along with a commissioned grantee perception survey providing benchmarking and performance data.

Details of how to apply for grants are available on the CBT website – www.citybridgetrust.org.uk

Remuneration policy

The charity’s senior staff are employees of the City Corporation and, alongside all staff, pay is reviewed annually. These expenses incurred by the Trustee in administering the charity are re-charged to BHE. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of bonuses and recognition awards.

The above policy applies to staff within the charity’s key management personnel, as defined within Note 12 to the financial statements.

Senior staff posts of the charity are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established by the City Corporation to actively promote equality, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan. This also includes addressing the City Corporation’s gender pay gap.

Fundraising

Section 162(1)(a) of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Although the charity does not undertake widespread fundraising activities, any such amounts receivable are presented in the financial statements as “voluntary income” including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day to day management of all income generation is undertaken by the CBT team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2019/20: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities.

Principal risks and uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity’s assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed and adopted by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks
Lack of understanding by Members and staff of the duties and powers of the City Corporation as Trustee of BHE.	Design and implement a training programme for Members and staff. Provision of a Handbook on the charity’s governance and the role of the City Corporation as Trustee – specifically, knowledge of the general charity regulatory framework, the charity’s own governing document, and how the charity operates and is administered within the City Corporation’s corporate governance framework. Implementation of clear procedures to ensure skills, knowledge and experience required on the Board are appropriate and relevant. Revision of corporate governance documents as relevant.
Conflict of interest/ loyalty between the City Corporation acting solely in the best interest of the charity and otherwise in its other legal capacities.	Implementation of the new BHE Board to enhance the management of conflicts of interest/loyalty. Seeking Supplemental Royal Charter to expressly confirm authorisation of conflicts of interest/loyalty for the City Corporation, and to provide a framework for managing them. Implementation of a Conflicts of Interest Policy.
Structural damage to one of the bridges may cause it to become non-operational.	The City Surveyor’s Department and Department of the Built Environment within the City Corporation work together (for the charity and in the discharge of the City Corporation’s separate statutory and regulatory functions), alongside other bodies and stakeholders, to manage ongoing actions associated with this risk which includes potential structural damage as a result of issues such as a substantial vessel strike or through acts of terrorism. Possible impacts from the Thames Tideway tunnelling continue to be monitored. A 50-year maintenance plan is in place to manage on-going works.
Positive returns from investment activities are not achieved and review of a balanced asset portfolio not kept under adequate review.	Monitor investments held against the ‘transitional’ Investment Strategy. Implement a new Investment Strategy and regularly review to ensure that the investments are suitable and appropriately diverse (i.e. appropriate levels of asset allocation between asset types and within funds held by the charity). Continuation of ongoing financial scenario planning.

Going concern

The financial statements of BHE have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity’s ability to continue as a going concern. In making this assessment, the Trustee has considered the potential impact of the Covid-19 pandemic on the value of investment assets held, future income levels and the liquidity of the charity over the next 12-month period. The Trustee is satisfied that the charity could absorb significant changes in investment value with no impact on its ability to continue as a going concern. The charity’s funds grew by £106.8m in the year to 31 March 2021, with funds available in liquid assets to meet any cash needs as they fall due. The “material valuation uncertainty” that was placed by the valuers of our property portfolio on their valuations as at 31 March 2020 no longer exists due to the nature of the properties held, as there are no material holdings within the leisure and hospitality sectors.

Financial projections have been considered over the short-term, being a 3-year period, with the assumption that income levels will continue to be below normal expectations. Financial investments held have generated gains which have exceeded previous forecasts although this is not a guaranteed portrayal of future performance. The primary purpose of the charity is to meet the needs of the charity’s five Thames bridges, ensuring that adequate funds have been set aside to cover both their short and long-term needs. The Trustee continues to be satisfied that it will have the necessary resources to meet these needs, with sufficient funds available as at 31 March 2021 to make the necessary transfers to designated funds for these purposes, based on current requirements. The ancillary purpose of BHE is undertaken only where surplus income is available after responsibilities relating to the Bridges have been met, as stated on page 5, and the charity continues to be able to fund both its responsibilities for the Bridges and its ancillary purpose. However, should it be required, this method of operation provides flexibility to the charity when approving future plans. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

The Audit Review Panel

Historically, the audit of the individual funds of the City Corporation was shared between the members of an Audit Panel, comprising representatives from a number of different audit firms. This Panel was appointed via Common Hall. Changing regulatory requirements have meant that a full team of auditors is required in the modern era to complete the audit work to the level of detail and degree of complexity appropriate for the size of the organisation. Consequently, the City Corporation now appoints one auditor across all funds, and the Panel is engaged to act as a peer reviewer of that auditor. The Panel now represents an unnecessary duplication of process not in keeping with modern practice and therefore, following approval having been given to remove this process, 2020/21 will be the final year in which the Audit Panel undertake their review.

TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

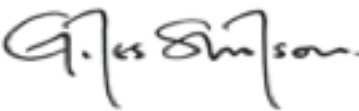
The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity’s transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The Trustee is 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity’s auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee’s website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee’s website is the responsibility of the Trustee. The Trustee’s responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.



Dr Giles Shilson
Chairman of BHE Board



Dhruv Patel OBE
Deputy Chairman of BHE Board

Guildhall, London
16 December 2021

INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEE OF BRIDGE HOUSE ESTATES

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity’s affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of Bridge House Estates (“the Charity”) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustee’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor’s report thereon. The other information comprises: Overview of the year; Origins of the charity; Trustee’s Annual Report; Trustee Responsibilities; Report of the Audit Review Panel; Reference and Administration Details. 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. 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 Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the Trustee

As explained more fully in the Trustee responsibilities statement, the Trustee is 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 Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditor’s 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- We obtained an understanding of the legal and regulatory framework applicable to the Charity. We focused on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Charity. The laws and regulations we considered in this context were United Kingdom Accounting Standards (Financial Reporting Standard 102), the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (FRS 102), and the Charities Act 2011.
- We understood how the Charity is complying with those legal and regulatory frameworks, by making enquiries to management, and the Trustee, of known or suspected instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of key committee board minutes.
- We reviewed the financial statement disclosures to assess compliance with the relevant laws and regulations discussed above. We remained alert to any indications of non-compliance throughout the audit.
- We assessed the susceptibility of the Charity’s financial statements to material misstatement, including how fraud might occur, by discussing with management and the Trustee to understand where it is considered there was a susceptibility of fraud.
- We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to the override of controls by management including posting of inappropriate journal entries, management bias in key material accounting estimates, and the timing of income recognition.

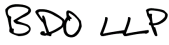
- Audit procedures performed in response to the assessment above included: Enquiries of management; reviewing accounting estimates for bias and challenging assumptions made by management in their significant accounting estimates including, but not limited to, valuation of investment properties, valuation of the Charity’s financial investments, measurement of the defined benefit pension scheme liability; Sample testing the recognition of income, Sample testing the appropriateness of journal entries.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council’s (“FRC’s”) website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the Charity’s trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity’s 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 Charity’s Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

DA15AED75D45453...

