BRIDGE ESTATE

England & Wales · Charity number 220716

Details

Status	Registered
Legal form	Other
Registered	1963-11-13
Register	View on the Charity Commission register

Contact

Address	Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Phone	01158763550
Email	TechnicalTeam@nottinghamcity.gov.uk
Website	http://gossweb.nottinghamcity.gov.uk/nccextranet/index.aspx?articleid=11518

Activities

Objects: 1. MAINTENANCE AND REPAIR OF TRENT BRIDGE. 2. PROVIDING SUCH NEW BRIDGE OR BRIDGES OVER THE RIVER TRENT WITH APPROACHES THERETO AS MAY BE FOUND NECESSARY OR DESIRABLE. 3. APPLYING THE RESIDUE OF INCOME IN SUCH MANNER AS THE CORPORATION THINK BEST FOR THE IMPROVEMENT OF THE BOROUGH AND THE PUBLIC BENEFIT OF ITS INHABITANTS.

Activities: The sole activity of the Bridge Estate is investing, through property ownership, to generate income that is utilised for the objectives of the Charity and to grow the capital value of its assets. The property portfolio is managed on behalf of Bridge Estate by Strategic Property, a division of Nottingham City Council's Resources Department.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Economic/community Development/employment
- **Who:** The General Public/mankind

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Geography

- **Area of benefit:** NOTTINGHAM COUNTY BOROUGH
- Nottingham City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	-	-	-	-
2024-03-31	-	-	-	-
2023-03-31	£1,850,245	£1,582,145	£36,653,074	0
2022-03-31	£1,940,726	£1,421,142	£31,381,991	0
2021-03-31	£2,147,027	£2,689,786	£28,783,777	0
2020-03-31	£2,390,780	£2,102,245	£29,514,029	0
2019-03-31	£2,208,634	£2,427,400	£29,085,138	0

Trustees

Name	Role	Appointed
COUNCILLORS OF NOTTINGHAM CITY COUNCIL		2012-01-25

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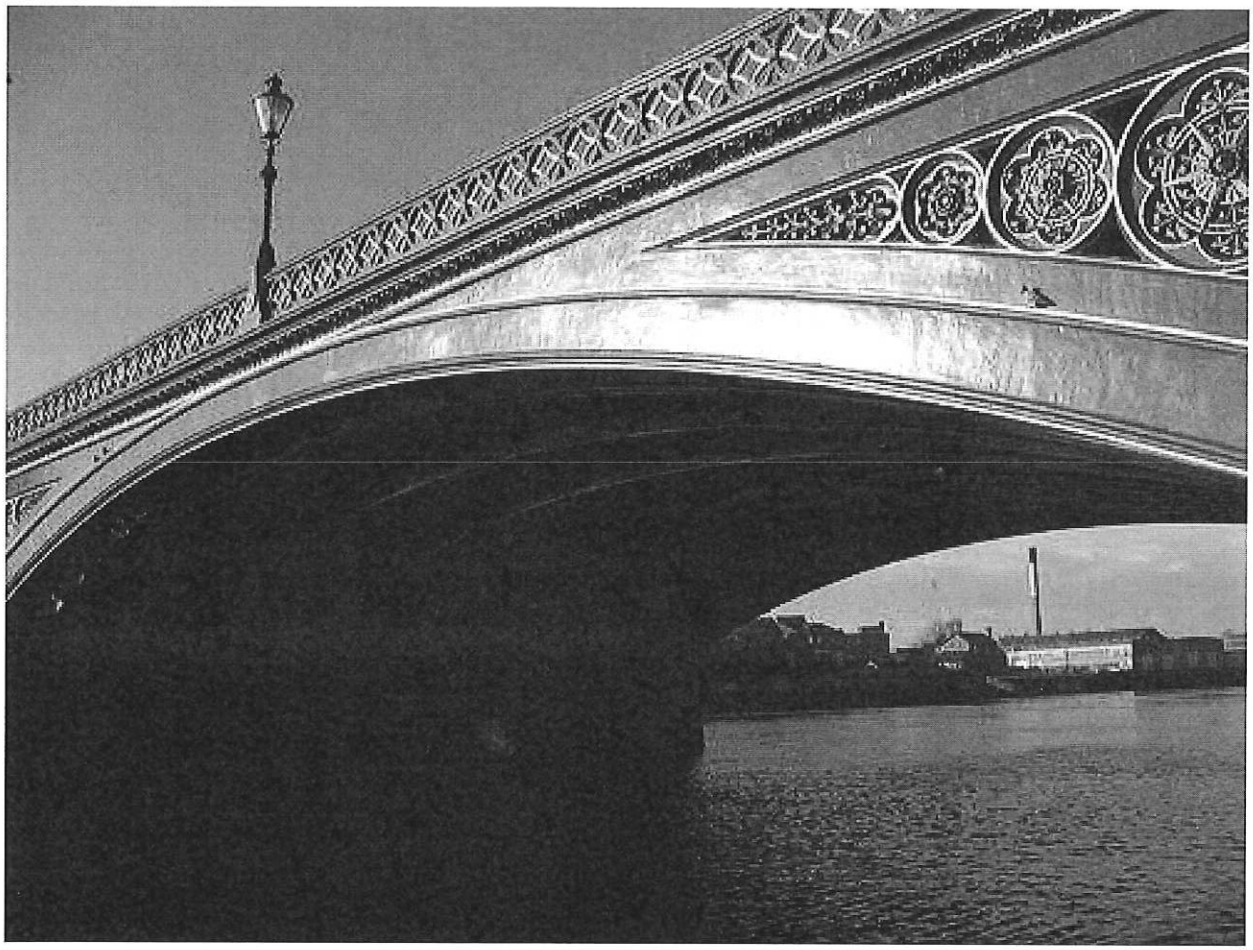
BRIDGE ESTATE

England & Wales - Charity number 220716

Accounts

BRIDGE ESTATE



ANNUAL REPORT

for the year ended 31 March 2023

Registered Charity Number: 220716

CONTENTS

Page	Details
3	Report of the Trustees for the year ended 31st March 2023
3	Objectives and activities for the public benefit
4	Strategies adopted in the management of the property portfolio
5	Achievements and Performance
6	Financial Review
7	Plans for future periods
8	Structure, Governance and Management
11	Reference and administrative details
12	Responsibilities of the Trustees
13	Statement of Financial Activities
14	Balance Sheet
15	Notes to the financial statements
24	Independent Auditor's Report

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2023

The trustees present their annual report and financial statements of the charity for the year ended 31st March 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The maintenance and repair of Trent Bridge and approaches remains the primary objective of the charity. Trent Bridge is the major vehicle communication route from the south of the City and is critical in bringing economic benefit to the City. This is increasingly important in light of the downturn in the global and national economy. The bridge is open to the public at large, assuring public benefit on an open access basis. There are no restrictions regarding the members of the public who may use the bridge and no fees are charged.

The Trustees' Annual Report for the year ending 31 March 2023 confirms that any residual income is applied to the Trust's charitable objectives as defined below, this includes the improvement of the City of Nottingham in support of the Council's aims and objectives, as set out in the Council Plan and Medium Term Financial Strategy. This is delivered through the maintenance and protection of the Trust's portfolio of income producing assets.

A proportion of the surplus income generated by the charity is transferred to Nottingham City Council's (NCC) General Fund and is used for the benefit of the citizens of Nottingham. As referred to above, the surplus contributes directly to the delivery of Nottingham's priorities as set out in the Council Plan and enables the Council to provide the citizens of Nottingham with effective and efficient services. Further surplus income has been retained in the Trust for investment in its portfolio.

The Bridge Estate fixed asset portfolio will be actively managed to secure new investment properties, increase income and reduce risk in an uncertain market.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives.

Objectives

The initial sole objective of the Bridge Estate was the provision of funds for the maintenance and repair of Trent Bridge. However, by the late nineteenth century the income generated by the Estate was in excess of that required for maintenance of Trent Bridge and consequently the objectives of the Estate were extended by virtue of section 78 of the Nottingham Corporation Act 1882.

The Bridge Estate's charitable objectives are now threefold:

1. To provide for the efficient maintenance and repair of Trent Bridge and the approaches to it.
2. To provide a contingency fund for the possible construction of such new bridge or bridges over the River Trent as may be found necessary or desirable.
3. To apply the residue of any income as the trustees thinks best for the improvement of the City of Nottingham and the public benefit of its inhabitants.

Main objectives for the financial year 2023/24 -

1. To ensure the necessary financial provision is available if required to provide a vehicle and pedestrian communication link for the City of Nottingham via Trent Bridge.

2. The continued development of the Trust's property portfolio with a view to minimizing the risk of exposure to adverse economic conditions and protecting and increasing its income and capital value of its assets.

3. Surplus revenue generated by the Charity to be invested through NCC to support the City Council's aims and objectives for the city as set out in the Council Plan and the Medium Term Financial Strategy.

