



BRIDGES

Impact Foundation

Trustees' Annual Report & Accounts For the year ended 31 March 2023

bridgesimpactfoundation.com

Registered Company No. 06864617. Registered Charity No. 1129756

From the Chair



Dear friends,

I am delighted to present the Bridges Impact Foundation's 2022/23 Annual Report & Accounts.

This has been another year of strong progress for the Foundation. A particular highlight was the selection of a new area of focus for our venture philanthropy efforts: the prevention of gender-based violence. I'm pleased to report that we have already selected our first charity partner, Rising Sun (p. 6), which supports women and children affected by domestic abuse across Kent. We're excited to

help them scale this important work; and we're also actively seeking other partners that we can support in the coming years.

Once again, this focus area was selected by the Bridges team via a democratic vote, based on research by members of the team. We believe this is really important: not just because we want the Foundation to support causes that are important to the Bridges team, but also because the team are then more likely to engage through volunteering, pro bono work or other forms of support.

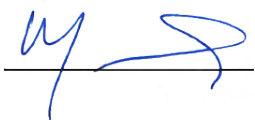
It is of course our second venture philanthropy focus area; our previous one was mental health, particularly to support young people, and we are proud of the impact we have been able to achieve. It's been particularly heartening to see the growth of Shout (p. 5), a 24/7 text message counselling service. The Foundation's financial support, and the fantastic support of Bridges colleagues who have given up their time to volunteer with the service, has helped Shout carry out over 2,000,000 conversations with its users, most of whom are young people, since 2019.

We are also continuing to support The Difference, whose specialist teacher training programmes are helping to create a better model for supporting children at risk of exclusion from mainstream education; and OnSide, whose youth zone 'Future' (and, once opened, new facility 'WEST'), provides thousands of young people with after school and holiday club activities and support.

Beyond venture philanthropy, the Foundation continues to try to utilise its funding to catalyse the impact investment market. Previously, we have provided seed capital for a number of pioneering new Bridges fund strategies, with a view to 'crowding in' other investors – including Bridges Evergreen, its patient capital vehicle (p. 9). This year, we are delighted to have been able to support the SDG Outcomes initiative (p. 8), which Bridges Outcomes Limited (BOL), a not-for-profit entity, is working on in partnership with the UBS Optimus Foundation. A grant from the Foundation helped the BOL team develop and establish this innovative new vehicle, which launched officially in 2023 and will support Development Impact Bonds (DIBs) and other outcomes-based projects in low- and middle-income countries.

As always, the Foundation has also been able to support Bridges team members in their own charitable fundraising efforts via matched funding, through events like the London Marathon, the Alzheimer's Society's Memory Walk, and a 400km cycle ride. Again, this is an important way to ensure that the Foundation continues to support causes close to the hearts of the Bridges team.

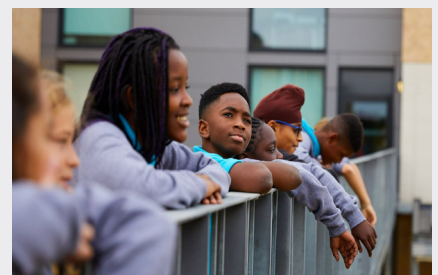
I want to end by thanking all of our Trustees; in particular, I wanted to express our gratitude to Kyle Bentwood and Duncan Kellaway, who stood down as trustees during the year. I am also hugely grateful to our Director Barbara Storch, who continues to drive forward the Foundation's strategy and impact. We hope and expect the Foundation can continue to use its resources – including the talents of the Bridges team – to achieve more positive impact in the coming year.



Victoria Hornby

On the cover:

The Difference aims to support children with high levels of need and vulnerability, and reduce the number of children that are excluded from their schools, via specialised teacher training.



About the Foundation

Objectives and Summary of Activities

The Bridges Impact Foundation ("the Foundation") was set up as an independent charity in 2007 with two primary objectives:

1. Incentivise Bridges' mission-driven team through social impact, engagement and philanthropy
2. Achieve impact in line with Bridges' mission through the use of philanthropic capital, supporting projects that fall outside the scope of Bridges' usual investment activity

In addition, the Foundation (originally the Bridges Charitable Trust) has been granted a 'golden share' in Bridges Fund Management, which allows it to protect the social mission of the business via an ownership stake in the management company. Bridges was launched with a clear remit to raise investment vehicles that target both societal and financial returns; the Foundation effectively has power of veto over any change to this mission.

The Foundation receives an important part of its funding through Bridges' carry-holders, who donate the equivalent of 10% of their carry to the Foundation. As well as this direct financial contribution, the team also contributes to the Foundation's success by helping to set overall strategy and, in some cases, through volunteering and *pro bono* support – of both the Foundation itself and some of its beneficiary

organisations. Indeed, this team engagement is an essential part of the Foundation's work.

The Foundation's mission statement, which is closely aligned with that of Bridges Fund Management, is: 'To provide catalytic support for innovative solutions that drive better outcomes for underserved people and the planet'. 'Catalytic support' refers to both flexible financial capital and non-financial support in the form of *pro bono* work and volunteering, while 'Innovative solutions' are those that might not fit Bridges' traditional investment risk profile but have the potential to be highly effective. 'Better outcomes' implies meaningful change in a core impact area for beneficiaries that currently do not receive enough support in that area (viz. 'underserved people and the planet').

The Foundation focuses on three areas:

- › Venture Philanthropy
- › Seed-funding & Market-building
- › Family Activities

In the following pages, we outline the Foundation's key achievements in each of these three areas during the 2022/23 financial year (including the work of our sister foundation, the Bridges Impact Foundation U.S., a separate independent 501(c)3 non-profit organisation; registered charity number 81-3815673).

Directors

The Trustees who served during the year were:

- Victoria Hornby (Chair)
- Alex Pitt
- Giuseppe Catarozzo
- Michele Giddens
- Antony Ross
- Simon Ringer (*appointed September 2022*)
- Tom Mountford (*appointed September 2022*)
- Lucia Santirso-Richards (*appointed September 2022*)
- Tim Simmonds (*appointed October 2022*)
- Kyle Bentwood (*resigned July 2022*)
- Duncan Kellaway (*resigned October 2022*)

Director

Barbara Storch

Secretary

Aaron Vagarwal

Regulatory Details

Company Registration Number: 06864617
Registered Charity Number: 1129756

Registered Office

38 Seymour Street
London
W1H 7BP

Auditors

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Bankers

The Royal Bank of Scotland International Ltd.
1 Princes Street
London
EC2R 8BP

Key achievements in 2022/23

Venture Philanthropy: Supporting The Difference

Pioneering teacher training scheme The Difference continues to grow, delivering significant impact

The Difference is a specialised teacher training programme that aims to support children with high levels of need and vulnerability, and reduce the number of children that are excluded from their schools.

Nationally, the quality of Alternative Provision (AP) schools is not improving: Ofsted has reported lower quality offerings, while schools themselves are facing significant financial challenges. The standard of teaching is subsequently lower (AP students are three times more likely to be taught by an unqualified teacher), contributing to the continued achievement of poor results. In 2022, only 4.9% of AP students received a basic Pass in Mathematics and English GCSE (compared to 69% of students in all state-funded schools).

The economic cost to the Exchequer of this wasted potential has been estimated at £370,000 per child.