BDO LLP, statutory auditor
London, UK

23 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

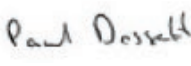
REPORT OF THE AUDIT REVIEW PANEL TO
THE RIGHT HONOURABLE THE LORD MAYOR,
ALDERMEN AND LIVERY OF THE SEVERAL
COMPANIES OF THE CITY OF LONDON IN COMMON
HALL ASSEMBLED

We, whose names are hereunto subscribed, the Audit Review Panel of the Chamberlain’s and Bridgemasters’ Accounts, elected by the Livery of London in Common Hall assembled on 26 June 2017, 25 June 2018 and 24 June 2019 pursuant to Act 11, George 1, Cap. 18, an Act for regulating elections within the City of London, etc., do report as follows:-

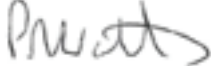
We have reviewed the processes adopted by BDO LLP for the audit of the Bridge House Estates for the period from 1 April 2020 to 31 March 2021.

In our view the audit of the Financial Statements has been conducted in accordance with auditing procedures as stated on pages 30 to 32.

This report is made solely to the above-named addressees. Our work has been undertaken to enable us to make this report and for no other purpose.


P. Dossett


A. Francis


P. Watts

Dated: 23 December 2021

The BDO City Corporation Engagement Lead, David Eagles, is also a member of the Audit Review Panel. However, as the role of the Panel is to provide independent confirmation that the processes adopted by BDO LLP have been conducted in accordance with auditing procedures, it is not appropriate for David Eagles to sign the report.

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2021

	Notes	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	2020/21 Total Funds £m	2019/20 Total Funds £m
Income and Endowments from:						
Voluntary income	2	–	15.4	–	15.4	1.8
Charitable activities	3	0.5	–	–	0.5	6.7
Investments	4	30.4	–	–	30.4	37.9
Other income	5	1.1	–	–	1.1	0.2
Total Income		32.0	15.4	–	47.4	46.6
Expenditure on:						
Raising funds	6	14.6	–	0.4	15.0	15.3
Charitable activities						
Repair and maintenance of bridges		9.4	–	–	9.4	6.5
Tower Bridge tourism		4.3	–	–	4.3	6.2
Grants to voluntary organisations		29.9	28.7	–	58.6	33.7
Total charitable activities	7	43.6	28.7	–	72.3	46.4
Other						
Net pension scheme costs	9	2.3	–	–	2.3	1.1
Total Expenditure		60.5	28.7	0.4	89.6	62.8
Net (expenditure)/income before gains/(losses) on investments		(28.5)	(13.3)	(0.4)	(42.2)	(16.2)
Net (losses)/gains on property investments	14	–	–	(23.4)	(23.4)	80.2
Net gains/(losses) on financial investments	15	159.6	–	19.1	178.7	(16.0)
Net gains/(losses) on social investments	16	0.2	–	–	0.2	(0.9)
Total Gains/(Losses) on Investments		159.8	–	(4.3)	155.5	63.3
Net income/(expenditure) after gains/(losses) on investments		131.3	(13.3)	(4.7)	113.3	47.1
Transfers between funds	23	(14.3)	14.3	–	–	–
Other recognised gains/(losses):						
Actuarial (losses) on defined benefit pension scheme	9	(6.5)	–	–	(6.5)	(5.4)
Net movement in funds		110.6	1.0	(4.7)	106.8	41.7
Reconciliation of funds:						
Fund balances brought forward at 1 April 2020		549.4	2.8	984.2	1,536.4	1,494.7
Total funds carried forward	23	660.0	3.8	979.5	1,643.2	1,536.4

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 37 to 64 form part of these financial statements.

BALANCE SHEET

As at 31 March 2021

	Notes	2021 Total £m	2020 Total £m
Fixed assets:			
Tangible assets	13	3.1	3.4
Investment properties	14	843.8	854.9
Financial investments	15	834.0	687.2
Social investment fund	16	9.1	12.6
Total fixed assets		1,690.0	1,558.1
Current assets			
Stock		0.3	0.3
Debtors	18	11.7	11.6
Short term investments and deposits	15	38.0	49.4
Cash at bank and in hand		4.5	7.7
Total current assets		54.5	69.0
Creditors: Amounts falling due within one year	19	(44.8)	(37.9)
Total assets less current liabilities		1,699.7	1,589.2
Creditors: Amounts falling due after more than one year	20	(28.8)	(33.9)
Net assets excluding pension scheme liability		1,670.9	1,555.3
Defined benefit pension scheme liability	21	(27.7)	(18.9)
Total net assets		1,643.2	1,536.4
The funds of the charity:			
Permanent endowment funds		979.5	984.2
Restricted funds		3.8	2.8
Designated funds		445.6	440.7
General funds		214.3	108.7
Total funds	23	1,643.2	1,536.4

The notes on pages 37 to 64 form part of these financial statements.

Approved and signed on behalf of the Trustee



Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

16 December 2021

STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Notes	2020/21 Total £m	2019/20 Restated Total £m
Cash flows from operating activities:			
Net cash (used in) operating activities	24	(68.1)	(38.5)
Cash flows from investing activities:			
Dividends, interests and rents from investments		30.2	37.1
Cash deducted from short term deposits		11.4	54.9
Sale of investment property		14.3	5.6
Purchase of property		(26.6)	(41.0)
Additions to Social Investments		(0.6)	(0.8)
Social Investments repayments		4.3	0.5
Additions to financial investments		(60.5)	(119.0)
Proceeds from sale of financial investments		92.4	103.4
Net cash provided by investing activities		64.9	40.7
(Decrease)/increase in cash in the year		(3.2)	2.2
Change in cash and cash equivalents in the reporting period		(3.2)	2.2
Cash and cash equivalents at the beginning of the reporting period		7.7	5.5
Cash and cash equivalents at the end of the year	25	4.5	7.7

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

a. Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified for the revaluation of investment property and financial investments measured at fair value, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

The City Corporation is Trustee of the charity, with officers of the City Corporation providing administrative services for both the charity and other Funds for which it is responsible. All assets, liabilities, income and costs are accounted for by the charity individually. Where required, costs are apportioned based on actual activity of the charity.

The Financial Statements are presented in sterling which is the functional currency of the charity.

b. Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. A rolling annual review of the charity's forecast financial position over a five-year period is carried out to confirm that sufficient income funds will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding.

In making this assessment, the Trustee has considered the potential ongoing impact of the Covid-19 pandemic on the value of investment assets held, future income

levels and the liquidity of the charity over the 12-month period from the date of the signed accounts. Financial projections have been considered over the short-term assuming that income levels will continue to be below former expectations, with some of the investments held unlikely to generate gains in line with previous financial years results. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both the short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. For this reason, and as set out in the Trustee's report above on page 29 the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

c. Critical accounting judgements and assumptions

Key accounting judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the significant judgements that have been made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

i. Valuation of investment properties

Investment properties are properties ultimately owned by the charity and are held for capital appreciation, rental income, or both. They are valued at each balance sheet date at fair value as determined by professionally qualified internal and external valuers.

Valuations are calculated, in accordance with "RICS Valuation – Global Standards 2020" together with the UK National Supplement (the "RICS Red Book") current edition at valuation date. The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security of income. Where lease premia or costs relating to rent free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of

the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

The outbreak of Covid-19, declared by the World Health Organisation as a global pandemic on 11 March 2020, has and continues to impact on the global economy. Nevertheless, some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, valuations are not reported as being subject to 'material valuation uncertainty' as defined by the RICS Red Book Global, which contains mandatory rules, best practice guidance and related commentary for all RICS members undertaking asset valuations.