Strategies adopted in the management of the property portfolio

The Bridge Estate's stated objectives of setting up a contingency fund for the maintenance and repair of Trent Bridge and to accumulate a fund to build a new bridge, should this be necessary, is effectively met by the management of the property portfolio. In practice, although properties could either be sold or mortgaged to fund such expenditure, the current local government context means that there are more efficient and effective ways of raising the funds required to maintain or to replace Trent Bridge. NCC is able to earmark funds from the Local Transport Plan for this purpose and substituting Bridge Estate funds would unnecessarily run down the value of the portfolio. Trent Bridge forms part of the adopted highway network, with maintenance and repairs overseen by the Highway Authority, with the Bridge Estate providing funds as necessary for the carrying out of these works.

Funds generated by the Bridge Estate holding, either through day-to-day operations or sale/mortgage would, in this context, only be applied where other funding routes have been exhausted. For the latter option, Trustees recognise that the ability to generate the level of sales required to replace the Trent Bridge would be difficult to achieve in the short-term and in any case could not meet the full cost of replacing the structure – further confirming the need of working, where possible, within the current local government financial context. There is a further restriction on the ability to generate funds in this way through the possibility that historic restrictions on the disposal of specific 'endowed' properties may exist.

The property portfolio includes a number of commercial properties including: retail; office; industrial; ground leases; agricultural holdings; and a miscellaneous range of other properties.

Investment risk whilst held in a single investment class (except money held on interest awaiting reinvestment) is in effect spread through the diverse range of property type, location and tenure.

To maximise return on investment, the Charity is obliged to let properties at full market rent and lettings on full repairing and insuring terms where it is practical to do so. In the case of multi occupied premises where the landlord is responsible for external repairs, heating, cleaning common parts, insurance etc., the costs are generally recovered by way of additional service charge.

The rents of properties leased for a term of years are reviewed in accordance with the terms of the agreement and current market conditions and short term 'periodic' tenancies are generally reviewed every 3 years. In the case of expiring leases, these are either renewed on negotiated terms or marketed for re-letting where the original lessee does not wish to continue. In all cases, terms will be negotiated to secure the best outcome for the Charity including where possible an increased rent unless there are other objectives that the Trustees wish to secure.

ACHIEVEMENTS and PERFORMANCE

The sole activity of the Bridge Estate is investing, through property ownership, to generate income that is utilised for the objectives of the Charity and to increase rental income and to grow the capital value of its assets, to further the charitable purposes to maintain Trent Bridge and for the benefit of the citizens of Nottingham. Strategic Assets and Property, a division of NCC's Development and Growth Department, manage the property portfolio on behalf of Bridge Estate. A dedicated Chartered Surveyor is assigned to this role.

In summary, the following has been undertaken over the past 12 months:

- 24-30 Castle Gate – approval for disposal of the freehold interest with completion expected early 23/24
- 140 Vernon Road – identified for disposal with the asset expected to be to be sold in 23/24
- Dragon Court, Part of Building 3, Woolsthorpe Depot, Woolsthorpe Close – completion of internal refurbishment works projects
- Upper Floors Century House, 5 Castle Bridge, Ground Floor, 14-16 Wheeler Gate – funding allocated for undertaking refurbishment projects to be carried out in 23/24
- The Cold Store & Premises and Land & Premises at Cattle Market – approval obtained with respect to granting lease renewals with completion expected early 23/24
- Governors House & Judges Retiring Rooms, High Pavement – refurbishment works substantially completed with heads of terms to be finalised in respect of a letting to a prospective tenant

There is an ongoing strategic review of the portfolio to identify assets held by the Trust which could be sold and generate investment capital. Should disposals be approved by the Trustees, total capital reserves will provide the Trust with the opportunity to secure positive reinvestment in the portfolio, either through the acquisition of new assets or the improvement or refurbishment of existing properties. The policy remains to achieve market rates for rental, ensuring the charity receives value for money across its asset base.

FINANCIAL REVIEW

The financial statements of the Bridge Estate are included in the following pages. The statements include comparative figures for the previous year and consist of the following:

- **Statement of Financial Activities (SoFA)** is a single accounting statement with the objective of showing all incoming resources and resources expended by the charity in the year on all its funds.
- **Balance Sheet** setting out the assets, liabilities and funds of the Trust;
- **Notes to Financial Statements** explaining the accounting policies adopted and explanations of information contained in the Financial Statements.

The Trustees confirm that the Trust's assets are available and adequate to fulfill the obligations of the Trust. Nottingham City Council is required to publish International Financial Reporting Standards (IFRS) compliant accounts. The Bridge Estate forms part of NCC's Group Accounts, and therefore the accounts have been consolidated on this basis. No adjustments were required to these accounts upon consolidation.

Policy on reserves

The Charity may hold reserves or funds to even out the financial impact of significant costs for any particular year. The Charity's objectives state that any residue of any income should be used for the improvement of the City of Nottingham and the public benefit of its inhabitants, therefore any remaining net income over what is required to be set aside for prudent asset management is transferred to NCC's General Fund.

The actual Surplus transferred was £750,000 for 2022/23 (£1,000,000 2021/22). Further details on reserves can be found in the notes to the accounts.

Investment Policy

The Investment Policy is to seek to achieve an absolute return over the long term in order to meet increases in expenditure and maintain the Trust's fund in real terms. Any funds generated by the sale of property are temporarily invested until a new investment opportunity is identified by the property manager, in consultation with the Trusts and Charities Committee. When investing Bridge Estate Funds, NCC adhere to their Investment Strategy which complies with the Local Government Act 2003 in support of obtaining the best yield for the Trust.

Risk Management

The Bridge Estate adopts the NCC's Risk Management Policy, tailored as appropriate for the Trust. The Trustees are committed to a programme of risk management to protect the Charity's assets. A Risk Register is held which identifies the key risks and the measures in place to mitigate such risks. Procedures are also in place to ensure that appropriate advice and support is provided to Trusts and Charities Committee as and when required.

Review of financial position

Below is a summary of the income generated and resources expended:

	2022/23 (£)	2021/22 (£)
INCOMING RESOURCES	**(1,850,245)**	**(1,835,992)**
RESOURCES EXPENDED		
Surplus transferred to NCC General Fund	750,000	1,000,000
Raising Funds	388,351	213,964
Charitable Activities	131,805	151,200
Other	51,110	55,978
Increase / (Decrease) in Loss Allowance	260,879	(104,734)
Net Contribution to / (from) reserves	268,100	519,584
	1,850,245	**1,835,992**

PLANS FOR FUTURE PERIODS

A property investment portfolio is a dynamic resource and needs to be actively managed if it is to develop and resist the effects of economic change. The principal focus should be on proactive management of the portfolio's income profile, maximising income from existing properties, acquiring prime assets in favour of secondary stock where possible and developing a mix of investments aimed at creating stability, secure income, capital and revenue growth and minimised risk.

The current portfolio includes some of these elements:

- A diverse range of assets offering some security against the decline of a specific market sector
- Revenue supported by a range of income generating investments including the modern industrial units, some quality office and retail space
- Secure ground lease investments providing strong capital growth and strategic control of land use.
- An opportunity to buy in leases within its own assets, securing the benefit of marriage value

The Trust holds some good quality assets evidenced by the Alexander Fleming Building at the Nottingham Science Park, retail premises on Lister Gate/Wheeler Gate and offices at Century House on Chapel Bar and Castle Marina.

The strategy is based on the following principles:

- All assets in the portfolio to be rated on their potential for retention or disposal with a view to actively pursuing early disposal in selected cases.

- That specific opportunities be identified for using additional investment resources for the improvement of existing assets where it can be demonstrated the investment will generate increased income or maintain income otherwise at risk. This might include the refurbishment of offices or workspace or buying in leasehold interests to provide an asset that is more attractive to a potential tenant.

- That opportunities for strategic acquisitions be brought to future committees for consideration where it can be demonstrated they will:

    - Secure income generation
    - Good potential for rental growth
    - Resilience to changing economic conditions

- An annual review of the policy for disposals and acquisitions looking at projections for the forthcoming year and the influence of opportunities secured in the previous year.

- The exploration of opportunities within the portfolio where value can be secured through strategic acquisition of third party interests, securing planning consent where it is beneficial and is considered to add value to potential disposals

- Maintaining and developing existing income through selective investment in assets identified for retention.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure of the charity

Bridge Estate is a charity of which NCC elected members are representing the Council as sole trustee of the Bridge Estate Charity.

All transactions relating to the Bridge Estate are subject to the same Financial Regulations and procedures as those relating to land and property held by NCC. The Annual Report and Financial Statements are reported to and approved by Councillors of the Trusts and Charities Committee each year.

Governing document

Royal Charter Dated 21 February 1551.

The earliest mention discovered of the Bridge Estate is in 1302. From that date various bequests of land and property were made, the income from which was devoted to the maintenance of bridges over the River Trent.

In 1550, Edward VI made a grant by charter of the "lands, tenements and hereditaments" of two monasteries which had been dissolved by his father Henry VIII. The grant was made to the "Mayor and Burgesses of the town of Nottingham, and to their successors for ever", and was stated to be to fulfill a promise of Henry VIII "in consideration of the great charges and expenses daily sustained by his well-beloved the Mayor and Burgesses of his town of Nottingham in and about the mending, sustaining and repairing of their bridges over the water of Trent".