The Difference provides specialist inclusion training for teachers to move from the mainstream schooling system into Pupil Referral Units (PRUs) and AP schools, where they spend two years teaching vulnerable children dealing with complex issues.

Through The Difference Leadership Programme, teachers learn how to connect with these children effectively; and on completing their placement, they return to leadership positions in mainstream schools. Here, they receive a further year of support from The Difference.

The programme's structure allows teachers to incorporate the experience and teaching practices gained from the PRUs and APs into the mainstream system – with a view to driving positive change more broadly and providing more sensitive support for vulnerable children, preventing them from reaching the point of exclusion.

This year, The Difference recruited its fifth cohort of Difference leaders for its two-year programme, with over 160 applications.

The programme has established that it is a clear route for leadership and career progression: 86% of alumni have gone on to hold more senior

leadership roles, while nine alumni have been appointed to either Headteacher or Deputy Headteacher roles. The scheme is also seeing a measurable impact in the improvements of pupil outcomes in AP schools themselves – in attendance levels, learning improvements, literacy skills, and mainstream re-integration.

The Difference also offers training for mainstream school leaders via its Inclusive Leadership Course (ILC), for six full days across a school year. It has worked with 140 of these school leaders, across 53 Multi-Academy Trusts.

The Difference's direct positive impact on so many individual young people's lives is impressive and critical for improving the life outcomes of many. Additionally, the programme's potential for systemic change continues to be hugely valuable in indirectly benefitting thousands more vulnerable children.

Below: Neena, Difference leader



Key achievements in 2022/23

Venture Philanthropy: Backing Shout's innovative crisis text-line service

The Foundation's funding for Shout, a service which involves trained volunteers providing SMS-based support for anyone struggling to cope, comes to an end

The Foundation's support for Shout, the text-messaging support service for people in crisis, has reached its conclusion; we have celebrated our three-year funding relationship and all that the service has achieved over the period.

Shout was the Foundation's first charity partner in our first focus area: Mental Health. We were looking for a preventative, universal, tech-enabled tool - based on best practice and core evidence - where impact would be possible to measure. Among a large pool of potential organisations, Shout was the stand-out candidate to receive our support.

The service offers 24/7 anonymous and confidential crisis support to anyone who needs it, the majority being young people: 69% of users are under 25.

The scalability of Shout's service (it has grown from 167,000 conversations in 2019 to 2,000,000 conversations in 2023), together with its ability to leverage data analytics to generate insights for users, commissioners, volunteers and the wider market, are unique.

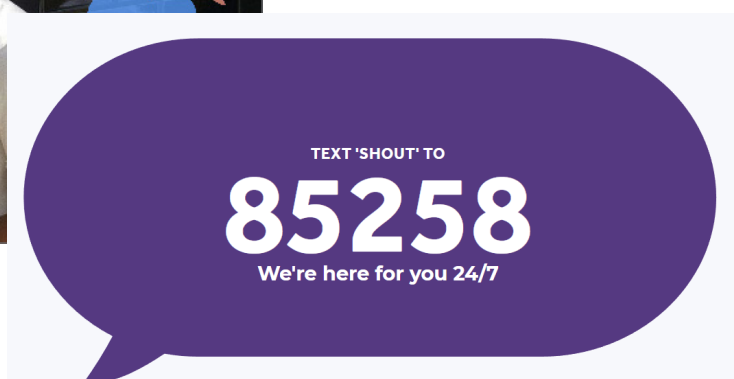
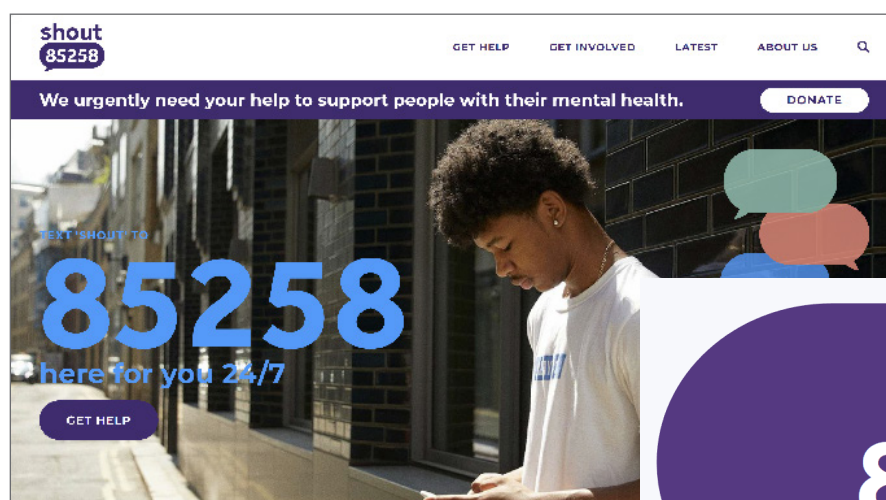
Shout volunteers tend to be the first person in whom Shout's texters confide, supporting them to move from a state of distress to somewhere more calm. People reach out for a variety of reasons, though issues predominantly include suicide & suicidal thoughts, depression &

sadness, anxiety, relationships, loneliness, self-harm, grief, and eating disorders & body image.

Critically, the model appears to deliver good outcomes: over 85% of service users (of the 15% of texters who respond to the post-conversation survey) report that the conversation was helpful, i.e. the user feels calmer and no longer at a crisis point.

Several of our Bridges colleagues continue to give up their time to volunteer with the service. Though at times conversations can be very challenging, our colleagues report that being able to provide this kind of support to those in immediate need is highly rewarding.

We are proud of the success and growth of Shout's service over the period, and the vital support it has been able to provide and positive impact it has been able to make for those texting in need. We hope it continues to lead the way in providing important mental health innovation and support.



Key achievements in 2022/23

Venture Philanthropy: Supporting victims of domestic abuse via Rising Sun

Rising Sun, the Foundation's first charity partner in its second focus area, champions a world free from domestic abuse and violence

Having confirmed our second focus area, Gender-based Violence, via a firm-wide vote, the Foundation researched and narrowed this theme down to two specific areas: Education and prevention of gender-based violence; and Access to justice for victims and survivors. We are pleased to have made our first partnership in the latter thematic focus area: Rising Sun.

Rising Sun is a charity which provides specialist, holistic support to women, children and those affected by domestic abuse across Kent, so that they can recover and move on from the life-shattering impact and trauma, and begin to thrive and experience the freedom they deserve.

The organisation is based in Kent, and offers services across Canterbury, Ashford, Folkestone and Hythe, and Swale. Its programme provides 1-1 Adult support, Adult Independent Domestic Violence Advocates (IDVA) support, survivor helplines, and 1-1 Young Person support, across various services including advice, advocacy, safe accommodation, counselling, mentoring and more.

Alongside providing specialist support to survivors and victims of domestic abuse, Rising Sun also focuses on early intervention for children and young people to prevent or break the cycle of abuse; delivers its award-winning 'Love Shouldn't Hurt' programme to schools and youth groups to educate on the early warning signs of abusive relationships; and provides training to help educate local businesses and voluntary organisations on the understanding of, identification of and response to domestic abuse.

We are excited to partner with Rising Sun and look forward to supporting and scaling its mission to tackle domestic abuse and violence in all forms.