In considering the specific portfolio of 65 assets which the charity holds, the valuers have not identified any assumptions that provide a material impact on a single or sub-group of those assets which were specifically sensitive to the impacts of the pandemic and which were relevant to the judgments applied as at 31 March 2021.

ii. Investment property disposals

When accounting for the disposal of long leaseholds of investment properties, the charity utilises the methodology as set out within the RICS Professional Standards ("the Red Book") in apportioning values between land and buildings. This includes a number of factors such as insurance values and future construction costs, which are subject to judgement.

iii. Valuation of financial investments

Within financial investments are amounts invested in private equity fund vehicles. These funds are valued by the fund managers based on a number of assumptions, some of which are based on non-observable inputs (such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples).

iv. Valuation of social investments

Unquoted social investments are in some cases internally valued, and management is required to make certain judgemental assumptions. Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

v. Defined benefit pension scheme

The charity has an obligation to pay pension benefits to those working for it. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See Note 21 for the disclosures relating to the defined benefit pension scheme, alongside further detail on the sensitivity of assumptions made.

The Pension Fund is the responsibility of the City Corporation as a corporate body exercising its functions including as Trustee of BHE, and the charity does not have an exclusive relationship with the City of London Pension Fund. Although the proportion of the Pension Fund that relates to City Corporation employee members engaged on BHE activities is not separately identifiable, *an estimated* share of the total Pension Fund net deficit has been allocated to BHE based on employer's pension contributions paid into the Fund by BHE as a proportion of total employer's contributions paid.

vi. Allocation of support costs

Support costs, incurred by the City Corporation on behalf of the charity, are allocated on a cost recovery basis to the charity. Human resources and digital services are apportioned on headcount basis. Legal support and public relations are allocated per usage, premises costs are allocated on space occupied basis, accounting services costs are allocated on the basis of time spent and number of invoices processed with committee administration costs allocated on the basis of the number of committees overseeing the charity's activities.

d. Income and expenditure

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that the economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of fees and charges from the tourism operation at Tower Bridge, grants income, income from property (see policy g below) and financial investments and income on money market deposits held.

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds', 'expenditure on charitable activities' and 'other expenditure'.

Expenditure on raising funds comprises those related to management of the investment property portfolio and financial investments, including apportioned support costs. The element of costs relating to property and financial investments that are attributable to maintaining the capital value of the endowment are charged to that fund, with the balance of these costs coming from the unrestricted income fund. Expenditure on charitable activities comprises repair and maintenance of the bridges, those related to the operation of the Tower Bridge tourist attraction, alongside grant-making, including apportioned support costs. Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. Where the payment is planned to be more than 12 months after the reporting date of the charity's accounts, the charity reviews the present value of future payments and considers whether the effective financing cost is material to the charity's reporting. If so, the financing charge is disclosed in the SOFA. Otherwise, the unadjusted value of the grant awarded is shown within creditors. In 2020/21 the charity does not consider the effective financing cost of future payments as material, and no adjustment has been made.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in the activities undertaken. These include external audit, internal audit and costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, technology, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 11.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid, with details provided in Note 12.

e. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the year-end rate of exchange. All gains or losses on translation are taken to the Statement of Financial Activities in the year in which they occur.

f. Pension costs

Defined benefit scheme

The Trustee operates a funded defined benefit pension scheme for its staff employed on its activities, which includes staff acting for the Trustee on behalf of Bridge House Estates. The original scheme is based on final salary and length of service on retirement. Changes to the Scheme came into effect from 1 April 2014 and any benefits accrued from this date are based on career average revalued salary, with various protections in place for those members in the Scheme before the changes took effect.

For the defined benefit scheme the amounts charged within expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses. The assets of the scheme are held separately from those in the charity and are invested by independent fund managers appointed by the Trustee. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the balance sheet.

Barnett Waddingham LLP, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2019, using the projected unit method. The actuary will carry out the next triennial actuarial assessment of the scheme as at 31 March 2022 during 2022/23, which will set contributions for the period from 1 April 2023 to 31 March 2026.

g. Operating leases – Bridge House Estates as the lessor

Assets subject to operating leases are included in the Balance Sheet according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis until the next rent review, even if the payments are not received on this basis, unless another basis is more representative of the

time pattern in which the benefits derived from the leased asset are diminished. Rent- free periods are allocated over the term of the lease.

Where rent concessions have been granted because of the Covid-19 pandemic, these have included the forgiveness of a portion of or all lease payments for an agreed period (i.e. a temporary rent reduction or rent holiday). These concessions have been recognised over the periods that the change relate to, in accordance with amendments to FRS 102 issued in October 2020.

h. Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

i. Fixed assets

Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

Computer software	3 years
Computer and other equipment	5 years
Fixtures and fittings	8-20 years
Operational assets	10-30 years

Land is not depreciated.

Where a fixed asset (other than freehold land) is not depreciated or has a life of more than 50 years, an annual impairment review is carried out.

Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e. they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic

properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2021 was £944m (2020: £939m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1 (d).

Investment properties

Investment properties for which fair value can be measured reliably on an on-going basis are measured at fair value annually with any change recognised in the Statement of Financial Activities. The valuations are estimated by appropriately qualified professional valuers.

No depreciation or amortisation is provided in respect of freehold or leasehold investment properties.

Financial investments

i. Quoted investments

Quoted investments comprise publicly quoted, listed securities including shares, bonds and units. Quoted investments are stated at fair value at the balance sheet date. The basis of fair value for quoted investments is equivalent to the market value, using the mid-price. Asset sales and purchases are recognised at the date of trade.

ii. Unquoted investments

Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018). Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples. Where a valuation is not available at the balance sheet date, the most recent valuation is used, adjusted for cashflows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date. These valuations are provided by fund managers and are subject to either independent valuation or annual audit.

iii. Cash held by fund managers

The fund managers utilised by the charity may hold investments in the form of cash from time to time when

making transactions. These amounts are recognised within investments due to the intention to reinvest.

Social investments

Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

j. Stocks

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the Tourism operation at Tower Bridge.

k. Cash

Cash and cash equivalents include cash in hand, short term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less and, if any, overdrafts.

l. Financial assets and liabilities

Since the charity only has financial instruments which qualify as basic financial instruments, it has chosen to adopt Section 11 of FRS 102 in respect of financial instruments. Financial assets and liabilities, including debtors and creditors, are recognised when the charity becomes party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

m. Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purposes of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

Restricted funds – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

Designated funds – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

2. Income from voluntary activities

	Restricted Income Funds £m	Total 2020/21 £m	Restricted Income Funds £m	Total 2019/20 £m
Grant income	15.4	15.4	1.8	1.8
	15.4	15.4	1.8	1.8

3. Income from charitable activities

	Unrestricted Income Funds £m	Total 2020/21 £m	Unrestricted Income Funds £m	Total 2019/20 £m
Tower Bridge tourism fees and charges	0.5	0.5	6.7	6.7
	0.5	0.5	6.7	6.7

4. Income from investments

	Unrestricted Income Funds £m	Total 2020/21 £m	Unrestricted Income Funds £m	Total 2019/20 £m
Investment property	27.0	27.0	34.6	34.6
Financial investments	2.5	2.5	2.5	2.5
Interest receivable	0.9	0.9	0.8	0.8
	30.4	30.4	37.9	37.9

All investments are held to provide an investment return to the charity.

5. Other income

	Unrestricted Income Funds £m	Total 2020/21 £m	Unrestricted Income Funds £m	Total 2019/20 £m
Other income	0.3	0.3	0.2	0.2
Government grants	0.8	0.8	–	–
	1.1	1.1	0.2	0.2

Government grants covers claims from HMRC under the Government's Coronavirus Job Retention Scheme (CJRS) for staff who were furloughed due to the Covid-19 pandemic. There are no unfulfilled conditions or other contingencies relating to this grant income and no other forms of government assistance were received in the year.