Bridge Estate was thus created by Royal Charter on 21 February 1551 with the then Corporation as sole trustee.

It was established in 1945 that Bridge Estate was and had from the beginning been a Charity. Consequently, the property of the Estate and the Council elected members as Trustees, are subject to the law affecting charitable trusts, the jurisdiction of the Charity Commissioners and the provisions of the Charities Act 2011, various statutes and the provisions of Charity Law.

Trustees' selection methods

Nottingham City Council (NCC) elected members are the Council's representatives for the Bridge Estate.

NCC has elected members who are elected on a 4 year cycle. The following table details the councillors / trustees for the financial year 1 April 2022 to 31 March 2023 and also includes all post year trustee movements, following local elections:

Councillor Adele Williams	Councillor Linda Woodings
Councillor AJ Matsiko	Councillor Maria Joannou
Councillor Andrew Rule	Councillor Maria Watson
Councillor Angela Kandola	Councillor Matt Shannon
Councillor Angharad Roberts (resigned May-23)	Councillor Merlita Bryan (resigned May-23)
Councillor Anne Peach (resigned May-23)	Councillor Michael Edwards
Councillor Anwar Khan	Councillor Michael Savage
Councillor Audra Wynter	Councillor Nick Raine
Councillor Audrey Dinnall	Councillor Mohammed Saghir (resigned May-23)
Councillor Azad Choudhry (resigned May-23)	Councillor Nadia Farhat
Councillor Carole McCulloch	Councillor Naim Saqab Salim
Councillor Cate Woodward (resigned May-23)	Councillor Nayab Patel
Councillor Charyl Barnard	Councillor Neghat Khan
Councillor Corall Jenkins	Councillor Nicola Heaton (resigned May-23)
Councillor Dave Liversidge (resigned May-23)	Councillor Patience Ifrediora
Councillor David Mellen	Councillor Pavlos Kotsonis
Councillor David Trimble (resigned May-23)	Councillor Phil Jackson (resigned May-23)
Councillor Devontay Okure	Councillor Rebecca Langton (resigned May-23)
Councillor Ethan Radford	Councillor Roger Steel (resigned May-23)
Councillor Eunice Campbell-Clark (resigned May-23)	Councillor Rosemary Healy (resigned May-23)
Councillor Eunice Regan	Councillor Saj Ahmad
Councillor Faith Gakanje-Ajala	Councillor Sajid Mohammed
Councillor Farzanna Mahmood	Councillor Sally Longford (resigned May-23)
Councillor Fozia Mubashar	Councillor Salma Mumtaz
Councillor Georgina Power	Councillor Sam Harris
Councillor Graham Chapman	Councillor Sam Lux
Councillor Gul Khan	Councillor Sam Webster (resigned May-23)
Councillor Hayley Spain	Councillor Samina Riaz
Councillor Hassan Ahmed (resigned May-23)	Councillor Samuel Gardiner
Councillor Helen Kalsi	Councillor Sana Nasir
Councillor Imran Jalil	Councillor Sarita-Marie Rehman-Wall
Councillor Jane Lakey (resigned May-23)	Councillor Shuguftah Quddoos
Councillor Jawaid Khalil (resigned May-23)	Councillor Steve Battlemuch
Councillor Jay Hayes	Councillor Sue Johnson (resigned May-23)
Councillor Kevin Clarke	Councillor Sulcan Mahmood
Councillor Kirsty Jones (Nottingham Independents)	Councillor Toby Neal (resigned May-23)
Councillor Kirsty Jones (Labour)	Councillor Wendy Smith (resigned May-23)
Councillor Leslie Ayoola	Councillor Zafran Khan
Councillor Liaqat Ali	

Trusts and Charities Committee

Councillors are appointed to membership of the Trusts and Charities Committee by full Council to fulfil the Council's responsibilities as Trustees. The Constitution allows that where in-year changes are required to memberships, either at the request of the relevant political group or because a member has resigned or ceased to be eligible for membership, the Corporate Director of Finance and Resources has the authority to action those changes subject to political balance being preserved where applicable and to the changes made being reported to the next meeting of Council. Details of membership will be updated and published on the Council's website on an ongoing basis. The following is the current list of the Trusts and Charities Committee appointed members (following the May 2023 Local Election) who approve the Annual Report and financial statements for the financial year 1 April 2022 to 31 March 2023:

Councillor Kirsty Jones (Chair)
Councillor Faith Gakenje-Ajala
Councillor Anwar Khan
Councillor Zafran Khan
Councillor Farzanna Mahmood
Councillor Sarita-Marie Rehman-Wall
Councillor Salma Mumtaz
Councillor Sana Nasir
Councillor Andrew Rule

Induction and training of Trusts and Charities Committee

Following appointment, councillors are invited to attend an induction which includes training on their role and responsibilities on behalf of the Trustees, with particular regard to the public benefit requirement. The historical background, policies and procedures of Bridge Estate are also covered and the councillors receive copies of Charity Commission published guidance.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Bridge Estate
Charity Number	220716
Registered Address	Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Charity's Trustees	Councillors of Nottingham City Council
Day to Day Management	Director of Economic Development & Property Directorate Loxley House Station Street Nottingham NG2 3NG
Auditors	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
Financial Advisor	Corporate Director of Finance and Resources Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Bankers	Lloyds Bank Parliament Street Nottingham 12-16 Lower Parliament Street Nottingham NG1 3DA

RESPONSIBILITIES OF THE TRUSTEES

The Trustees' Responsibilities

The trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2019 SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm, so far as they are aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 14/02/2024

Cllr Kirsty Jones (Chair), Signed for the Trustees

The notes form part of these accounts.

Statement of Financial Activities for the year ending 31 March 2023

	2022/23			2021/22		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:						
Other Trading Activities	(1,784,350)	-	**(1,784,350)**	(1,832,829)	-	**(1,832,829)**
Investments	(39,600)	-	**(39,600)**	(3,163)	-	**(3,163)**
Other	(26,295)	-	**(26,295)**	-	-	**-**
Total	**(1,850,245)**	**-**	**(1,850,245)**	**(1,835,992)**	**-**	**(1,835,992)**
Expenditure on:						
Raising Funds	-	388,351	**388,351**	-	213,964	**213,964**
Charitable Activities	41,048	90,757	**131,805**	56,740	94,460	**151,200**
Charitable Activities - Transfer to NCC	750,000	-	**750,000**	1,000,000	-	**1,000,000**
Increase / (Decrease) in Loss Allowance	260,879	-	**260,879**	(104,734)	-	**(104,734)**
Other	-	51,110	**51,110**	-	55,978	**55,978**
Total	**1,051,927**	**530,218**	**1,582,145**	**952,006**	**364,402**	**1,316,408**
Net (income) /expenditure	**(798,105)**	**530,218**	**(268,100)**	**(883,986)**	**364,402**	**(519,584)**
Transfer between Funds	631,198	(631,198)	**-**	594,355	(594,355)	**-**
Other Recognised (Gains)/Losses						
(Gains)/losses on Revaluation of Investment Properties	-	(5,008,698)	**(5,008,698)**	-	(1,997,933)	**(1,997,933)**
(Gains)/losses of following Fair Value assessment of Financial Investments	-	6,241	**6,241**	-	(81,223)	**(81,223)**
Other (gains)/losses	-	(526)	**(526)**	526	-	**526**
Net Movement in Funds	(167,120)	(5,103,963)	**(5,271,083)**	(289,105)	(2,309,109)	**(2,598,214)**
Reconciliation of Funds						
Total Funds Brought Forward	(662,569)	(30,719,422)	**(31,381,991)**	(373,464)	(28,410,313)	**(28,783,777)**
Total Funds Carried Forward	**(829,689)**	**(35,823,385)**	**(36,653,074)**	**(662,569)**	**(30,719,422)**	**(31,381,991)**

Balance Sheet as at 31st March 2023

	Note	2022/23 (£)	2021/22 (£)
Fixed Assets			
Property Investments	6	36,976,100	31,865,896
Investments at Fair Value through Statement of Financial Activities	7	726,069	732,310
Total Fixed Assets		**37,702,169**	**32,598,206**
Current Assets			
Debtors (net of Bad Debt Provision)	8	1,264,140	991,456
Cash at Bank	8	1,147,033	2,026,775
Total Current Assets		**2,411,173**	**3,018,231**
Liabilities			
Creditors - Amounts falling due within one year	9	(1,796,844)	(2,390,739)
Net Current Assets		**614,329**	**627,492**
Total Assets Less Current Liabilities		**38,316,498**	**33,225,698**
Creditors - Amounts falling due after one year	9	(40,879)	(40,879)
Long Term Borrowing	9	(1,622,545)	(1,802,828)
NET ASSETS		**36,653,074**	**31,381,991**
The Funds of the Charity			
Endowment Fund		(35,823,385)	(30,719,422)
Unrestricted Funds		(829,689)	(662,569)
TOTAL CHARITY FUNDS		**(36,653,074)**	**(31,381,991)**

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 08.02.24

Ross Brown - Corporate Director of Finance and Resources

Date: 14/02/2024

Cllr Kirsty Jones (Chair), Signed for the Trustees

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

General Principles

The Annual Report summarises the Bridge Estate transactions for 2022/23 financial year together with its financial position at 31 March 2023.