Rising Sun
Domestic Violence
& Abuse Service



Above: Rising Sun supports women, children and those affected by domestic abuse

Right: Rising Sun took some of its clients' children on an Easter activity day



Key achievements in 2022/23

Venture Philanthropy: Supporting OnSide's high-impact Youth Zones

The Foundation continues to be a proud Founder Patron of two of OnSide's London-based Youth Zones, Future and WEST

Following the success of OnSide's first London-based youth zone, 'Future' in Barking & Dagenham, The Foundation agreed to become a Founder Patron of a second centre, 'WEST' in Hammersmith & Fulham.

OnSide's impact on individuals is significant: 73% of members feel happier about their lives as a result of attending their youth zone, 79% of frequent attenders feel better prepared for the future, and 96% said that their youth zone had made an impact on supporting them to achieve their goals.

We began providing support for OnSide's first London-based youth zone, Future, in 2018, before it opened its doors to local young people in May 2019. By December it already counted over 7,000 members, with an average weekly attendance of over 1,500 young people. This was a much higher number than anticipated – the business plan had estimated 4,000 members by the end of its first year – underlining the huge demand for the services it provides in the local area.

Future, as with all of OnSide's youth zones, provides young people with 'somewhere to go, something to do and someone to talk to', 52 weeks of the year. For £5 annual membership and 50p per session, young people can access sport, arts, music and craft activities, holiday clubs, as well as targeted interventions for c. 25% of participants (e.g. mentoring, health and well-being, employability skills). Post-Covid, in the last 12 months, Future counts over 3,600 members and has provided its services to over 12,500 members since opening in 2019.

Below: Some of the activities available to young people at the Future Youth Zone in Dagenham



As part of Future's holiday club, a number of Bridges colleagues volunteered to support and engage with Future attendees during its evening and Easter week sessions. Our team spent time supporting and leading sessions in sports, arts & crafts, cooking and more, alongside mealtimes and general breaks. Naturally, the experience pushed some volunteers out of their comfort zone, and it proved to be a rich and rewarding period. Bridges' Volunteering Policy, offering two days' paid leave per year, allows for opportunities such as this to happen.

WEST is currently under construction and will be OnSide's fourth London youth zone, located in the socially and economically polarised borough of Hammersmith & Fulham. The site is in North Hammersmith, where youth poverty in some wards ranges from 35-53% (compared to a national average of 30%). In the borough, 24% of households subsist on less than £20,000 p.a., and there are several areas that fall within the top 10% of the most deprived areas nationally, including major public housing estates. Intended as a space "Where Everyone Sticks Together" and named accordingly by local young people, WEST will be a brand new, purpose-built facility staffed with skilled and dedicated youth workers - helping young people to see and believe in their own potential. It will be part of an innovative education hub called 'EdCity' and is currently under construction, aiming to open in Spring 2024.

Right: Bridges employees volunteer during Future Youth Zone's Easter holiday club



Key achievements in 2022/23

Seed funding & Market-building: SDG Outcomes

Backing a pioneering approach to generating education outcomes in sub-Saharan Africa, collecting plastic waste in Nigeria, and more

In 2021, the Foundation provided Bridges Outcomes Limited, a not-for-profit subsidiary of Bridges Fund Management, with grant funding as it established its SDG Outcomes initiative - a new strategy dedicated to contributing towards achieving the UN Sustainable Development Goals (SDGs) - alongside UBS Optimus Foundation.

A first-of-its-kind vehicle, the SDG Outcomes initiative invests in Development Impact Bonds and other outcomes-based partnerships globally to generate positive social and environmental impact for those who need it most. It uses a new model of service delivery to design and execute innovative projects that target the SDGs in lower and middle-income countries.

Outcomes partnerships can play a key role in achieving the SDGs by improving the effectiveness of government and donor spending, leading to better life outcomes for vulnerable people and better value for funders. As such, the initiative's projects focus on health, education, employment, livelihoods and the environment, aiming to achieve both systemic impact (via systems change and ecosystem development) and direct impact (successful outcomes will generate payments).

Alongside fundraising activities in the period, the Bridges Outcomes team continued delivery of education-based programmes in Sierra Leone, launched delivery of education-based programmes in Ghana, and finalised its commitment to a waste collection programme in Nigeria:

- In Sierra Leone, the government has partnered with the Education Outcomes Fund and UNICEF to support an outcomes partnership targeting an improvement in learning outcomes in primary schools. The Fund supported three delivery partners (EducAid, StreetChild and Rising Academies) which have mobilised 195 schools (above target of 193) and delivery is on track, supporting 42,000 students.
- In Ghana, the government has partnered with the Education Outcomes Fund and the World Bank to design a similar education-focused outcomes contract

to increase schooling access for out-of-school children, and improve in-school learning for school-going students. Delivery launched in January 2023, with delivery partners Rising Academies and School for Life on track, having supported over 44,000 students thus far.

- In March 2023, the initiative signed a commitment for its first combined environmental and social outcomes programme, in partnership with Unilever Nigeria and Nigerian social enterprise Wecyclers. The aim of the programme is to collect 34,000 tonnes of plastic waste over the next five years, while also creating 780 jobs within plastic collection and recycling franchises and improving the wages of workers in the waste economy.

The team also continues to develop a strong pipeline of projects across multiple themes, including education, employment, health and climate.

Bridges Outcomes Partnerships has world-leading experience, having supported over 70 outcomes partnerships in the UK over the last decade; its distinctive approach has already earned over £129m of successful outcomes payments, with an estimated value of over £1bn to the public purse. The Foundation is excited to see this pioneering vehicle continue its progress and expand its approach into new markets.

Below: Wecyclers activity (photo: Nyancho Nwanri)



Key achievements in 2022/23

Seed funding & Market-building: Bridges Evergreen

The Foundation was an anchor investor in Bridges' pioneering patient capital fund, which is an ideal partner for some impact-driven businesses

One of the Foundation's major seed investments was in Bridges Evergreen, a patient capital vehicle that partners with highly impactful businesses that also enjoy commercial success.

For some high-impact businesses – particularly in regulated sectors – the standard private equity funding model doesn't quite work. They want a flexible, long-term, values-aligned investment partner, who can support them to deliver more impact and achieve their growth ambitions over time. Evergreen was created by Bridges to meet this need, becoming the first fund of its type in the market.

Although Evergreen's portfolio companies were inevitably affected by the difficult economic environment of the last year, the companies in the portfolio continue to deliver powerful positive impact.

AgilityEco, for example, which provides energy-efficient solutions to vulnerable households, continues to play a vital role in tackling fuel poverty – a challenge that has been exacerbated hugely this year by soaring energy bills and broader cost inflation. AgilityEco's energy-saving measures have now delivered nearly £75m of lifetime bill savings for fuel-poor

households, while also abating around 113,000 tonnes of carbon emissions from inefficient homes.

New Reflexions, Evergreen's first investment back in 2017, provides integrated education, therapy and care to young people with incredibly complex emotional and behavioural needs across the country. It continues to steadily increase the number of children in its care – boosted this year by the opening of its third (and potentially largest) specialist residential school, The Fitzroy Academy.

In Teesside, Evergreen has also been backing the Ethical Housing Company (EHC), which is accumulating a portfolio of decent, affordable homes to rent. Almost three-quarters of its tenants are in receipt of benefits to pay their rent, a clear indicator of the level of need in the region – again, a situation that has only worsened with the recent cost-of-living crisis.