6. Expenditure on raising funds

	Direct costs £m	Support costs £m	Total 2020/21 £m	Direct costs £m	Support costs £m	Total 2019/20 £m
Investment property expenses	6.0	3.1	9.1	7.2	3.0	10.2
Financial investment expenses	5.9	–	5.9	5.1	–	5.1
	11.9	3.1	15.0	12.3	3.0	15.3

Of the total expenditure on raising funds, £14.6m (2019/20: £14.7m) relates to the unrestricted income fund and £0.4m (2019/20: £0.6m) to the endowment fund.

Investment property expenses - staff costs, repairs and maintenance costs, and professional fees relating to the management of the investment property portfolio.

Financial investment expenses - fees paid to fund managers.

7. Expenditure on charitable activities

	Direct costs £m	Support costs £m	Total 2020/21 £m	Direct costs £m	Support costs £m	Total 2019/20 £m
Repair and maintenance of bridges	8.8	0.6	9.4	5.7	0.8	6.5
Tower Bridge tourism	3.5	0.8	4.3	5.2	1.0	6.2
Grants to voluntary organisations	57.4	1.2	58.6	33.0	0.7	33.7
	69.7	2.6	72.3	43.9	2.5	46.4

Within charitable expenditure, £28.7m is within restricted expenditure (2019/20: £0.2m). All other expenditure is unrestricted.

Repair and maintenance of bridges - staff costs, repairs and maintenance, insurance, equipment and materials costs relating to the Thames river bridges maintained by the charity.

Tower Bridge tourism - staff costs and other expenses related to the management and operation of the Tower Bridge tourist attraction.

Grants to voluntary organisations - grants awarded in the name of City Bridge Trust, the grant making arm of the charity, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £54.7m (2019/20: £30.5m) and costs of administering the grants process of £3.0m (2019/20: £2.5m).

8. Grants awarded

During the year ended 31 March 2021, grants were awarded to institutions under the following programmes:

	2020/21 £m	2019/20 £m
Investing in Londoners:		
Core activities	–	0.4
Bridging Divides:		
Core activities	25.3	26.4
Strategic Initiatives	1.1	2.8
London Community Response Fund	28.3	–
Stepping Stones Fund	0.4	–
CBT 20th Anniversary Grants	0.1	1.1
Grants awarded	55.2	30.7
Grant adjustments and cancellations	(0.5)	(0.2)
Net grants awarded	54.7	30.5
Other grant related activities	2.7	2.5
	57.4	33.0

Grants were made to 1,617 organisations in the year (2019/20: 262), supporting 2,031 projects (2019/20: 277). The average amount of a grant equalled £27,171 (2019/20: £110,728). All grantees receiving funding must work for the benefit of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

Details of all the grants approved are shown on the CBT website www.citybridgetrust.org.uk, within the News & events section, including organisation name, amount given and purpose of the award.

Reconciliation of grants payable:

	2020/21 £m	2019/20 £m
Commitments at 1 April	43.3	33.9
Commitments made in the year	55.2	30.7
Grant adjustments and cancellations	(0.5)	(0.2)
Grants paid during the year	(51.4)	(21.1)
Commitments at 31 March	46.6	43.3

Outstanding grant commitments at 31 March 2021 are payable as follows:

	2020/21 £m	2019/20 £m
Within one year (note 19)	31.5	23.1
After more than one year (note 20)	15.1	20.2
Commitments at 31 March	46.6	43.3

The split of future payment dates is based upon contractual terms, which may relate to multi-year commitments.

9. Other costs: net total pension scheme costs

	2020/21 £m	2019/20 £m
Deficit at 1 April	(18.9)	(12.4)
Current service cost	(2.8)	(1.6)
Net interest	(0.5)	(0.4)
Employer contributions	1.0	0.9
Net total charge for the year	(2.3)	(1.1)
Actuarial (losses)/gains	(6.5)	0.8
Other gains/(losses)	–	(6.2)
	(6.5)	(5.4)
Deficit at 31 March	(27.7)	(18.9)

The net total pension costs charged in the Statement of Financial Activities represents 3% (2019/20: 3%) of the total charge in the City Corporation Pension Fund financial statements. This allocation is based on the split of the employee pension contribution across the funds managed by the City Corporation and is reviewed annually.

10. Net (expenditure)/income for the year

Net (expenditure)/income is stated after charging:

	2020/21 £	2019/20 £
Auditors' remuneration for the audit of the financial statements	78,000	70,000
Depreciation	313,492	328,479

11. Support costs

Support costs include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity on the basis of resources consumed by the respective activities as follows:

	Tourism	Investment property	Bridges	Grants	Governance	2020/21	2019/20
	£m	£m	£m	£m	£m	£m	£m
Department:							
Chamberlain	–	0.3	0.1	–	–	0.4	0.4
Comptroller & City Solicitor	–	0.1	–	0.1	–	0.2	0.1
Town Clerk	–	–	–	0.1	0.3	0.4	0.4
City Surveyor	–	2.3	–	0.2	–	2.5	2.5
Built Environment	–	–	0.1	–	–	0.1	0.1
Culture, Heritage & Libraries	0.2	–	–	–	–	0.2	0.3
Digital Services	0.3	0.1	0.1	0.2	–	0.7	0.6
Premises costs	0.1	–	0.1	0.2	–	0.4	0.3
Other	–	0.2	0.1	0.2	0.3	0.8	0.8
Sub-total	0.6	3.0	0.5	1.0	0.6	5.7	5.5
Reallocation of governance costs	0.2	0.1	0.1	0.2	(0.6)	–	–
Total support costs	0.8	3.1	0.6	1.2	–	5.7	5.5

All support costs are undertaken from unrestricted funds. Governance costs are allocated on the basis of FTE staff within each activity.

12. Details of staff costs

All staff that work on behalf of the charity are employed by the City Corporation. The average full-time equivalent number of people directly undertaking activities on behalf of the charity during the year was:

	2020/21 Number	2019/20 Number
Investment properties	11	12
Tower Bridge tourism	50	54
Repair & maintenance of bridges	29	32
Grants team	36	28
Administration	4	4
	130	130

In the previous year, FTE numbers did not include 4 staff who provide administrative support to the charity, alongside 1 member of the Grants team. The total stated was therefore 125.

The above figures are for the FTE average number of staff rather than the average number of employees on an annual basis due to the City Corporation employing all staff. FTE is based on the activities undertaken on behalf of the charity.

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2020/21 £m	2019/20 £m
Salaries and wages	5.0	5.0
National Insurance costs	0.5	0.5
Employer's pension contributions	0.9	0.8
Total emoluments of employees	6.4	6.3

The number of directly charged employees whose emoluments for the year were over £60,000 was:

	2020/21	2019/20
£60,000 – £69,999	6.0	5.0
£70,000 – £79,999	2.0	3.0
£80,000 – £89,999	1.0	1.0
£90,000 – £99,999	1.0	1.0
£110,000 – £119,999	–	1.0
£120,000 – £129,999	1.0	–
	11.0	11.0

All employees paid over £60,000 have retirement benefits accruing under the defined benefit scheme.

In addition, support staff are charged to the charity on the basis described within Note 11. The full-time equivalent number of support service staff charged is 61.1 (2019/20: 69.0).

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and senior officers employed by the City of London Corporation to manage the activities of the charity. These senior officers include the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor, City Surveyor and the Chief Grants Officer. These officers work on a number of the City Corporation's activities and their salaries and associated costs are allocated to the activities under its control, including Bridge House Estates, on the basis of employee time spent on the respective services, as stated within Note 11. Further details can be found within the Annual Report for City Fund.