This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate. Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

Basis of preparation and assessment of going concern

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The cash flow statement forms part of the Nottingham City Council's group accounts.

The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income Recognition

Income receipts are accrued and accounted for in the period to which they relate. Payments received in advance are recognised as a liability on the balance sheet within creditors.

Rental income is recorded when the invoices are raised and become due for payment.

Expenditure Recognition

All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year-end for goods or services received or work completed. Receipts received in advance are recognised as an asset on the balance sheet within debtors. Expenditure is classified under the following activity headings:

Raising Funds

Costs of raising funds includes premises expenses, which includes day to day maintenance, insurance and external audit fees. These are initially charged against the Endowment Fund in the SoFA, as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer between Funds.

Charitable Activities

The costs of governance arrangements, which relate to the general running of the charity, as opposed to direct management functions inherent in generating funds, service delivery and programme. These activities provide the governance infrastructure, which allows the charity to operate and to generate the information required for public accountability.

Charitable Activities – Transfer to NCC

The net expenditure or income of the Bridge Estate is transferred to NCC's General Fund for the benefit of the citizens of Nottingham.

Other

Expenditure which does not fall into any of the above categories.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Other recognised Gains/(losses)

The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.

The gains/(losses) on revaluation of investment assets represents material changes in property valuations.

Fixed Assets

Investment properties

Investment properties are those used solely to earn rentals and/or for capital appreciation for the Bridge Estate. Investment properties are measured initially at cost. They are not depreciated but are revalued annually according to market conditions at year-end.

The 2022/23 valuations have been carried out in accordance with current RICS. Gains and losses on revaluation and on disposal are shown within the SOFA. However as revaluation and disposal gains and losses are not allowed by statute to impact on the financial activities of the Bridge Estate, they do not form part of the income and expenditure totals, but provide details within the SOFA of the movement on the Endowment Fund. Any sale proceeds are posted to the Endowment Fund.

Rental income from investment properties is credited to investment income within the SOFA.

Where land or property is held as a community asset, dedicated for the enjoyment of the public in perpetuity they are given a value of £NIL.

Other investments

Other investments are included in the Balance Sheet at market value and include loans and government stocks.

Accruals of Expenditure and Income

The accounts of the Bridge Estate are maintained on an accruals basis. This means that sums due to or from the Bridge Estate during the year are included whether or not the cash has actually been received or paid in the year. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the SOFA adjusted accordingly. Fees, charges and rents due from customers are accounted for as income at the date that the Bridge Estate provides the associated goods or services.

This policy is not followed for certain quarterly payments, including gas and electricity, where expenditure is recorded at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and, therefore, does not have a material effect on the year's accounts.

Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to

the SoFA for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet.

Cash

Cash is represented by deposits held within the Bridge Estate bank account.

Funds of the Charity

Endowment fund

The capital of the Bridge Estate is held as a permanent endowment fund. There is no power to convert the capital into income; the fund must generally be held indefinitely.

Unrestricted income fund

This fund has been established so that the cost of repairing Trent Bridge was spread out and does not impact on the finances of the Charity in a particular year. In 2006/07 an additional Renewal and Repairs Fund was set up to meet the cost of repairs to the housing stock held by the Bridge Estate. Annual contributions are made to the fund and repairs costs are charged to the SoFA in the year they are carried out, with transfers being taken from the fund.

The income from the fund is unrestricted income but it is expendable at the discretion of the active trustees in the furtherance of the charity's objectives.

2. Tax status of the Bridge Estate

Bridge Estate is a registered charity and is therefore exempt from income tax and capital gains tax on income and gains falling within S531 ITA 2007 and S256 CGA 1992. Nottingham City Council is the sole trustee of the Bridge Estate and, in accordance with VAT notice 749, is entitled to recover VAT incurred on the expenditure of the Bridge Estate under section 33 of the VAT Act 1994.

3. Summary of Fund Movements

	2022/23			2021/22		
	Endowment Fund	Unrestricted Funds	TOTAL	Endowment Fund	Unrestricted Funds	TOTAL
	£	£	£	£	£	£
Balance B/fwd	(30,719,422)	(662,569)	**(31,381,991)**	(28,410,313)	(373,464)	**(28,783,777)**
Incoming Resources	-	(1,850,032)	**(1,850,032)**	-	(1,835,992)	**(1,835,992)**
Outgoing Resources	530,218	1,051,927	**1,582,145**	364,402	952,006	**1,316,408**
Transfers	(631,198)	631,198	-	(594,355)	594,355	-
Gains and Losses	(5,002,457)	-	**(5,002,457)**	(2,079,156)	-	**(2,079,156)**
Other Movements	(526)	-	**(526)**		526	**526**
Balances C/fwd	**(35,823,385)**	**(829,689)**	**(36,653,074)**	**(30,719,422)**	**(662,569)**	**(31,381,991)**

Incoming Resources

As a general rule, incoming capital resources to the Bridge Estate are generated by the sale of investment properties or the payment of premiums in respect of the re-gearing of long leaseholds. The Bridge Estate capital fund is a permanent endowment fund which means that it cannot usually be spent as income. Thus, any income generated by the sale of freehold land or buildings, or the re-gearing of long leaseholds on payment of a premium, must be reinvested in the purchase or improvement of freehold land and buildings.

At the discretion of the Charity Commission, funds may be spent on infra-structure assets but any sum spent will have to be recouped and the capital fund replenished.

Other Recognised (Gains)/Losses

The annual revaluation of the property portfolio has been completed in 2022/23 resulting in a net gain on revaluation of assets of £5,008,698.

Unrestricted income fund

During 2022/23 the Bridge Repairs Fund received a contribution of £67,293 which is set aside for future works to the Bridge (£104,537 contribution 2021/22), while the unrestricted funds had a contribution of £102,847 (£415,047 2021/22).

4. Income and Expenditure Detailed Analysis

	2022/23 £	2021/22 £
INCOME		
Rent (net of movement in Loss Allowance)	(1,497,411)	(1,880,421)
Service Charges	(26,060)	(57,142)
Interest Received	(39,600)	(3,163)
Other	(26,295)	-
	(1,589,366)	(1,940,726)
EXPENDITURE		
Raising Funds		
Agency and Contracted Services		
Cleaning	-	97
Grounds Maintenance	5,213	(7,955)
Investment Management Costs		
Business Rates	250,128	153,348
Energy Costs & Water	46,122	(455)
Insurance	-	(20,760)
Property Maintenance (inc Bridge)	19,495	(1,291)
Rent Collection	22,534	22,534
Supplies and Services	44,859	68,446
Charitable Activities		
Surplus transferred to NCC General Fund	750,000	1,000,000
Audit Costs	-	10,650
Support Costs		
Management and Administration	131,805	140,550
Other		
Interest Payable	51,110	55,978
Movement to Funds		
Contribution to / (from) Repairs Fund	67,293	104,537
Contribution to / (from) Unrestricted Fund	200,807	415,047
	1,589,366	**1,940,726**

5. Allocation of governance and support costs

The breakdown of Charitable Activity support costs and how these were allocated between governance and other costs is shown below:

2022/23	Total	Governance Related (*)	Other Support Costs	Basis of Apportionment
	£	£	£	
Computer Costs	**17,100**	17,100		Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Staff Time
Property Services Costs	**59,565**	17,500	42,065	Asset Valuation Costs/Staff Time
	131,805	**58,148**	**73,657**	

2021/22	Total	Governance Related (*)	Other Support Costs	Basis of Apportionment
	£	£	£	
Audit Fees	**10,650**	10,650	-	External Provider's Annual Fee
Computer Costs	**17,100**	-	17,100	Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Staff Time
Property Services Costs	**68,310**	22,542	45,768	Asset Valuation Costs/Staff Time
	151,200	**56,740**	**94,460**	

(*) Governance Related Costs are met entirely from Unrestricted Funds.

6. Investment Property

Investment property represents assets owned by the Bridge Estate, primarily property and buildings all situated in the United Kingdom. The portfolio of property is mainly investment properties which are valued by Nottingham City Council Property Service Chartered Surveyor (member of the Royal Institution of Chartered Surveyors) and in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards Manual (the Red Book). Properties held by the Bridge Estate are non-operational properties and as such, the valuation is on the basis of open market value. This area is managed by the Director of Economic Development and Property.

Investment properties in the portfolio are valued at market value in accordance with the Charities SORP. Some properties have a de-minimis value of £NIL as they are community assets, dedicated for the enjoyment of the public in perpetuity.

Assets that are sold are re-valued pending sale and written out of the accounts at this value.