Challenges like these will not be solved overnight; a patient, long-term approach is required. The Foundation believes that Evergreen's patient, long-term capital can play a vital role in scaling these solutions over the coming years.

Below:
AgilityEco,
a Bridges
Evergreen
investment,
provides
energy
efficiency and
fuel poverty
services to
vulnerable
households



Key achievements in 2022/23

Seed funding & Market-building: Highlighting The Turner MIINT MBA programme, the work of another non-profit in the Bridges Group

Thanks to the support of the Foundation's U.S.-based sister organisation, the Turner MIINT Masters programme inspires more graduates with impact

The Foundation has supported the development of sustainable and impact investing, both in the UK and globally, by funding a number of market-building initiatives and publications.

This year, Bridges Impact Foundation U.S., our U.S. sister organisation, continues to support the thriving Turner MIINT programme.

day immersive experience. Over 450 students participated in total, with 137 competing in this year's investment committee event.

Finalist pitches ranged from businesses creating healthy cultivated meat products to tracking cardiac health outcomes in remote areas via technology and reporting. First place was awarded to a team from Saïd School of Business at Oxford University for a health outcomes business - Sunfox Technologies, an Indian-based medical devices company. This earns them the Moelis Prize, which means this company is eligible for a \$50,000 investment. This year's best diligence award, celebrating strongly executed and well-researched diligence, went to Columbia University. The cohort of seven finalists featured six from outside the United States.

N.B. The Foundation has regular updates with its sister organisation in the U.S., as we look to align our efforts and engagement opportunities. More information on the Turner MIINT programme at www.turnermiint.org.

The Turner MIINT programme (U.S.)

The MIINT (MBA Impact Investing Networking and Training) programme is run by the Bridges Impact Foundation U.S., the Foundation's U.S. sister organisation, in partnership with the Wharton ESG Initiative at the University of Pennsylvania.

It is an experiential education programme designed to give students a hands-on education in investing for impact. It takes place each academic year and involves top business and graduate schools from around the world, encouraging the flow of talented young people into impact investing.

The programme was renamed as the Turner MIINT, in recognition of a generous \$2.5m donation from philanthropists Bobby & Lauren Turner.

Via teaching and mentorship, students are guided through their journey as impact investors-in-training. The program culminates in a competition where students pitch for investment for a real-life impact start-up.

This year, for the first time since 2019, participating students from around the globe travelled to the University of Pennsylvania to present their selected ventures over a two-



Below and above left: Turner MIINT 2023 winners from Saïd School of Business, Oxford University



Key achievements in 2022/23

Bridges Family Activities

Youth Zone young musicians were stars of the show at Bridges' 20th Anniversary event

The Foundation's Family Activities supplement our other work by encouraging and rewarding Bridges' colleagues' philanthropic activities, and by providing financial support in cases of financial hardship to close stakeholders.

The Matched Giving Facility

The Matched Giving Facility was started in 2014 with an allocation of £80,000. In September 2022, Trustees approved an additional £20,000 to boost this allocation to £100,000, as we had almost fully utilised the £80,000.

It encourages Bridges employees in their own philanthropic activities by matching their fundraising contributions to the cause of their choice by up to £1,000. There were four requests in the year, with subsequent donations of £3,506 - taking the total up to £73,592.

The Foundation was proud to match-fund four Bridges employees individually, as they took part in events in aid of various charitable causes, including the 2022 London Marathon, Alzheimer's Society's Memory Walk, and a cycle ride totalling almost 400km.

A performance from Future OnSide

In summer 2022, Bridges celebrated its 20th anniversary. This milestone was marked with a special anniversary Annual Investor Meeting at Kings Place in North London, where the Foundation was delighted to be able to share some information about the amazing work Future youth zone is doing with its support, with attendees. The event culminated in a live musical performance from the young people of OnSide's Future youth zone: musicians performed 'Running out of Time', having collaborated on the song together to



Above:
Young musicians from OnSide's Future performing live at Bridges' 20th Anniversary Meeting

touch on issues they currently face, alongside feelings about the future. One band member "very much enjoyed the crowd interaction" and is "grateful that Bridges gave [him] the opportunity to share [his] story through music".

Supporting disadvantaged people through the power of sport

In February 2020, BIF trustees, alongside an investor of Bridges Fund Management, made a donation towards a £25,000 shirt sponsorship for Team England in advance of the Homeless World Cup 2020. Due to the pandemic, the global tournament was unable to take place that year.

In its place, Street Soccer - which runs Street Soccer London (representing Team England) - organised the Nations Cup in Dundee, Scotland in September 2022. It brought together teams from England, Scotland, Wales, Northern Ireland, Ireland, Sweden, Ukraine, the Netherlands and Afghanistan to compete.

Over 160 players who have experienced social exclusion in various forms, including homelessness, poor mental health, criminal justice, substance abuse, or refugee status, came together to experience something totally different from their everyday.



Left:
Street Soccer London players representing Team England

Key achievements in 2022/23

Bridges Family Activities

The Foundation is also supporting a bursary in order to promote greater diversity and inclusion in the real estate sector

The Benevolent Fund

The Foundation's Benevolent Fund was launched to provide short-term financial support grants to members of the broader Bridges network (such as portfolio company employees) who find themselves in difficult circumstances. £20,000 has been allocated to this fund. There were no requests during the year and therefore the total spend to date remains £13,108.

The Donor-advised Pool

The Foundation has established a Donor-Advised Pool, a pool of funds capped at 20% of Bridges' carry whereby the carry holders can make a request to the Trustees on how to allocate this portion of the funds. In total, sixteen requests were made during the year, totalling £30,931 (2022: £22,710).

Bursaries & Scholarships

Having worked closely with the Diversity & Inclusion Working Group established by the team at Bridges, the Foundation has explored

practical ways in which we can support efforts to create more diverse, inclusive and equitable culture within the industry.

One of Bridges' specialist investment areas is in real estate, one of the least diverse sectors in the UK. With this in mind, we are delighted to be sponsoring a student on a three-year bursary programme run by the Worshipful Company of Chartered Surveyors.

The WCCS' programme supports underprivileged students studying a real estate degree, both financially and through mentoring and work experience opportunities. This student was introduced to the Foundation by members of the Property team, and gained several weeks' work experience over the summer, last year. After the three-year bursary, the Foundation decided to also fund this student's Master's degree.

We are keen to improve access to equal opportunities in the surveyor and real estate industry, and hope that this programme, and others like it, will help to attract a broader range of talented people into the sector.



Right: The WCCS works to broaden access to careers in the property sector

Future Plans

The Foundation will continue to focus on its three core areas in the coming year:

- › Venture Philanthropy
- › Seed-funding & Market-building
- › Bridges Family Activities

In particular, we are also expanding our work in key ways:

Venture Philanthropy:

Last year, the team established two specific themes within our second focus area of Gender-based Violence:

- Education and prevention of gender-based violence; *and*
- Access to justice for victims and survivors.

Having this year selected our charity partner (Rising Sun) for the latter theme, we are looking to identify a school-based gender-based violence prevention programme to deliver progress in the former theme of education and prevention.