The proportion of senior officer employment benefits, including employer pension contributions and employer national insurance contributions, allocated to the charity amounted to £259,000 in 2020/21 (2019/20: £255,000). No Members received any remuneration, with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2020/21 from the charity (2019/20: Nil).

13. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold improvements £m	Total £m
Cost				
At 1 April 2020	0.6	2.4	4.2	7.2
Additions	–	–	–	–
Disposals	–	–	–	–
At 31 March 2021	0.6	2.4	4.2	7.2
Depreciation				
At 1 April 2020	0.3	1.2	2.3	3.8
Charge for the year	0.1	0.1	0.1	0.3
Disposals	–	–	–	–
At 31 March 2021	0.4	1.3	2.4	4.1
Net book value				
At 31 March 2021	0.2	1.1	1.8	3.1
At 31 March 2020	0.3	1.2	1.9	3.4

14. Investment properties

	2021 £m	2020 £m
Market value at 1 April	854.9	739.3
Purchases and improvements	26.6	41.0
Book value of disposed assets	(14.8)	(4.5)
Total unrealised (losses)/gains*	(22.9)	79.1
Market value at 31 March	843.8	854.9

* Includes rent free adjustment of £3.7m (2019/20: £3.9m).

The net gain on property investments is arrived at as follows:

	2021 £m	2020 £m
Total unrealised (losses)/gains	(22.9)	79.1
Realised (losses)/gains on disposal	(0.5)	1.1
	(23.4)	80.2

A full valuation was performed as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards ("the Red Book"). This was undertaken by C&W(UK) LLP and Savills(UK) Ltd, chartered surveyors, acting as independent valuers. The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties and various indices. Reference to the uncertainty relating to the valuations as at the prior year-end is stated on pages 28 and 38 of this Report, noting that this no longer exists as at 31 March 2021.

As many of the investment properties were gifted to the charity and others were acquired centuries ago, it is impracticable to provide historical cost information. It has therefore been assumed that the historical cost is nil. The properties are all situated in Greater London.

The charity determines its valuation policies and procedures and is responsible for overseeing the valuations. Valuations performed by the charity's independent external valuers are based on information extracted from the charity's financial and property reporting systems, such as current rents and the terms and conditions of lease agreements, together with assumptions used by valuers (based on market observation and their professional judgement) in their valuation models.

15. Financial investments

Total financial investments as at 31 March are split as follows:

	2021 £m	2020 £m
Long term investments	834.0	687.2
Short term investments:		
– short term deposits and money market funds	28.9	45.3
– short term investments in hands of fund managers	9.1	4.1
	38.0	49.4
Total market value at 31 March	872.0	736.6

Analysis of movement in financial investments

	2021 £m	2020 £m
Investments held by fund managers		
Market value 1 April	687.2	687.6
Additions to investments at cost	60.5	119.0
Disposals at market value	(92.4)	(103.4)
Gain/(loss) from change in fair value	178.7	(16.0)
Investments at 31 March	834.0	687.2
Cash investments		
Investments at 1 April	49.4	104.3
Movement in cash investments	(11.4)	(54.9)
Investments at 31 March	38.0	49.4
Total investments at 31 March	872.0	736.6

The geographical spread of investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2021 £m	Total at 31 March 2020 £m
Fixed interest	28.9	32.1	61.0	74.3
Index linked	22.2	22.8	45.0	47.8
Pooled units	120.9	505.4	626.3	509.7
Listed equities	23.0	30.8	53.8	26.8
Managed funds	9.1	–	9.1	4.0
Private equity	4.6	23.8	28.4	26.1
Infrastructure	–	48.4	48.4	47.9
	208.7	663.3	872.0	736.6

The majority of the charity's financial investments are held in mutual funds operated by professional asset managers whereby the charity's assets are pooled with other investors and invested in equities, bonds and other securities. These investment assets are termed "pooled units" in the above table.

Investment powers

The Charity Commission Order dated 20 July 1998, the Trustee Act 1925 and the Trustee Act 2000 enable the Trustee to invest the property of the charity either:

- in the acquisition of any securities or property (real or personal) of any sort; or
- on deposit or loan whether in the UK or elsewhere.

16. Social Investment Fund

	Value as at 1 April 2020 £m	Drawn down £m	Repaid £m	Investment gain/(loss) £m	Value as at 31 March 2021 £m
Investment Fund	2.8	–	–	0.2	3.0
Loan	5.5	–	(4.2)	(0.1)	1.2
Bond	2.0	0.3	(0.1)	0.1	2.3
Property Fund	2.3	0.3	–	–	2.6
	12.6	0.6	(4.3)	(0.2)	9.1

The geographical spread of social investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2021 £m	Total at 31 March 2020 £m
Investment Fund	2.7	0.3	3.0	2.8
Loan	1.2	–	1.2	5.5
Bond	2.3	–	2.3	2.0
Property Fund	2.6	–	2.6	2.3
	8.8	0.3	9.1	12.6

At the year-end £2.6m (2019/20: £0.7m) had been committed but remained undrawn, with £0.8m (2019/20: £1.3m) approved but subject to agreement of terms, making a total promised of £12.5m (2019/20: £14.6m). Details of all investments placed are shown on the City Bridge Trust website www.citybridgetrust.org.uk.

17. Nature and extent of risks arising from Financial Instruments

In accordance with FRS102 11.48A (f), the charity has disclosed the nature and extent of those risks relating to its financial investments. The charity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund activities.

Credit risk – this is the potential risk that a counterparty will fail to meet its obligations in accordance with agreed terms, which principally arises from cash and cash equivalents, deposits with banks and with financial institutions. This risk is managed via the annual Treasury Management Strategy Statement which establishes that deposits are only made with eligible counterparties that meet a minimum standard of creditworthiness. The charity's creditworthiness policy uses information from the three main credit rating agencies supplemented by market information and other qualitative information. No credit limits were exceeded during the reporting period and the charity does not expect any losses from non-performance by any counterparty in relation to outstanding deposits.

The charity's maximum exposure to credit risk in relation to its investments in banks and money market funds cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution.

Liquidity risk – this is the risk that the charity may not have sufficient funds available to meet its payment obligations as they fall due. The charity has no borrowing exposure and has no plans to borrow to finance future expenditure. Operations are financed by realising investments as necessary to meet both current and future forecast cash requirements.

Market risk – this covers the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. Price risk is the risk of a decline in the value of a security or a portfolio. The charity minimises price risk through a strategy of diversification by holding a geographical spread of investments in the UK and overseas markets.

Potential market movements	31 March 2021
Asset type	% Change
Global equities – developed markets (incl UK)	18.7%
Global equities – emerging markets	28.6%
Absolute return fixed income	9.0%
Diversified growth funds	11.6%
Multi-asset credit	10.5%
Private equity	24.7%
Infrastructure	16.1%

The potential percentage allowance for changes in asset values are within a one-standard deviation tolerance. Taking these changes, the potential increase/decrease in the market prices of the fund's assets have been derived, and provide a range of possible net asset values which would be available to meet the fund's liabilities.