Analysis of the movement in Investment Property	2022/23 (£)	2021/22 (£)
Carrying value (market value) at beginning of year	31,865,896	29,818,293
Add: Capital Expenditure Incurred	101,506	49,670
Add/deduct: Net gains/(losses) on revaluation	5,008,698	1,997,933
Carrying value (market value) at end of year	**36,976,100**	**31,865,896**

The following properties whose value is greater than £1m, are considered to be material in the context of the investment property list:

Property	Value 2022/23 £	Value 2021/22 £
Woolsthorpe Close, Off Wigman Road, Bilborough	4,300,000	3,842,184
Units 21-29, Whitemoor Court, Nuthall Road	4,082,000	3,567,000
Eastcroft Depot, London Road	3,400,000	3,150,000
The Alexander Fleming Building, Nottingham Science and Technology Park, University Boulevard	1,888,000	1,913,000
34-38 Lister Gate	1,645,000	1,670,000
Land: 3 Acres at Bull Close Road, Lenton Lane Industrial Estate, Nottingham	1,470,000	1,076,500
Castle Gate House, 24-30 Castle Castle, Nottingham	1,460,000	1,125,000
Century House, 8-18 Chapel Bar	1,450,000	1,519,743
Territorial Army Centre, Wigman Road	1,387,000	914,000
Eastcroft Incinerator Complex, London Road	1,033,000	933,500

7. Other Investments

	2022/23 £	2021/22 £
Government Stocks	1,385	1,385
COIF Accumulation Units	724,684	730,925
	726,069	**732,310**

Analysis of the movement in Other Investments	2022/23 £	2021/22 £
Carrying value (market value) at beginning of year	732,310	651,087
Add/deduct: Net gains/(losses) on revaluation	(6,241)	81,223
Carrying value (market value) at end of year	**726,069**	**732,310**

8. Analysis of current assets

Debtors	2022/23	2021/22
	£	£
Trading Activities	998,866	677,497
Amounts due from subsidiary and associated undertakings	265,273	313,959
	1,264,140	**991,456**

Cash	2022/23	2021/22
	£	£
Cash at bank	1,147,033	2,026,775

9. Analysis of current liabilities and long term creditors

Current Liabilities	2022/23	2021/22
	£	£
Amounts due to subsidiary and associated undertakings (including subsidiary Receipts in Advance)	(1,440,650)	(1,823,045)
Other creditors	(140,144)	(185,898)
Receipts in Advance	(216,050)	(381,796)
	(1,796,844)	**(2,390,739)**

Long Term Creditors	2022/23	2021/22
	£	£
Rent Bonds	(40,879)	(40,879)
Long Term Borrowing	(1,622,545)	(1,802,828)
	(1,663,424)	**(1,843,707)**

10. Analysis of net assets between funds

	2022/23		2021/22	
	Endowment Fund	Unrestricted Fund	Endowment Fund	Unrestricted Funds
	£	£	£	£
Investment Properties	36,976,100	-	31,865,896	-
Other investments	726,069	-	732,310	-
Debtors (net of Bad Debt Provision)	-	1,266,519	-	927,800
Cash at Bank	(75,956)	1,222,989	104,327	391,315
Creditors - Amounts falling due within one year	(180,283)	(1,630,740)	(180,283)	(904,772)
Creditors - Amounts falling due after one year	-	(40,879)	-	(40,879)
Long Term Borrowing	(1,622,545)	-	(1,802,828)	-
	35,823,385	**829,689**	**30,719,422**	**373,464**

11. TRANSACTIONS WITH RELATED PARTIES

NCC elected members are representing the Council as sole trustees of the Bridge Estate and any related party transactions must be disclosed in accordance with Charity SORP.

A loan of £3,922,881 was approved in 2012/13 to assist in the purchase of an investment property, this loan is for a period of 20 years and for accounting purposes is treated as long term borrowing. The payment started annually on the 31 March 2014. The payments will be made up of £180,283 principal and 2.70% pa interest on the average loan balance in the year. In 2022/23 the Bridge Estate paid £51,110 interest (£55,978 2021/22), which is shown within the SoFA under Other Expenditure and short term creditors, while the outstanding long term borrowing at the 31 March 2023 is £1,622,545 (£1,802,828 2021/22) which is shown in the balance sheet.

Monies due from NCC and other group entities (Robin Hood Energy and Nottingham City Homes) at the end of the financial year to the Bridge Estate was £265,274 (£313,959 2021/22). Monies owed to NCC and group entities was £1,440,650 (£1,823,045 2021/22).

In addition to transactions involving investments and cash balances, there are other transactions between the Charity and the City Council in respect of the day-to-day operations of the Charity.

In the year to 31 March 2023 various City Council departments and other Council group entities paid a sum of £565,861 (£407,632 2021/22) in respect of investment properties let by the Charity at current market rents subject to periodic reviews and related service charges. This income is included in the SoFA.

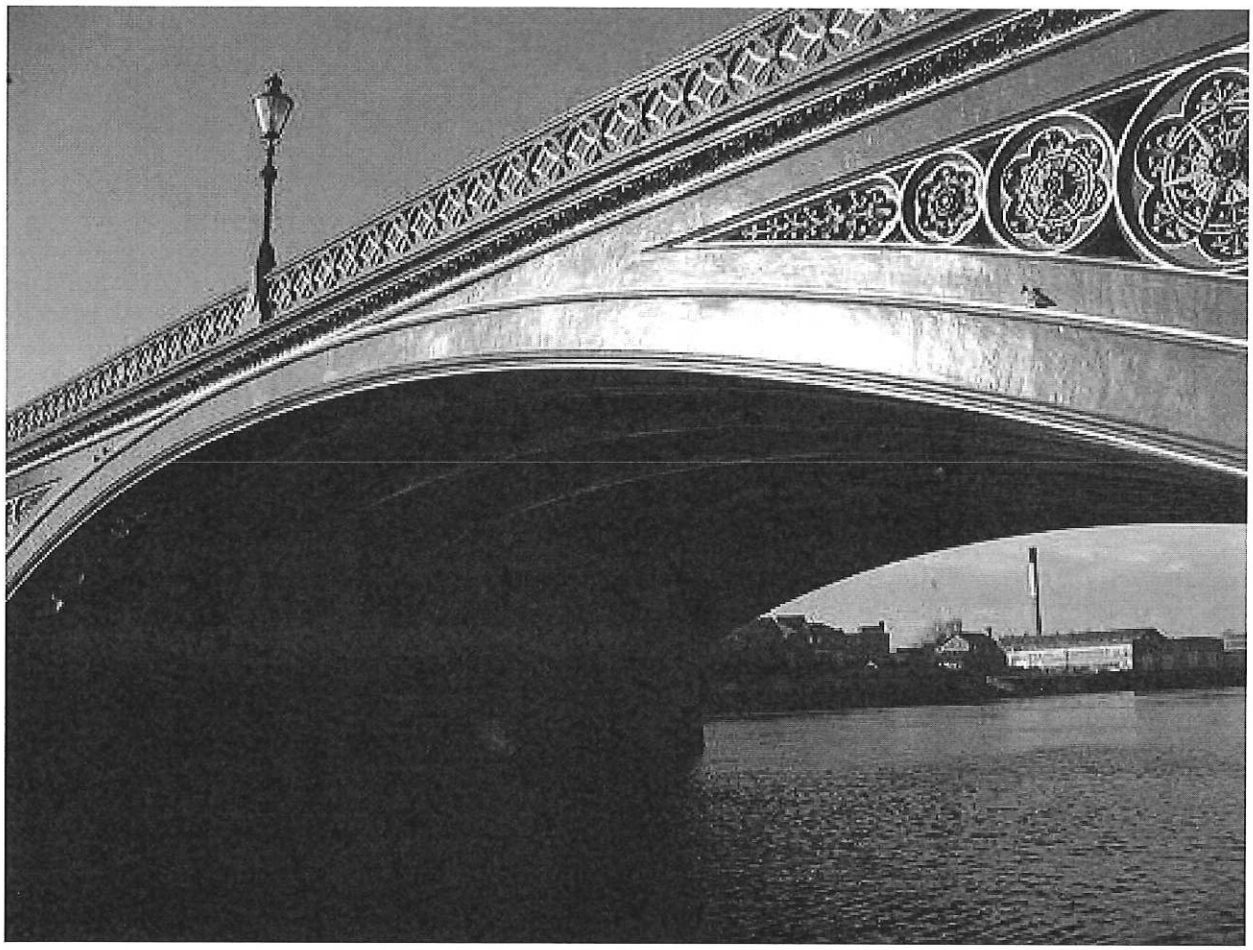
NCC charged the Bridge Estate £131,805 in the year to 31 March 2023 (£140,550 2021/22) in respect of officers' time and management and maintenance of properties. Of this total it is estimated that £41,048 (£46,090 2021/22) is attributable to the governance of the Charity. These costs relate to the preparation of the final accounts, valuation fees, legal fees and attendance and preparation for the Trusts and Charities Committee meetings.

The Charity had a charge of £5,213 (credit of £7,858 2021/22) for grounds maintenance and contract cleaning, while insurance was £nil for 2022/23 (credit of £20,760 2021/22) with to NCC. These transactions are shown within Raising Funds in the SoFA.