We have identified a promising Pilot Trial which we may support. The feasibility study would be led by two professors, and its primary aim would be to test if the new intervention is feasible and could progress to a larger-scale impact evaluation (which would seek to measure the

impact of the intervention on DRV (dating and relationship violence) and GBV (gender-based violence) victimisation and perpetration).

This would contribute to building an evidence base in this hugely important area, which is currently lacking.

Seed-funding & Market-building:

Bridges Impact Foundation has a long history of supporting outcomes-based contracts and partnerships, from its investment in the first ever outcomes contracts (via the Social Entrepreneurs Fund which it catalysed), to support for Bridges' first dedicated outcomes fund through the Social Impact Bond Fund, to its investment in the Village Enterprise Development Impact Bond, to its support and investment in the SDG Outcomes initiative. We are now exploring plans for how we could support an effort to catalyse outcomes-based contracting further in the UK and globally, through policy shaping and sharing of data and best practice.

Below: Kirklees Better Outcomes Partnership, a project to support people experiencing or at risk of homelessness, is one of the outcomes partnerships made possible by the support of BIF (and others)



Financial Review

Fundraising

The current Bridges team, as well as some former Bridges employees that have now moved on to other workplaces, have committed to donate a portion of their carry to benefit the Impact Foundation.

There were donations of £84,282 in the year to March 2023 (2022: £163,387). As a result, £16,739 Gift Aid was claimed (2022: £33,891).

A number of exit processes delayed by Covid are now underway again. The Foundation expects this to create a steady funding stream for the Foundation that is likely to rise over time.

This should allow the Foundation to expand its activities further in the coming years.

Investments

Bridges Social Entrepreneurs Fund ("SEF") made no drawdowns this year (2022: £41,981). The Foundation is fully committed, and the Fund has come to the end of its life and is now in liquidation.

SEF distributed £62,092 to the Foundation in October 2022. This increased total distributions, net of PPS, by year-end to £6.69m, which equates to 82% of the capital and loan drawn down net of recalled PPS (£8.19m).

There is currently one active investment forecast to run until 2024, at which point the Fund will be liquidated. The gross value of SEF at the year-end was £139,542.

Bridges Evergreen Holdings (BEH) made no drawdowns this year (2022: £506,083) and distributions of £90,114 have been received in the year to March 2023 (2022: £129,222) in the form of a dividend payment.

As at 31 March 2023, £54m had been drawn down from investors since the commencement of BEH on 6 July 2016, against £66m total commitments. This represents 82% of current commitments, and has been used to fund investments into New Reflexions, Shaw Healthcare, the Ethical Housing Company, Skills Training UK and AgilityEco, as well as Priority Profit Share and other fund expenses.

In the year, Evergreen made a dividend distribution to investors of £1.6m, or 3% of invested cost, in March 2023.

The Foundation has granted £150,000 to date towards setting up the SDG Outcomes initiative.

Governance costs for the Foundation were £12,902 compared to £10,603 from the prior year. Administration and investment services are performed by Bridges Fund Management Limited on a *pro bono* basis. It is not possible to quantify the value of this work.

Public benefit

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard for the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act, including the guidance 'public benefit: running a charity (PB2)'.

The Trustees consider that the activities of the charity provide significant public benefit, in a number of important ways.

By acting as the original cornerstone investor in the Bridges Social Entrepreneurs Fund, which in turn co-invests alongside the Bridges Social Impact Bond Fund, and more recently by investing in Bridges Evergreen Holdings, the Foundation has helped to channel capital to innovative and ambitious social sector organisations looking to create long-term, sustainable impact at scale.

The ongoing work of the Bridges Outcomes team to build capacity in the social outcomes market also has significant potential to improve public sector services, both in the UK and beyond, by delivering better outcomes and better value for the public purse.

The Matched Giving facility amplifies and thus incentivises individual charitable fundraising by members of the Bridges team.

The Foundation does not engage in fundraising activities and no donations are sought from the public. The Foundation does not use third-parties to assist with fundraising and the charity received no complaints in this year regarding its fundraising practices.

Relationship with other entities

Bridges Fund Management Limited

Bridges Impact Foundation is connected to Bridges Fund Management Limited ("BFM Ltd") by virtue of the fact that it holds B ordinary shares in the company. The Foundation does not exercise significant control or influence over BFM Ltd, as the B ordinary shares are non-voting shares, except in certain situations governing a change of the mission of the company. Under the terms of BFM Ltd's Articles of Association, it has no right to any of the profits or losses of the company even in the event of a sale or liquidation (only to capital).

The Foundation occupies office space and shares management personnel with BFM Ltd. In addition, BFM Ltd is the appointed manager to the private funds in which the Foundation has invested. BIF benefits from its relationship with Bridges Fund Management, for which it is not charged. The Foundation is administered by the staff of BFM Ltd, who support it by offering time, resource and support to charitable activities.

At the year-end, Trustee Michele Giddens was also a director of BFM Ltd. In addition, Kyle Bentwood, Aaron Vagarwal, Lucia Santirso Richards, Tom Mountford and Simon Ringer were employees of BFM Ltd, while Giuseppe Catarozzo was a consultant to BFM Ltd and Antony Ross was a senior advisor to BFM Ltd. Kyle resigned as a board member in July 2022.

Bridges Social Entrepreneurs Fund LP

Bridges Social Entrepreneurs Fund LP was constituted under a limited partnership agreement. It attracted funding that was invested in social enterprise initiatives with strong potential philanthropic benefit.

The general and controlling partner of Bridges Social Entrepreneurs Fund LP was Bridges Social Entrepreneurs Fund (General Partner) Ltd, a wholly-owned subsidiary of Bridges Fund Management Ltd. The investments of Bridges Social Entrepreneurs Fund LP were managed by Bridges Fund Management Ltd. The investors in the Bridges Social Entrepreneurs Fund, including the Bridges Impact Foundation, were members of the Fund's advisory board, whereby the Manager updated the investors on the Fund's progress.

The investment period of Bridges Social Entrepreneurs Fund LP ended in 2016; the Fund's term was due to expire in 2019, but this was subsequently extended to August 2021,

so Bridges could continue driving impact and financial value in the remaining assets. The Fund is now in liquidation.

Bridges Evergreen Capital LP

Bridges Evergreen Capital LP is constituted under a limited partnership agreement and attracts funding which is invested in highly impactful businesses. The general and controlling partner of Bridges Evergreen Capital LP is Bridges Evergreen Capital (General Partner) LLP, a wholly-owned subsidiary of Bridges Fund Management Ltd. The investments of Bridges Evergreen Holdings are managed by Bridges Fund Management Ltd.

The investors in Bridges Evergreen Capital, including the Bridges Impact Foundation, are members of the Fund's advisory board where the Manager updates the investors on progress to date and future plans for the Fund.

Bridges Impact Foundation U.S.

Bridges Impact Foundation U.S. is a U.S.-based 501(c)3 nonprofit organisation, and an independent organisation within the Bridges Group. The Foundation has regular updates with this entity, as we look to collaborate on opportunities where possible.

SDG Outcomes Fund SCSp

Bridges Outcomes Limited acts as the portfolio manager for the SDG Outcomes Fund SCSp, the first vehicle of its kind dedicated to creating social and environmental outcomes through projects focused on health, education, women's economic empowerment and the environment to benefit the world's most vulnerable populations.