Asset type	Value	Change	Value on increase	Value on decrease
	£m	%	£m	£m
Global equities – developed markets (incl UK)	351.0	18.7%	416.6	285.4
Global equities – emerging markets	27.3	28.6%	35.1	19.5
Absolute return fixed income	32.2	9.0%	35.1	29.3
Diversified growth funds	271.9	11.6%	303.4	240.4
Multi-asset credit	83.9	10.5%	92.7	75.1
Private equity	28.4	24.7%	35.4	21.4
Infrastructure	48.4	16.1%	56.2	40.6
Total	843.1		974.6	711.6
UK Cash	28.9		28.9	28.9
Total financial investments	872.0		1,003.5	740.5

The percentage change for equities includes a grouping of listed and private equities and the equity funds categorised elsewhere as pooled unit trusts. The percentage change for bonds includes a grouping of government and corporate fixed interest securities. Separate consideration of the individual asset types is not available.

Currency risk – this risk exists when a financial transaction or asset/liability is denominated in a currency other than that of the base currency of the charity. Movements in exchange rates may cause a foreign currency investment value to either decrease or increase when the investment is sold and converted back into the base currency. The charity's day-to-day cash balances are deposited solely in sterling-denominated financial instruments but the charity's long-term financial investments are subject to movements in foreign exchange movements. Currency risk is a risk which is difficult to predict. In light of this and given that investment via pooled funds makes implementing a currency hedging programme operationally complex, the charity does not hedge its currency exposure. As a long-term investor, the charity can tolerate short term fluctuations in currency prices.

The following table shows the illustrative effect on the charity's asset values that would result from movements in exchange rates.

Currency Baskets	Value	Change	Value on increase	Value on decrease
	£m	%	£m	£m
GBP	433.0	0.00%	433.0	433.0
EUR	223.7	2.35%	229.0	218.4
USD	86.4	1.56%	87.7	85.1
Other	128.9	2.22%	131.8	126.0
Total financial investments	872.0		881.5	862.5

18. Debtors

	2021 £m	2020 £m
Trade debtors	5.0	2.3
Rental debtors	2.6	2.9
Prepayments & accrued income	4.1	6.4
	11.7	11.6

Debtors include £3.7m balances which are due after more than one year (2019/20: £3.9m).

19. Creditors – amounts falling due within one year

	2021 £m	2020 £m
Grants payable (note 8)	31.5	23.1
Trade creditors	1.2	1.9
Accruals	2.2	1.6
Deferred income	6.2	6.3
Rent deposits	3.3	4.9
Other creditors	0.4	0.1
	44.8	37.9

Deferred income comprises property rental income and lease premiums received in advance.

	2021 £m	2020 £m
Deferred income analysis within creditors:		
Balance at 1 April	6.3	5.8
Amounts released to income	(6.4)	(5.8)
Amounts deferred in the year	6.3	6.3
Balance at 31 March	6.2	6.3

20. Creditors – amounts due after more than one year

	2021 £m	2020 £m
Grants payable (note 8)	15.1	20.2
Deferred income	11.9	11.9
Other creditors	1.8	1.8
	28.8	33.9

	2021 £m	2020 £m
Deferred income – due after more than one year:		
Balance at 1 April	11.9	10.3
Amounts transferred to less than one year	(1.7)	(0.1)
Amounts deferred in the year	1.7	1.7
Balance at 31 March	11.9	11.9

Deferred income relates to lease premiums that will be released over periods of up to 164 years.

21. Pensions

City of London Corporation defined benefit pension scheme

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating predominantly to the three principal funds for which it is responsible (City Fund, City's Cash and Bridge House Estates).

The assets of the scheme are held in a specific trust separately from those of the Corporation and contributions are paid to the scheme as agreed with the scheme's Trustees. As the proportion of the Pension Fund deficit that relates to Bridge House Estates is not separately identifiable, the share of pension contributions paid to the scheme by the charity is calculated pro-rata to employer's contributions paid by each of the City Corporation contributors to the scheme. Further details can be found in the Annual Report of City Fund.

Accounting for the defined benefit scheme under IAS19

The full actuarial valuation of the defined benefit scheme was updated to 31 March 2021 by an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with the City Fund requirements, rather than under FRS102, with no material differences between the two accounting standards identified.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2021/22 is £965,000 (2020/21 actual: £914,000). This figure is calculated pro-rata to total contributions that will be payable by the City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

a) Major assumptions by the actuary

Financial

The financial assumptions used for the purposes of the FRS102 calculations are as follows:

Assumptions as at:	2021 % p.a.	2020 % p.a.	2019 % p.a.	2018 % p.a.
RPI increases	3.2	2.7	3.4	3.3
CPI increases	2.9	1.9	2.4	2.3
Salary increases	3.9	2.9	3.9	3.8
Pension increases	2.9	1.9	2.4	2.3
Discount rate	2.0	2.4	2.4	2.6

Life expectancy

The demographic assumptions used are consistent with those used for the most recent Fund valuation (31 March 2019), except for the post-retirement mortality assumptions which have been updated in light of the coronavirus pandemic. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		2021	2020
Age 65 retiring today	Males	21.6	21.8
	Females	24.3	24.4
Retiring in 20 years	Males	22.9	23.2
	Females	25.7	25.8

Sensitivity analysis

The sensitivity of the liabilities to changes in the key assumptions used to measure the Pension Scheme's liabilities is shown in the table below:

Sensitivity analysis

	Change to assumptions %	Impact on liabilities	
		Increase £m	Decrease £m
Salary increases	+/- 0.1	0.1	(0.1)
Life expectancy	+/- 0.1	2.9	(2.7)
Discount rate	+/- 0.1	(1.3)	1.3

b) Amounts included in the balance sheet

The amounts included in the charity's balance sheet arising from the City Corporation pension scheme's liabilities in respect of the defined benefit scheme for the current and previous two periods are as follows:

	2021 £m	2020 £m	2019 £m
Fair value of assets (bid value)	35.6	28.3	19.4
Fair value of liabilities	63.3	47.2	31.8
Net liability in balance sheet	27.7	18.9	12.4

The net pension fund liability represents 3% (2019/20: 3%) of the total net balance sheet liability in the City Corporation Pension Fund financial statements.

c) Amounts included in the statement of financial activities

The amounts included within total expenditure in relation to the defined benefit scheme are as follows:

	2021 £m	2020 £m
Current service cost	2.4	1.6
Past service cost	0.3	—
Settlements and curtailments	0.1	—
Interest cost	0.5	0.4
Contributions	(1.0)	(0.9)
Total expense	2.3	1.1

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2019/20: 3%) of the total charge in the City Corporation Pension Fund financial statements.

d) Asset allocation

The current allocation of the scheme's assets is as follows:

Employer asset share - bid value	2021		2020	
	£m	% p.a.	£m	% p.a.
Equity investments	21.4	59	16.8	60
Cash	0.2	2	0.5	2
Infrastructure	4.1	12	3.5	12
Absolute return portfolio	9.9	27	7.5	26
Total assets	35.6	100	28.3	100

The charity's share of pension scheme assets at 31 March 2021 represents 3% (2019/20: 3%) of the total pension scheme assets of the City Corporation Pension Fund.

e) Movement in the present value of scheme liabilities

Changes in the present value of the scheme liabilities over the year are as follows:

	2021 £m	2020 £m
(Deficit) at beginning of the year	(47.2)	(31.8)
Current service cost	(2.4)	(1.6)
Interest cost	(0.9)	(1.1)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in demographic assumptions	0.5	0.3
Actuarial (losses)/gains arising from changes in financial assumptions	(14.5)	4.5
Other actuarial gains/(losses)	0.6	(2.4)
Other (losses)/gains	—	(16.0)
Past service cost, including curtailments	(0.3)	—
Liabilities extinguished on settlements	(0.2)	0.1
Benefits paid	1.4	1.1
Contributions from scheme participants	(0.3)	(0.3)
(Deficit) at the end of the year	(63.3)	(47.2)