Surplus of income over expenditure during the year is transferred to NCC's General Fund for the improvement of the City of Nottingham and the public benefit of its inhabitants £750,000 (£1,000,000 2021/22).

During the current financial year, trustees received remuneration of £nil (£nil 2021/22) and had expenses reimbursed of £nil (£nil 2021/22).

BRIDGE ESTATE



ANNUAL REPORT

for the year ended 31 March 2023

Registered Charity Number: 220716

CONTENTS

Page	Details
3	Report of the Trustees for the year ended 31st March 2023
3	Objectives and activities for the public benefit
4	Strategies adopted in the management of the property portfolio
5	Achievements and Performance
6	Financial Review
7	Plans for future periods
8	Structure, Governance and Management
11	Reference and administrative details
12	Responsibilities of the Trustees
13	Statement of Financial Activities
14	Balance Sheet
15	Notes to the financial statements
24	Independent Auditor's Report

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2023

The trustees present their annual report and financial statements of the charity for the year ended 31st March 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The maintenance and repair of Trent Bridge and approaches remains the primary objective of the charity. Trent Bridge is the major vehicle communication route from the south of the City and is critical in bringing economic benefit to the City. This is increasingly important in light of the downturn in the global and national economy. The bridge is open to the public at large, assuring public benefit on an open access basis. There are no restrictions regarding the members of the public who may use the bridge and no fees are charged.

The Trustees' Annual Report for the year ending 31 March 2023 confirms that any residual income is applied to the Trust's charitable objectives as defined below, this includes the improvement of the City of Nottingham in support of the Council's aims and objectives, as set out in the Council Plan and Medium Term Financial Strategy. This is delivered through the maintenance and protection of the Trust's portfolio of income producing assets.

A proportion of the surplus income generated by the charity is transferred to Nottingham City Council's (NCC) General Fund and is used for the benefit of the citizens of Nottingham. As referred to above, the surplus contributes directly to the delivery of Nottingham's priorities as set out in the Council Plan and enables the Council to provide the citizens of Nottingham with effective and efficient services. Further surplus income has been retained in the Trust for investment in its portfolio.

The Bridge Estate fixed asset portfolio will be actively managed to secure new investment properties, increase income and reduce risk in an uncertain market.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives.

Objectives

The initial sole objective of the Bridge Estate was the provision of funds for the maintenance and repair of Trent Bridge. However, by the late nineteenth century the income generated by the Estate was in excess of that required for maintenance of Trent Bridge and consequently the objectives of the Estate were extended by virtue of section 78 of the Nottingham Corporation Act 1882.

The Bridge Estate's charitable objectives are now threefold:

1. To provide for the efficient maintenance and repair of Trent Bridge and the approaches to it.
2. To provide a contingency fund for the possible construction of such new bridge or bridges over the River Trent as may be found necessary or desirable.
3. To apply the residue of any income as the trustees thinks best for the improvement of the City of Nottingham and the public benefit of its inhabitants.

Main objectives for the financial year 2023/24 -

1. To ensure the necessary financial provision is available if required to provide a vehicle and pedestrian communication link for the City of Nottingham via Trent Bridge.

2. The continued development of the Trust's property portfolio with a view to minimizing the risk of exposure to adverse economic conditions and protecting and increasing its income and capital value of its assets.

3. Surplus revenue generated by the Charity to be invested through NCC to support the City Council's aims and objectives for the city as set out in the Council Plan and the Medium Term Financial Strategy.

Strategies adopted in the management of the property portfolio

The Bridge Estate's stated objectives of setting up a contingency fund for the maintenance and repair of Trent Bridge and to accumulate a fund to build a new bridge, should this be necessary, is effectively met by the management of the property portfolio. In practice, although properties could either be sold or mortgaged to fund such expenditure, the current local government context means that there are more efficient and effective ways of raising the funds required to maintain or to replace Trent Bridge. NCC is able to earmark funds from the Local Transport Plan for this purpose and substituting Bridge Estate funds would unnecessarily run down the value of the portfolio. Trent Bridge forms part of the adopted highway network, with maintenance and repairs overseen by the Highway Authority, with the Bridge Estate providing funds as necessary for the carrying out of these works.

Funds generated by the Bridge Estate holding, either through day-to-day operations or sale/mortgage would, in this context, only be applied where other funding routes have been exhausted. For the latter option, Trustees recognise that the ability to generate the level of sales required to replace the Trent Bridge would be difficult to achieve in the short-term and in any case could not meet the full cost of replacing the structure – further confirming the need of working, where possible, within the current local government financial context. There is a further restriction on the ability to generate funds in this way through the possibility that historic restrictions on the disposal of specific 'endowed' properties may exist.

The property portfolio includes a number of commercial properties including: retail; office; industrial; ground leases; agricultural holdings; and a miscellaneous range of other properties.

Investment risk whilst held in a single investment class (except money held on interest awaiting reinvestment) is in effect spread through the diverse range of property type, location and tenure.

To maximise return on investment, the Charity is obliged to let properties at full market rent and lettings on full repairing and insuring terms where it is practical to do so. In the case of multi occupied premises where the landlord is responsible for external repairs, heating, cleaning common parts, insurance etc., the costs are generally recovered by way of additional service charge.

The rents of properties leased for a term of years are reviewed in accordance with the terms of the agreement and current market conditions and short term 'periodic' tenancies are generally reviewed every 3 years. In the case of expiring leases, these are either renewed on negotiated terms or marketed for re-letting where the original lessee does not wish to continue. In all cases, terms will be negotiated to secure the best outcome for the Charity including where possible an increased rent unless there are other objectives that the Trustees wish to secure.

ACHIEVEMENTS and PERFORMANCE

The sole activity of the Bridge Estate is investing, through property ownership, to generate income that is utilised for the objectives of the Charity and to increase rental income and to grow the capital value of its assets, to further the charitable purposes to maintain Trent Bridge and for the benefit of the citizens of Nottingham. Strategic Assets and Property, a division of NCC's Development and Growth Department, manage the property portfolio on behalf of Bridge Estate. A dedicated Chartered Surveyor is assigned to this role.

In summary, the following has been undertaken over the past 12 months:

- 24-30 Castle Gate – approval for disposal of the freehold interest with completion expected early 23/24
- 140 Vernon Road – identified for disposal with the asset expected to be to be sold in 23/24
- Dragon Court, Part of Building 3, Woolsthorpe Depot, Woolsthorpe Close – completion of internal refurbishment works projects
- Upper Floors Century House, 5 Castle Bridge, Ground Floor, 14-16 Wheeler Gate – funding allocated for undertaking refurbishment projects to be carried out in 23/24
- The Cold Store & Premises and Land & Premises at Cattle Market – approval obtained with respect to granting lease renewals with completion expected early 23/24
- Governors House & Judges Retiring Rooms, High Pavement – refurbishment works substantially completed with heads of terms to be finalised in respect of a letting to a prospective tenant

There is an ongoing strategic review of the portfolio to identify assets held by the Trust which could be sold and generate investment capital. Should disposals be approved by the Trustees, total capital reserves will provide the Trust with the opportunity to secure positive reinvestment in the portfolio, either through the acquisition of new assets or the improvement or refurbishment of existing properties. The policy remains to achieve market rates for rental, ensuring the charity receives value for money across its asset base.

FINANCIAL REVIEW

The financial statements of the Bridge Estate are included in the following pages. The statements include comparative figures for the previous year and consist of the following:

- **Statement of Financial Activities (SoFA)** is a single accounting statement with the objective of showing all incoming resources and resources expended by the charity in the year on all its funds.
- **Balance Sheet** setting out the assets, liabilities and funds of the Trust;
- **Notes to Financial Statements** explaining the accounting policies adopted and explanations of information contained in the Financial Statements.

The Trustees confirm that the Trust's assets are available and adequate to fulfill the obligations of the Trust. Nottingham City Council is required to publish International Financial Reporting Standards (IFRS) compliant accounts. The Bridge Estate forms part of NCC's Group Accounts, and therefore the accounts have been consolidated on this basis. No adjustments were required to these accounts upon consolidation.

Policy on reserves

The Charity may hold reserves or funds to even out the financial impact of significant costs for any particular year. The Charity's objectives state that any residue of any income should be used for the improvement of the City of Nottingham and the public benefit of its inhabitants, therefore any remaining net income over what is required to be set aside for prudent asset management is transferred to NCC's General Fund.

The actual Surplus transferred was £750,000 for 2022/23 (£1,000,000 2021/22). Further details on reserves can be found in the notes to the accounts.

Investment Policy

The Investment Policy is to seek to achieve an absolute return over the long term in order to meet increases in expenditure and maintain the Trust's fund in real terms. Any funds generated by the sale of property are temporarily invested until a new investment opportunity is identified by the property manager, in consultation with the Trusts and Charities Committee. When investing Bridge Estate Funds, NCC adhere to their Investment Strategy which complies with the Local Government Act 2003 in support of obtaining the best yield for the Trust.