The Fund aims to achieve direct impact through potential positive outcomes estimated to be worth more than \$250m. The Fund also aims to achieve systemic impact through transforming the way donors commission and fund services for vulnerable people, as well as transforming the ecosystem of delivery partners, improving outcome payer engagement by achieving more outcomes and better value for money, and increasing the availability of more flexible, impact-focused capital through the establishment of a broader investor base.

Organisation and appointment of Trustees

The Bridges Impact Foundation is administered by the Board of Trustees.

The Trustees ensure that the Foundation is carrying out its purposes for the public benefit, that it manages its resources responsibly, and that it is fully accountable and compliant with the law.

There must be at least four Trustees and no more than ten in office at any given time.

The Foundation's Board is comprised of elected employee representatives from Bridges Fund Management, senior Bridges partners, and independent trustees.

Victoria Hornby is our Chair. The Foundation is lucky to benefit from her not-for-profit experience and expertise. Her support, challenge and guidance are invaluable, and ensure the effective and smooth running of the Foundation's Board.

In October 2022, Duncan Kellaway stood down as Trustee, while Simon Ringer joined the Board as a senior member of the Bridges team in September 2022.

In addition, Tom Mountford and Lucia Santirso Richards were elected as Bridges Employee Representatives, also in September 2022, as a result of a company-wide election which saw a number of colleagues put themselves forward for selection. The Foundation welcomes Tom and Lucia's expertise and enthusiasm!

Independent Trustees are appointed by a resolution of the Board of Trustees and serve for three years, at which point they can be reappointed for a further three-year term.

Alex Pitt, co-founder and Director of Growth at Mustard Seed, an early-stage generalist impact fund, has served as an independent trustee since 2020.

Tim Simmonds, a partner at law firm Osborne Clarke, was formally approved as another independent Trustee in October 2022.

The Foundation is actively searching for another independent Trustee to join the Board.

Trustee Induction and Training

New Trustees of the Bridges Impact Foundation take part in a mandatory induction meeting to understand their legal obligations as a Trustee under charity law. Trustees who are not employees of Bridges Fund Management Ltd are also briefed on the company's activities and philosophy, governance, decision-making process, and recent financial reports.

All Trustees are invited to join a meeting of the Bridges Evergreen Holdings advisory board (and previously the Bridges Social Entrepreneurs Fund advisory board) as part of their induction and training.

All Trustees are encouraged to undergo external training that can better inform them of their role as Trustee or enhance their expertise/skills to contribute to the work of the Foundation.

Other Key Personnel

Barbara Storch is Director of the Foundation; she is responsible for developing and directing strategy for the deployment of the funds of the Foundation on a day-to-day basis.

Aaron Vagarwal is Secretary of the Foundation.

Risks and Risk Management

The key risks faced by the Foundation relate to the performance of funds managed by Bridges Fund Management.

The value of the Foundation's investment in SEF, and its investment in Evergreen, may rise or fall depending on the performance of the companies in which these funds choose to invest.

Equally, an important funding stream for the Foundation derives from the Bridges Fund Management team (both past and present), who have committed to donate the equivalent of 10% of their individual 'carried interest' (profits) arising from the funds managed by Bridges Fund Management to the Foundation. If the funds fail to generate carried interest, the funding of the Foundation will be adversely affected.

The Trustees work to proactively manage risks by reviewing potential financial, reputational and other risks on an annual basis and developing and implementing strategies to pre-empt or minimise these risks. They also maintain close communication with the Bridges Fund Management team to monitor any potential risks pertaining to the funds' investment activity.

A key element in the management of financial risk is the frequent review of quarterly finance updates presented at each board meeting – which analyse cashflow forecasts to manage financial risk – and of the amounts and terms of donations made to the Foundation.

Reserves Policy

The Bridges Impact Foundation's policy is to hold reserves that will enable the organisation to:

- › Ensure there is sufficient money to continue its core activities during a period of unforeseen difficulty
- › Undertake special projects and one-off activities in keeping with Foundation's mission

The Foundation incurs minimal costs of operation, including governance costs. It considers that the unrestricted reserves at the year-end totaling £899,837 (2022: £924,416) of which £28,553 is designated and £871,284 is general, will be more than sufficient to cover ongoing expenses associated with its current operations.

The Trustees continue to explore with the Bridges team other avenues of charitable activity that are aligned with the skills, interests and activities of the team.

Restricted funds at year-end totaled £4,533,302 (2022: £5,184,546).

Structure

Bridges Trust (company number 06864617) was incorporated on 31 March 2009 under a Memorandum and Articles of Association, with all existing Trustees in the unincorporated charity Bridges Charitable Trust (charity number 1118391) becoming directors of the newly incorporated Bridges Trust.

Bridges Trust was registered as a charity with the Charity Commission on 20 May 2009 (charity number 1129756); changed its name to Bridges Charitable Trust on 17 August 2009; and changed its name to the Bridges Impact Foundation Ltd. on 22 February 2017.

In 2021, the Foundation adopted revised Articles of Association which clarified and extended the number and composition of the Board of Trustees.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Bridges Impact Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the financial reporting standards applicable to the UK and Republic of Ireland.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- › Select suitable accounting policies and then apply them consistently
- › Observe the methods and principles in the Charities SORP
- › Declare any conflict of interest following the Foundation's Conflict of Interest policy
- › Make judgements and 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
- › Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

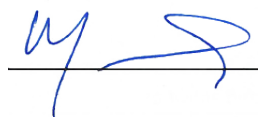
Insofar as the Trustees are aware:

- › There is no relevant audit information of which the charitable company's auditor is unaware
- › The Trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor was aware of that information

Auditors

Moore Kingston Smith LLP have been appointed as auditors in the year and have expressed their willingness to continue in that capacity.

Signed on behalf of the Trustee Board by:



Victoria Hornby

Chair of Board

7th December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGES IMPACT FOUNDATION LIMITED

Opinion

We have audited the financial statements of Bridges Impact Foundation Limited ('the company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet 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 FRS 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of 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 Companies Act 2006.

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGES IMPACT FOUNDATION LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGES IMPACT FOUNDATION LIMITED (continued)

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

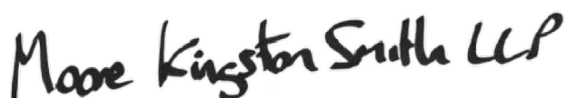
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGES IMPACT FOUNDATION
LIMITED (continued)**

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 20 December 2023

9 Appold Street
London
EC2A 2AP

Bridges Impact Foundation Limited
Statement of Financial Activities
For the year ended 31st March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Year ended 31 March 23 £	Year ended 31 March 22 £
INCOME AND EXPENDITURE					
Income					
Donations and Grants	2	84,307	-	84,307	197,278
Investment income	3	166,056	-	166,056	129,222
Other income		-	-	-	47,120
Total Income		<u>250,363</u>	<u>-</u>	<u>250,363</u>	<u>373,620</u>
Expenditure					
Charitable expenditure	4	274,942	-	274,942	248,338
Total Expenditure		<u>274,942</u>	<u>-</u>	<u>274,942</u>	<u>248,338</u>
(Impairment)/revaluation uplift of programme-related investment	7	-	(651,244)	(651,244)	5,620
Net (expenditure)/income and net movement in funds		<u>(24,579)</u>	<u>(651,244)</u>	<u>(675,823)</u>	<u>130,902</u>
Transfers between funds		-	-	-	-
Fund Balances at 1st April 2022		<u>924,416</u>	<u>5,184,546</u>	<u>6,108,962</u>	<u>5,978,060</u>
Total Funds at 31st March 2023	10,11	<u><u>899,837</u></u>	<u><u>4,533,302</u></u>	<u><u>5,433,139</u></u>	<u><u>6,108,962</u></u>

All gains and losses for the year are included in the Statement of Financial Activities and arise from continuing operations.