The charity's share of the closing value of the pension scheme liabilities represents 3% (2019/20: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

f) Movement in the scheme net liability

The net movement in the scheme liabilities over the year are as follows:

	2021 £m	2020 £m
(Deficit) at beginning of the year	(18.9)	(12.4)
Current service cost	(2.8)	(1.6)
Net interest	(0.5)	(0.4)
Employer contributions	1.0	0.9
Actuarial (losses)/gains	(6.3)	0.8
Other (losses)	(0.2)	(6.2)
(Deficit) at the end of the year	(27.7)	(18.9)

g) Movement in the present value of scheme assets

Changes in the fair value of the scheme assets over the year are as follows:

	2021 £m	2020 £m
As at 1 April	28.3	19.4
Interest on assets	0.7	0.5
Remeasurement gains/(losses):		
Return on assets less interest	6.9	(1.6)
Other gains	–	9.7
Contributions by employer including unfunded	1.0	0.9
Contributions by scheme participants	0.3	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.4)	(1.1)
Settlement prices received	0.1	–
Closing value of scheme assets	35.6	28.3

h) Projected pension expense for the year to 31 March 2022

No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. As it is only an estimate, actual experience over the year may differ. No balance sheet projections have been provided on the basis that they will depend upon market conditions and the asset value of the scheme at the end of the following year.

	Year to 31/03/2022 £m	Year to 31/03/2021 £m
Service cost	2.4	1.5
Interest cost	0.5	0.4
Total expense	2.9	1.9
Employer contribution	1.0	0.9

22. Analysis of net assets between funds

	Unrestricted Income Funds		Restricted Funds	Endowment Funds	Total at 31 March 2021 £m	Total at 31 March 2020 £m
As at 31 March 2021	General Funds £m	Designated Funds £m	Restricted Funds £m	Endowment Funds £m		
Fixed assets – Investment properties	–	–	–	843.8	843.8	854.9
Fixed assets – Financial investments	291.3	436.5	–	106.2	834.0	687.2
Other fixed assets	3.1	9.1	–	–	12.2	16.0
Current assets & liabilities	(23.6)	–	3.8	29.5	9.7	31.1
Long-term liabilities	(28.8)	–	–	–	(28.8)	(33.9)
Pension liability	(27.7)	–	–	–	(27.7)	(18.9)
	214.3	445.6	3.8	979.5	1,643.2	1,536.4

	Unrestricted Income Funds		Restricted Funds	Endowment Funds	Total at 31 March 2020 £m	Total at 31 March 2019 £m
As at 31 March 2020	General Funds £m	Designated Funds £m	Restricted Funds £m	Endowment Funds £m		
Fixed assets – Investment properties	–	–	–	854.9	854.9	739.3
Fixed assets – Financial investments	171.9	428.1	–	87.2	687.2	687.6
Other fixed assets	3.4	12.6	–	–	16.0	16.9
Current assets & liabilities	(13.8)	–	2.8	42.1	31.1	87.4
Long-term liabilities	(33.9)	–	–	–	(33.9)	(24.1)
Pension liability	(18.9)	–	–	–	(18.9)	(12.4)
	108.7	440.7	2.8	984.2	1,536.4	1,494.7

23. Movement in funds

As at 31 March 2021	Total as at 1 April 2020	Income	Expenditure	Gains & Losses	Transfers	Total as at 31 March 2021
£m	£m	£m	£m	£m	£m	£m
Endowment Funds	984.2	–	(0.4)	(4.3)	–	979.5
Total Endowment Funds	984.2	–	(0.4)	(4.3)	–	979.5
London Communities Response Fund	2.8	15.0	(28.7)	–	14.3	3.4
Other restricted Funds	–	0.4	–	–	–	0.4
Total Restricted Funds	2.8	15.4	(28.7)	–	14.3	3.8
General Funds	127.6	31.6	(23.0)	159.6	(53.8)	242.0
Pension Reserve	(18.9)	–	(2.3)	(6.5)	–	(27.7)
Total General Funds	108.7	31.6	(25.3)	153.1	(53.8)	214.3
Property Dilapidations	0.4	–	–	–	–	0.4
Bridges Repairs	41.7	–	(8.8)	–	15.2	48.1
Bridges Replacement	158.5	–	–	–	10.2	168.7
Grant-making	219.2	–	(26.4)	–	14.1	206.9
Social Investment Fund	20.9	0.4	–	0.2	–	21.5
Total Designated Funds	440.7	0.4	(35.2)	0.2	39.5	445.6
Total Unrestricted Income Funds	549.4	32.0	(60.5)	153.3	(14.3)	659.9
Total Funds	1,536.4	47.4	(89.6)	149.0	–	1,643.2

As at 31 March 2020	Total as at 1 April 2019	Income	Expenditure	Gains & losses	Transfers	Total as at 31 March 2020
£m	£m	£m	£m	£m	£m	£m
Endowment Funds	907.5	–	(0.6)	77.3	–	984.2
Total Endowment Funds	907.5	–	(0.6)	77.3	–	984.2
London Community Response Fund	–	1.8	–	–	1.0	2.8
Other Restricted Funds	0.2	–	(0.2)	–	–	–
Total Restricted Funds	0.2	1.8	(0.2)	–	1.0	2.8
General Funds	415.9	44.3	(23.9)	(13.1)	(295.6)	127.6
Pension Reserve	(12.4)	–	(1.1)	(5.4)	–	(18.9)
Total General Funds	403.5	44.3	(25.0)	(18.5)	(295.6)	108.7
Property Dilapidations	0.6	0.1	(0.3)	–	–	0.4
Service Charges	0.5	–	(0.5)	–	–	–
Bridges Repairs	34.0	–	(5.7)	–	13.4	41.7
Bridges Replacement	104.6	–	–	–	53.9	158.5
Grant-making	22.4	–	(30.5)	–	227.3	219.2
Social Investment Fund	21.4	0.4	–	(0.9)	–	20.9
Total Designated Funds	183.5	0.5	(37.0)	(0.9)	294.6	440.7
Total Unrestricted Income Funds	587.0	44.8	(62.0)	(19.4)	(1.0)	549.4
Total Funds	1,494.7	46.6	(62.8)	57.9	–	1,536.4

Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. Any income arising from this capital is accounted for within unrestricted funds. Further detail of the origins of this fund is stated on page 4.

Purposes of restricted funds

London Community Response Fund (LCRF) – established in response to the Covid-19 health pandemic to establish a collective response with other funders to support London's civil society in furtherance of the Bridge House Estates funding policy, 'Bridging Divides' (£3.4m held).

Other Restricted Funds are the Cornerstone Fund and the Responding to the Resilience Risk Fund:

The Cornerstone Fund is a funder collaboration that aims to bring about systemic change in how civil society organisations access and receive support and which tackles structural inequalities in order to grow stronger, more resilient communities (£0.2m held).

Responding to the Resilience Risk Fund – is a strategic initiative to investigate how to support staff resilience (£0.2m held).

Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

Property Dilapidations	represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
Service Charges	represents service charges received from tenants to enable major cyclical works to be financed.
Bridges Repairs	represents funds required to maintain the bridges for the next 5 years.
Bridges Replacement	represents funds set aside to fund the future rebuild of the bridges. This is based on the annually calculated present value of estimated future costs, adjusted for increases in construction costs.
Grant-making	represents surplus income which has been designated for future grant-making activities in the name of City Bridge Trust.
Social Investment Fund	to finance investments that generate a financial return, alongside an associated social return, consistent with the agreed investment policy.