Risk Management

The Bridge Estate adopts the NCC's Risk Management Policy, tailored as appropriate for the Trust. The Trustees are committed to a programme of risk management to protect the Charity's assets. A Risk Register is held which identifies the key risks and the measures in place to mitigate such risks. Procedures are also in place to ensure that appropriate advice and support is provided to Trusts and Charities Committee as and when required.

Review of financial position

Below is a summary of the income generated and resources expended:

	2022/23 (£)	2021/22 (£)
INCOMING RESOURCES	**(1,850,245)**	**(1,835,992)**
RESOURCES EXPENDED		
Surplus transferred to NCC General Fund	750,000	1,000,000
Raising Funds	388,351	213,964
Charitable Activities	131,805	151,200
Other	51,110	55,978
Increase / (Decrease) in Loss Allowance	260,879	(104,734)
Net Contribution to / (from) reserves	268,100	519,584
	1,850,245	**1,835,992**

PLANS FOR FUTURE PERIODS

A property investment portfolio is a dynamic resource and needs to be actively managed if it is to develop and resist the effects of economic change. The principal focus should be on proactive management of the portfolio's income profile, maximising income from existing properties, acquiring prime assets in favour of secondary stock where possible and developing a mix of investments aimed at creating stability, secure income, capital and revenue growth and minimised risk.

The current portfolio includes some of these elements:

- A diverse range of assets offering some security against the decline of a specific market sector
- Revenue supported by a range of income generating investments including the modern industrial units, some quality office and retail space
- Secure ground lease investments providing strong capital growth and strategic control of land use.
- An opportunity to buy in leases within its own assets, securing the benefit of marriage value

The Trust holds some good quality assets evidenced by the Alexander Fleming Building at the Nottingham Science Park, retail premises on Lister Gate/Wheeler Gate and offices at Century House on Chapel Bar and Castle Marina.

The strategy is based on the following principles:

- All assets in the portfolio to be rated on their potential for retention or disposal with a view to actively pursuing early disposal in selected cases.

- That specific opportunities be identified for using additional investment resources for the improvement of existing assets where it can be demonstrated the investment will generate increased income or maintain income otherwise at risk. This might include the refurbishment of offices or workspace or buying in leasehold interests to provide an asset that is more attractive to a potential tenant.

- That opportunities for strategic acquisitions be brought to future committees for consideration where it can be demonstrated they will:

    - Secure income generation
    - Good potential for rental growth
    - Resilience to changing economic conditions

- An annual review of the policy for disposals and acquisitions looking at projections for the forthcoming year and the influence of opportunities secured in the previous year.

- The exploration of opportunities within the portfolio where value can be secured through strategic acquisition of third party interests, securing planning consent where it is beneficial and is considered to add value to potential disposals

- Maintaining and developing existing income through selective investment in assets identified for retention.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure of the charity

Bridge Estate is a charity of which NCC elected members are representing the Council as sole trustee of the Bridge Estate Charity.

All transactions relating to the Bridge Estate are subject to the same Financial Regulations and procedures as those relating to land and property held by NCC. The Annual Report and Financial Statements are reported to and approved by Councillors of the Trusts and Charities Committee each year.

Governing document

Royal Charter Dated 21 February 1551.

The earliest mention discovered of the Bridge Estate is in 1302. From that date various bequests of land and property were made, the income from which was devoted to the maintenance of bridges over the River Trent.

In 1550, Edward VI made a grant by charter of the "lands, tenements and hereditaments" of two monasteries which had been dissolved by his father Henry VIII. The grant was made to the "Mayor and Burgesses of the town of Nottingham, and to their successors for ever", and was stated to be to fulfill a promise of Henry VIII "in consideration of the great charges and expenses daily sustained by his well-beloved the Mayor and Burgesses of his town of Nottingham in and about the mending, sustaining and repairing of their bridges over the water of Trent".

Bridge Estate was thus created by Royal Charter on 21 February 1551 with the then Corporation as sole trustee.

It was established in 1945 that Bridge Estate was and had from the beginning been a Charity. Consequently, the property of the Estate and the Council elected members as Trustees, are subject to the law affecting charitable trusts, the jurisdiction of the Charity Commissioners and the provisions of the Charities Act 2011, various statutes and the provisions of Charity Law.

Trustees' selection methods

Nottingham City Council (NCC) elected members are the Council's representatives for the Bridge Estate.

NCC has elected members who are elected on a 4 year cycle. The following table details the councillors / trustees for the financial year 1 April 2022 to 31 March 2023 and also includes all post year trustee movements, following local elections:

Councillor Adele Williams	Councillor Linda Woodings
Councillor AJ Matsiko	Councillor Maria Joannou
Councillor Andrew Rule	Councillor Maria Watson
Councillor Angela Kandola	Councillor Matt Shannon
Councillor Angharad Roberts (resigned May-23)	Councillor Merlita Bryan (resigned May-23)
Councillor Anne Peach (resigned May-23)	Councillor Michael Edwards
Councillor Anwar Khan	Councillor Michael Savage
Councillor Audra Wynter	Councillor Nick Raine
Councillor Audrey Dinnall	Councillor Mohammed Saghir (resigned May-23)
Councillor Azad Choudhry (resigned May-23)	Councillor Nadia Farhat
Councillor Carole McCulloch	Councillor Naim Saqab Salim
Councillor Cate Woodward (resigned May-23)	Councillor Nayab Patel
Councillor Charyl Barnard	Councillor Neghat Khan
Councillor Corall Jenkins	Councillor Nicola Heaton (resigned May-23)
Councillor Dave Liversidge (resigned May-23)	Councillor Patience Ifrediora
Councillor David Mellen	Councillor Pavlos Kotsonis
Councillor David Trimble (resigned May-23)	Councillor Phil Jackson (resigned May-23)
Councillor Devontay Okure	Councillor Rebecca Langton (resigned May-23)
Councillor Ethan Radford	Councillor Roger Steel (resigned May-23)
Councillor Eunice Campbell-Clark (resigned May-23)	Councillor Rosemary Healy (resigned May-23)
Councillor Eunice Regan	Councillor Saj Ahmad
Councillor Faith Gakanje-Ajala	Councillor Sajid Mohammed
Councillor Farzanna Mahmood	Councillor Sally Longford (resigned May-23)
Councillor Fozia Mubashar	Councillor Salma Mumtaz
Councillor Georgina Power	Councillor Sam Harris
Councillor Graham Chapman	Councillor Sam Lux
Councillor Gul Khan	Councillor Sam Webster (resigned May-23)
Councillor Hayley Spain	Councillor Samina Riaz
Councillor Hassan Ahmed (resigned May-23)	Councillor Samuel Gardiner
Councillor Helen Kalsi	Councillor Sana Nasir
Councillor Imran Jalil	Councillor Sarita-Marie Rehman-Wall
Councillor Jane Lakey (resigned May-23)	Councillor Shuguftah Quddoos
Councillor Jawaid Khalil (resigned May-23)	Councillor Steve Battlemuch
Councillor Jay Hayes	Councillor Sue Johnson (resigned May-23)
Councillor Kevin Clarke	Councillor Sulcan Mahmood
Councillor Kirsty Jones (Nottingham Independents)	Councillor Toby Neal (resigned May-23)
Councillor Kirsty Jones (Labour)	Councillor Wendy Smith (resigned May-23)
Councillor Leslie Ayoola	Councillor Zafran Khan
Councillor Liaqat Ali	

Trusts and Charities Committee

Councillors are appointed to membership of the Trusts and Charities Committee by full Council to fulfil the Council's responsibilities as Trustees. The Constitution allows that where in-year changes are required to memberships, either at the request of the relevant political group or because a member has resigned or ceased to be eligible for membership, the Corporate Director of Finance and Resources has the authority to action those changes subject to political balance being preserved where applicable and to the changes made being reported to the next meeting of Council. Details of membership will be updated and published on the Council's website on an ongoing basis. The following is the current list of the Trusts and Charities Committee appointed members (following the May 2023 Local Election) who approve the Annual Report and financial statements for the financial year 1 April 2022 to 31 March 2023:

Councillor Kirsty Jones (Chair)
Councillor Faith Gakenje-Ajala
Councillor Anwar Khan
Councillor Zafran Khan
Councillor Farzanna Mahmood
Councillor Sarita-Marie Rehman-Wall
Councillor Salma Mumtaz
Councillor Sana Nasir
Councillor Andrew Rule

Induction and training of Trusts and Charities Committee

Following appointment, councillors are invited to attend an induction which includes training on their role and responsibilities on behalf of the Trustees, with particular regard to the public benefit requirement. The historical background, policies and procedures of Bridge Estate are also covered and the councillors receive copies of Charity Commission published guidance.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Bridge Estate
Charity Number	220716
Registered Address	Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Charity's Trustees	Councillors of Nottingham City Council
Day to Day Management	Director of Economic Development & Property Directorate Loxley House Station Street Nottingham NG2 3NG
Auditors	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
Financial Advisor	Corporate Director of Finance and Resources Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Bankers	Lloyds Bank Parliament Street Nottingham 12-16 Lower Parliament Street Nottingham NG1 3DA

RESPONSIBILITIES OF THE TRUSTEES

The Trustees' Responsibilities

The trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2019 SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm, so far as they are aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 14/02/2024

Cllr Kirsty Jones (Chair), Signed for the Trustees

The notes form part of these accounts.