The notes on pages 26 to 33 form part of these financial statements.

Bridges Impact Foundation Limited

Balance Sheet at 31st March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Programme-Related Investments	7		3,829,082		4,542,418
Current Assets					
Debtors	8	75,942		141,259	
Cash at bank and in hand		<u>1,576,096</u>		<u>1,435,285</u>	
		1,652,038		1,576,544	
Creditors: Amounts falling due within one year	9	<u>(47,981)</u>		<u>(10,000)</u>	
Net Current Assets			1,604,057		1,566,544
Net Assets			<u>5,433,139</u>		<u>6,108,962</u>
Funds					
Unrestricted general funds	10		871,284		913,357
Unrestricted designated funds	10		28,553		11,059
Restricted funds	11		<u>4,533,302</u>		<u>5,184,546</u>
			<u>5,433,139</u>		<u>6,108,962</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 26 to 33 form part of these financial statements.

Approved by the Board of Trustees and authorised for issue on
and signed on its behalf by:



..... 20/12/2023
Victoria Hornby Date:
 Trustee

Company Registration Number: 06864617

Bridges Impact Foundation Limited

Notes to the Accounts

For the year ended 31st March 2023

1 Accounting Policies

Basis of Accounting

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the Foundation also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Foundation to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements and have considered the potential impact of the current economic environment. However, the principal expenditure is in making donations and grants and these are only made out of funds available. This combined with the significant unrestricted reserves held by the Foundation have led the Trustees to conclude that there is a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Income from investments and donations and grants is brought into the accounts when the Foundation is entitled to receipt, receipt is probable and can be measured reliably.

Gift Aid income is recognised on the date at which the relevant qualifying donation has been received. Any amounts not received at the year end are included within debtors.

Expenditure

Expenditure is charged in the accounts on an accruals basis. Governance costs consist of costs associated with the strategic direction of the organisation.

Grants payable, including those paid over several years, are charged when the offer is conveyed to the recipient except in the cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. All grants reflected in note 9 are payable to institutions to enhance mental health and well-being in young people. No support costs are allocated to grant-giving activities.

Fund structure

Amounts donated for the purpose of specific categories of investment are categorised as restricted funds. All other income is included as unrestricted provided there are no conditions specified by the donor related to its use. Unrestricted funds ring-fenced by the trustees for specific use have been disclosed as designated funds, more information on these funds is available in note 10.

Bridges Impact Foundation Limited

Notes to the Accounts (continued)

For the year ended 31st March 2023

1 Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial Instruments

Basic financial instruments are measured at amortised cost, other than investments, which are measured at cost less impairment.

With the exceptions of prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 8 and 9 for the debtor and creditor notes.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

The trustees deem the key area of estimation to be the annual review and adjustment of the Programme-Related Investment to take into account any current period impairment, reversal of prior period impairment or revaluation. See the accounting policy above and note 7 for further details.

2 Donations and grant income

	2023 £	2022 £
Gift aid	25	33,891
Individual donations	84,282	163,387
	<u>84,307</u>	<u>197,278</u>

All donation and grant income was unrestricted in 2023 and 2022.

3 Investment Income

	2023 £	2022 £
Dividends received	166,056	129,222
Interest received	-	-
	<u>166,056</u>	<u>129,222</u>

All investment income was unrestricted in 2023 and 2022.

Bridges Impact Foundation Limited

Notes to the Accounts (continued)

For the year ended 31st March 2023

4 Expenditure

Current year

	Direct Costs £	Support Costs £	Total 2023 £
Charitable expenditure			
Donations	33,137	-	33,137
Grants paid to institutions (see note 4b)	160,000	-	160,000
Consultancy fees	-	68,903	68,903
Governance (see note 4a)	-	12,902	12,902
Total	193,137	81,805	274,942

Prior year

	Direct Costs £	Support Costs £	Total 2022 £
Charitable expenditure			
Donations	61,056	-	61,056
Grants paid to institutions (see note 4b)	100,000	-	100,000
Consultancy fees	-	76,679	76,679
Governance (see note 4a)	-	10,603	10,603
Total	161,056	87,282	248,338

Restricted expenditure included above for 2023 is £nil (2022: £nil).

Key management personnel comprise the Trustees and the Director of Strategy. Within Consultancy fees is £67,648 (2022: £65,827) paid to Bridges Fund Management for the services of the Director of Strategy.

4a Governance costs

	Total 2023 £	Total 2022 £
Legal & professional fees	-	-
Audit fees	12,312	10,000
Bank charges	590	603
	12,902	10,603

Restricted expenditure included above for 2023 is £nil (2022: £nil).

Bridges Impact Foundation Limited

Notes to the Accounts (continued)

For the year ended 31st March 2023

4b Grants paid to institutions	2023 £	2022 £
OnSide Youth Zones	50,000	-
Worship Company of Chartered Surveyors	10,000	20,000
Mental Health Innovation	30,000	50,000
The Difference	40,000	30,000
Rising Sun	30,000	-
	<u>160,000</u>	<u>100,000</u>

5 Trustees' remuneration

Trustees are deemed to be the key management personnel of the Foundation. The trustees did not receive any remuneration during the period (2022: £nil). No costs were reimbursed to trustees during the period (2022: £nil).

6 Auditors' remuneration

Total amounts paid to the auditor in note 4a are broken down as below:

	2023 £	2022 £
Current year audit fee	11,820	10,000
Prior year under accrual	492	-
	<u>12,312</u>	<u>10,000</u>

Bridges Impact Foundation Limited

Notes to the Accounts (continued)

For the year ended 31st March 2023

7 Programme-related investments	2023	2022
	£	£
Investment value at 1 April 2022	4,542,418	4,139,913
Loan investment additions in the year	-	548,065
Loan investment repayments in the year	(62,092)	(151,180)
Revaluation of programme-related investment	(651,244)	5,620
Value at 31 March 2023	<u>3,829,082</u>	<u>4,542,418</u>

Investments represent the amounts paid to date by the Foundation into the Bridges Social Entrepreneurs Fund LP of which it is a Limited Partner, and Bridges Evergreen Capital LP of which it is also a Limited Partner.

The Bridges Social Entrepreneurs Fund was intended to exist for a period of up to twelve years and has terminated since 31 March 2022. Ultimately, the fund had a net money multiple of less than 1 (i.e. did not return all invested capital) over its life.

The Bridges Evergreen Capital LP Fund is focused on investing long-term capital to support the growth of mission-led businesses and social sector organisations that deliver positive social impact and enjoy commercial success. The Fund has invested in New Reflexions, the Ethical Housing Company, and Agility Eco.

Amounts committed, but not yet invested

The total commitment that the Foundation had to Bridges Social Entrepreneurs Fund LP was £4,240,252 which could be drawn down at the discretion of the Manager of the Fund. Total undrawn commitments in the Fund were capped as of 30 June 2016, resulting in a cancellation of commitments. PPS repaid subsequent to the cancellation will continue to be redrawable.