The charity also maintains a Pension Reserve Fund, representing the net liability owed.

Transfers between funds

A transfer of £14.3m (2019/20: £1m) was made in the year from the grant-making designated fund to the LCRF restricted fund to support the response to the Covid-19 pandemic.

Transfers are made to and from unrestricted income funds in order to maintain designated funds at the required levels.

24. Note to the statement of cash flows

Reconciliation of net income to net cash outflow from operating activities.

	2020/21 £m	2019/20 Restated £m
Net income for the reporting period (as per the statement of financial activities)	113.3	47.1
Adjustments for:		
Interest and income from investments	(30.2)	(37.1)
Depreciation charges	0.3	0.3
(Gains)/losses on financial investments	(178.7)	16.0
Losses/(gains) on property investments	23.4	(80.4)
(Gains)/losses on social investments	(0.2)	0.9
(Increase) in stock	–	(0.1)
(Increase)/decrease in debtors	(0.1)	0.4
Increase in creditors falling due within one year	6.9	3.3
(Decrease)/increase in long term creditors	(5.1)	9.8
Net pension scheme costs	2.3	1.1
Net cash (used in) operating activities	(68.1)	(38.5)

Some prior year figures in the Cash Flow Statement have been re-categorised. This is to reflect property rental income within cashflows from investing activities rather than within cashflows from operating activities as this better reflects the nature of these activities in the context of the organisation. This re-categorisation has had no impact on the cash and cash equivalent balance for the 2019/20 year.

25. Analysis of changes in net funds/cash and cash equivalents

	Total as at 1 April 2020 £m	Cash Flows £m	Total as at 31 March 2021 £m
Cash and cash equivalents			
Cash	7.7	(3.2)	4.5
Total	7.7	(3.2)	4.5

Other non-cash changes are detailed in note 24.

26. Commitments

The following commitments exist as at 31 March in respect of future accounting periods:

	2021 £m	2020 £m
Capital works authorised	3.9	10.2
Investment properties	–	2.8
	3.9	13.0

The capital works relate to a major refurbishment of an investment property which is expected to be completed in 2021.

27. Related parties

The City Corporation is the sole Trustee of the charity, as described on page 6. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in Note 11.

The charity is required to disclose information on related party transactions with bodies or individuals that control or have significant influence over the charity. Members are required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and Senior Staff are requested to disclose all related party transactions, including instances where their close family has made such transactions. The charity has decided to disclose all instances whereby a Member or officer has a connection with a charity which is a grantee of BHE to provide full transparency.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2020/21 £000	2019/20 £000	Detail of transaction
London Funders (LF)	An Officer of the City Corporation is a Trustee of LF	180 (250)	300 (338)	LF received grant funding from CBT
		3 (–)	3 (–)	The charity paid a membership fee to LF
Trust for London (TL)	The City Corporation nominates four Members to TL	570 (200)	400 (770)	TL received grant funding from CBT
		200 (–)	– (–)	CBT received grant as contribution to Cornerstone Fund
		410 (24)	294 (12)	TL paid rent, service charges & insurance
Blind in Business (BiB)	A Member of the City Corporation is a Trustee of BiB	93 (–)	– (32)	BiB received grant funding from CBT
Partnership for Young London (PYL)	A Member of the City Corporation is a Trustee of PYL	157 (60)	138 (203)	PYL received grant funding from CBT
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of the City Corporation are Trustees of CF, alongside the husband of a Member	40 (55)	95 (95)	CF received grant funding from CBT
Heart of the City (HoTC)	An Officer of the City Corporation was a Trustee of HoTC during the year. Three Members of City Corporation are Council Members of HoTC	95 (214)	– (309)	HoTC received grant funding from CBT
Thames Festival Trust (TFT)	A Member represents CoL on TFT	– (–)	32 (–)	TFT paid for services provided at Tower Bridge
Guild of Freeman of the City of London (GF)	A Member is a Director of GF	21 (3)	22 (–)	GF paid rent, service charges & insurance to the Charity

Related party	Connected party	2020/21 £000	2019/20 £000	Detail of transaction
The Court of the City University (CCU)	Four Members represent the City Corporation on CCU	– (–)	2 (–)	The Charity paid a membership fee to CCU
Lord Mayor’s Show Ltd (LM)	Six Members are Directors of LM. An Officer of the City Corporation is a Director of LM	– (–)	7 (–)	The Charity paid an entrance fee
Museum of London Archaeology (MOLA)	Two Members are Directors/ Trustees of MOLA	10 (41)	82 (51)	MOLA received grant funding from CBT

The Members and Officers noted above did not participate in the discussions or decision making relating to the award of the grants.

Related Party Transactions with the City Fund (the City Fund is held by the City Corporation in respect of its activities as a local authority, police authority and port health authority).

There were no related party transactions with City Fund for 20/21 (19/20: nil).

Related Party Transactions with City’s Cash (City’s Cash is held by the City Corporation and finances activities mainly for the benefit of London as a whole but also of relevance nationwide):

City’s Cash holds a lease with BHE for the rental of a property. Rental income of £24k was received in the year (2019/20: £23.6k). The balance owed to BHE at year end was nil (19/20: £2.8k).

28. Subsequent events

In June 2021, a supplier was appointed for the repaint and refurbishment of Blackfriars Bridge, a project with a total budgeted cost of £12m. The repaint and refurbishment will improve the aesthetics of the bridge and will also protect the fabric of the structure to increase its longevity. The full refurbishment programme is expected to start in late summer and be completed by 2024.

REFERENCE AND ADMINISTRATION DETAILS

Bridge House Estates

Registered charity number 1035628

The grant-making and other charitable activity of the charity operates under the name City Bridge Trust.

Principal office

Guildhall, London, EC2P 2EJ

Trustee

The Mayor and Commonalty & Citizens of the City of London

BHE Board members: (appointed 15 April 2021)

Deputy Dr Giles Shilson (Chair) Deputy Jamie Ingham Clark

Dhruv Patel OBE (Deputy Chair) Paul Martinelli

Henry Colthurst John Petrie OBE

Alderman Professor Emma Edhem Judith Pleasance

Alderman Alison Gowman Deputy Henry Pollard

Senior management:

Chief Executive	John Barradell OBE – The Town Clerk and Chief Executive of the City of London Corporation
Managing Director	David Farnsworth (from 16/04/2021) – previously Chief Grants Officer and Director of City Bridge Trust
Chief Financial Officer	Peter Kane (to 30/04/2021); Caroline Al-Beyerty (from 01/05/2021) - The Chamberlain of the City of London Corporation
Solicitor	Michael Cogher – The Comptroller and City Solicitor of the City of London Corporation
Surveyor	Paul Wilkinson – City Surveyor

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 oLS

Financial investment advisors

Mercer, Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP

Contact for Bridge House Estates, to request copies of governance documents – BHE@cityoflondon.gov.uk

A low-angle photograph of the Tower Bridge in London, showing its two massive stone towers and the blue-painted suspension cables and walkways. The bridge is set against a clear blue sky. The water of the River Thames is visible at the bottom. A small boat is visible on the river to the left, and a crane is visible on the right. The bridge's architecture is detailed with many windows and decorative elements. A Union Jack flag is visible on the left tower.

BRIDGE HOUSE ESTATES

Bridge House Estates
City of London
PO Box 270
Guildhall
London EC2P 2EJ

www.cityoflondon.gov.uk
Telephone: 020 7606 3030
Registered Charity 1035628