The balance of the Foundation's commitment, not yet drawn upon by 31 March 2023, is £nil (2022: £1,012,500).

In addition, total distributions of £62,092 have been received by the Foundation from the Fund in the year to 31 March 2023, which represents the repayment of loans drawn from the Foundation to pay the priority profit share to the Fund's General Partner.

The total commitment that the Foundation had to Bridges Evergreen Capital Fund LP at 31 March 2023 was £3m (2022: £3m) which can be drawn down at the discretion of the Manager of the Fund. Bridges Evergreen Capital LP is constituted under a Limited Partnership Agreement dated 6 July 2016. The Fund invests in mission-led Portfolio Companies that provide a positive social impact and have a mission-locked governance structure in order to deliver their social mission. The Fund currently has committed capital of £50.8 million.

The balance of the Foundation's commitment, not yet drawn upon by 31 March 2023, is £nil (2022: £nil).

Bridges Impact Foundation Limited
Notes to the Accounts (continued)
For the year ended 31st March 2023

8 Debtors	2023	2022
	£	£
Accrued income	75,942	141,259
	<u>75,942</u>	<u>141,259</u>

9 Creditors: Amounts falling due within one year	2023	2022
	£	£
Grants payable	-	-
Other creditors	47,981	10,000
	<u>47,981</u>	<u>10,000</u>

10 Unrestricted Funds

Current year

	At 1 April 2022 £	Income £	Expenditure £	Transfer £	At 31 March 2023 £
General funds	913,357	250,363	(270,436)	(22,000)	871,284
Designated funds					
(a) Benevolent fund	6,892	-	-	-	6,892
(b) Fund matching	4,167	-	(3,506)	20,000	20,661
(c) Property philanthropic pot	-	-	(1,000)	2,000	1,000
	<u>11,059</u>	-	<u>(4,506)</u>	<u>22,000</u>	<u>28,553</u>
	<u>924,416</u>	<u>250,363</u>	<u>(274,942)</u>	<u>-</u>	<u>899,837</u>

Prior year

	At 1 April 2021 £	Income £	Expenditure £	Transfer £	At 31 March 2022 £
General funds	783,982	373,620	(209,992)	(34,253)	913,357
Designated funds					
(a) Benevolent fund	10,985	-	(4,093)	-	6,892
(b) Fund matching	4,167	-	(34,253)	34,253	4,167
	<u>15,152</u>	-	<u>(38,346)</u>	<u>-</u>	<u>11,059</u>
	<u>799,134</u>	<u>373,620</u>	<u>(248,338)</u>	<u>-</u>	<u>924,416</u>

- (a) The Bridges Impact Foundation Benevolent Fund has been established primarily to support employees of the Bridges Fund Management group and any of its portfolio companies who find themselves in acute financial need. In the year to March 2023 a total of £nil (2022: £4,093) was paid out for such causes.
- (b) Bridges Impact Foundation has undertaken to match donations raised from private individuals in the Bridges Fund Management team to a maximum of £1,000 per team member per annum. A total of £20,000 has been designated, but is subject to top up should it prove to be insufficient. In the year to March 2023, a total of £3,506 (2022: £34,253) was paid out in matched donations.
- (c) The Property philanthropic pot is designated for a sub-sector of the Bridges team to recommend small donations to support philanthropic projects of their choosing, as approved by the trustees.

Bridges Impact Foundation Limited

Notes to the Accounts (continued)

For the year ended 31st March 2023

11 Restricted Funds	2023 £	2022 £
(a) Funds acquired for Programme Investment in Bridges Social Entrepreneurs Fund		
Balance at 1 April 2022	1,137,208	1,122,303
Revaluation (loss)/gain	(18,524)	14,905
Balance at 31 March 2023	<u>1,118,684</u>	<u>1,137,208</u>
(b) Funds acquired for Programme Investment in Bridges Evergreen Capital LP		
Balance at 1 April 2022	4,047,338	4,056,119
Revaluation loss	(632,720)	(8,781)
Balance at 31 March 2023	<u>3,414,618</u>	<u>4,047,338</u>
(a) The balance on programme-related investment funds represents funds already invested, together with further funds held pending investment in programme-related investment projects, net of related costs of managing the Fund. The value of the investment in the underlying Fund increased in the year and has been recognised in its revaluation.		
(b) The Foundation had funds brought forward of £4,047,338 for use in the Programme Investment Fund to support Bridges Evergreen Capital LP. During the current year there has been further investment in Bridges Evergreen Capital Fund LP £nil (2022: £65,747). The value of the investment in the underlying Fund decreased in the year and has been recognised in its revaluation.		

12 Analysis of Net Assets between funds

Current year	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Fixed Assets - Programme-related investments	-	3,829,082	3,829,082
Current Assets	947,818	704,220	1,652,038
Current Liabilities	(47,981)	-	(47,981)
	<u>899,837</u>	<u>4,533,302</u>	<u>5,433,139</u>
Prior year	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Fixed Assets - Programme-related investments	-	4,542,418	4,542,418
Current Assets	924,416	652,128	1,576,544
Current Liabilities	-	(10,000)	-10,000
	<u>924,416</u>	<u>5,184,546</u>	<u>6,108,962</u>

Bridges Impact Foundation Limited

Notes to the Accounts (continued)

For the year ended 31st March 2023

13 Related Party Relationships and Transactions

Bridges Impact Foundation Limited is a Limited Partner in Bridges Social Entrepreneurs Fund LP and is not considered to have a controlling or significant interest in the LP Fund. During the period, Bridges Impact Foundation received £62,092 (2022: £nil) from Bridges Social Entrepreneurs Fund LP by way of distribution out of income or capital. At the year end Bridges Impact Foundation Limited's investment in Bridges Social Entrepreneurs Fund LP was £50,361 (2022: £130,976).

Bridges Impact Foundation Limited is a Limited Partner in Bridges Evergreen Capital Fund LP and is not considered to have a controlling or significant interest in the LP Fund. At the year end Bridges Impact Foundation Limited's investment in Bridges Evergreen Capital Fund LP was £3,778,721 (2022: £4,411,441). The Foundation received a distribution by way of dividend of £nil (2022: £129,222).

Bridges Impact Foundation Limited operates under common control with Bridges Fund Management (BFM). Michele Giddens is a common Trustee (and Director of BFM). During the year a total of £67,648 (2022: £65,827) was paid to BFM representing consultancy fees. At the year end an amount of £nil (2022: £nil) was payable to BFM.

Within the 2020 financial year, the Trustees approved a multi-year grant to Mental Health Innovation ("MHI"). Victoria Hornby is CEO of MHI, the charity which runs and manages Shout. At the time of grant decision making, she was not a trustee of BIF Ltd. An amount of £30,000 (2022: £50,000) was paid to MHI during the year.

14 Staff Numbers

There were no full time equivalent employees during the year (2022: nil.). Total staff costs for the year were £nil (2022: £nil). The Foundation is provided with administrative support free of charge by Bridges Fund Management Limited.

15 Taxation

The Foundation carries out exempt charitable activities, therefore no corporation tax is due on the year's results.

BRIDGES

Impact Foundation

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Company Registration Number: 06864617.
Registered Charity Number: 1129756.

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Bridges Impact Foundation, December 2023