Statement of Financial Activities for the year ending 31 March 2023

	2022/23			2021/22		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:						
Other Trading Activities	(1,784,350)	-	**(1,784,350)**	(1,832,829)	-	**(1,832,829)**
Investments	(39,600)	-	**(39,600)**	(3,163)	-	**(3,163)**
Other	(26,295)	-	**(26,295)**	-	-	**-**
Total	**(1,850,245)**	**-**	**(1,850,245)**	**(1,835,992)**	**-**	**(1,835,992)**
Expenditure on:						
Raising Funds	-	388,351	**388,351**	-	213,964	**213,964**
Charitable Activities	41,048	90,757	**131,805**	56,740	94,460	**151,200**
Charitable Activities - Transfer to NCC	750,000	-	**750,000**	1,000,000	-	**1,000,000**
Increase / (Decrease) in Loss Allowance	260,879	-	**260,879**	(104,734)	-	**(104,734)**
Other	-	51,110	**51,110**	-	55,978	**55,978**
Total	**1,051,927**	**530,218**	**1,582,145**	**952,006**	**364,402**	**1,316,408**
Net (income) /expenditure	**(798,105)**	**530,218**	**(268,100)**	**(883,986)**	**364,402**	**(519,584)**
Transfer between Funds	631,198	(631,198)	**-**	594,355	(594,355)	**-**
Other Recognised (Gains)/Losses						
(Gains)/losses on Revaluation of Investment Properties	-	(5,008,698)	**(5,008,698)**	-	(1,997,933)	**(1,997,933)**
(Gains)/losses of following Fair Value assessment of Financial Investments	-	6,241	**6,241**	-	(81,223)	**(81,223)**
Other (gains)/losses	-	(526)	**(526)**	526	-	**526**
Net Movement in Funds	(167,120)	(5,103,963)	**(5,271,083)**	(289,105)	(2,309,109)	**(2,598,214)**
Reconciliation of Funds						
Total Funds Brought Forward	(662,569)	(30,719,422)	**(31,381,991)**	(373,464)	(28,410,313)	**(28,783,777)**
Total Funds Carried Forward	**(829,689)**	**(35,823,385)**	**(36,653,074)**	**(662,569)**	**(30,719,422)**	**(31,381,991)**

Balance Sheet as at 31st March 2023

	Note	2022/23 (£)	2021/22 (£)
Fixed Assets			
Property Investments	6	36,976,100	31,865,896
Investments at Fair Value through Statement of Financial Activities	7	726,069	732,310
Total Fixed Assets		**37,702,169**	**32,598,206**
Current Assets			
Debtors (net of Bad Debt Provision)	8	1,264,140	991,456
Cash at Bank	8	1,147,033	2,026,775
Total Current Assets		**2,411,173**	**3,018,231**
Liabilities			
Creditors - Amounts falling due within one year	9	(1,796,844)	(2,390,739)
Net Current Assets		**614,329**	**627,492**
Total Assets Less Current Liabilities		**38,316,498**	**33,225,698**
Creditors - Amounts falling due after one year	9	(40,879)	(40,879)
Long Term Borrowing	9	(1,622,545)	(1,802,828)
NET ASSETS		**36,653,074**	**31,381,991**
The Funds of the Charity			
Endowment Fund		(35,823,385)	(30,719,422)
Unrestricted Funds		(829,689)	(662,569)
TOTAL CHARITY FUNDS		**(36,653,074)**	**(31,381,991)**

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 08.02.24

Ross Brown - Corporate Director of Finance and Resources

Date: 14/02/2024

Cllr Kirsty Jones (Chair), Signed for the Trustees

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

General Principles

The Annual Report summarises the Bridge Estate transactions for 2022/23 financial year together with its financial position at 31 March 2023.

This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate. Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

Basis of preparation and assessment of going concern

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The cash flow statement forms part of the Nottingham City Council's group accounts.

The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income Recognition

Income receipts are accrued and accounted for in the period to which they relate. Payments received in advance are recognised as a liability on the balance sheet within creditors.

Rental income is recorded when the invoices are raised and become due for payment.

Expenditure Recognition

All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year-end for goods or services received or work completed. Receipts received in advance are recognised as an asset on the balance sheet within debtors. Expenditure is classified under the following activity headings:

Raising Funds

Costs of raising funds includes premises expenses, which includes day to day maintenance, insurance and external audit fees. These are initially charged against the Endowment Fund in the SoFA, as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer between Funds.

Charitable Activities

The costs of governance arrangements, which relate to the general running of the charity, as opposed to direct management functions inherent in generating funds, service delivery and programme. These activities provide the governance infrastructure, which allows the charity to operate and to generate the information required for public accountability.

Charitable Activities – Transfer to NCC

The net expenditure or income of the Bridge Estate is transferred to NCC's General Fund for the benefit of the citizens of Nottingham.

Other

Expenditure which does not fall into any of the above categories.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Other recognised Gains/(losses)

The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.

The gains/(losses) on revaluation of investment assets represents material changes in property valuations.

Fixed Assets

Investment properties

Investment properties are those used solely to earn rentals and/or for capital appreciation for the Bridge Estate. Investment properties are measured initially at cost. They are not depreciated but are revalued annually according to market conditions at year-end.

The 2022/23 valuations have been carried out in accordance with current RICS. Gains and losses on revaluation and on disposal are shown within the SOFA. However as revaluation and disposal gains and losses are not allowed by statute to impact on the financial activities of the Bridge Estate, they do not form part of the income and expenditure totals, but provide details within the SOFA of the movement on the Endowment Fund. Any sale proceeds are posted to the Endowment Fund.

Rental income from investment properties is credited to investment income within the SOFA.

Where land or property is held as a community asset, dedicated for the enjoyment of the public in perpetuity they are given a value of £NIL.

Other investments

Other investments are included in the Balance Sheet at market value and include loans and government stocks.

Accruals of Expenditure and Income

The accounts of the Bridge Estate are maintained on an accruals basis. This means that sums due to or from the Bridge Estate during the year are included whether or not the cash has actually been received or paid in the year. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the SOFA adjusted accordingly. Fees, charges and rents due from customers are accounted for as income at the date that the Bridge Estate provides the associated goods or services.

This policy is not followed for certain quarterly payments, including gas and electricity, where expenditure is recorded at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and, therefore, does not have a material effect on the year's accounts.

Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to

the SoFA for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet.

Cash

Cash is represented by deposits held within the Bridge Estate bank account.

Funds of the Charity

Endowment fund

The capital of the Bridge Estate is held as a permanent endowment fund. There is no power to convert the capital into income; the fund must generally be held indefinitely.

Unrestricted income fund

This fund has been established so that the cost of repairing Trent Bridge was spread out and does not impact on the finances of the Charity in a particular year. In 2006/07 an additional Renewal and Repairs Fund was set up to meet the cost of repairs to the housing stock held by the Bridge Estate. Annual contributions are made to the fund and repairs costs are charged to the SoFA in the year they are carried out, with transfers being taken from the fund.

The income from the fund is unrestricted income but it is expendable at the discretion of the active trustees in the furtherance of the charity's objectives.

2. Tax status of the Bridge Estate

Bridge Estate is a registered charity and is therefore exempt from income tax and capital gains tax on income and gains falling within S531 ITA 2007 and S256 CGA 1992. Nottingham City Council is the sole trustee of the Bridge Estate and, in accordance with VAT notice 749, is entitled to recover VAT incurred on the expenditure of the Bridge Estate under section 33 of the VAT Act 1994.

3. Summary of Fund Movements

	2022/23			2021/22		
	Endowment Fund	Unrestricted Funds	TOTAL	Endowment Fund	Unrestricted Funds	TOTAL
	£	£	£	£	£	£
Balance B/fwd	(30,719,422)	(662,569)	**(31,381,991)**	(28,410,313)	(373,464)	**(28,783,777)**
Incoming Resources	-	(1,850,032)	**(1,850,032)**	-	(1,835,992)	**(1,835,992)**
Outgoing Resources	530,218	1,051,927	**1,582,145**	364,402	952,006	**1,316,408**
Transfers	(631,198)	631,198	-	(594,355)	594,355	-
Gains and Losses	(5,002,457)	-	**(5,002,457)**	(2,079,156)	-	**(2,079,156)**
Other Movements	(526)	-	**(526)**		526	**526**
Balances C/fwd	**(35,823,385)**	**(829,689)**	**(36,653,074)**	**(30,719,422)**	**(662,569)**	**(31,381,991)**

Incoming Resources

As a general rule, incoming capital resources to the Bridge Estate are generated by the sale of investment properties or the payment of premiums in respect of the re-gearing of long leaseholds. The Bridge Estate capital fund is a permanent endowment fund which means that it cannot usually be spent as income. Thus, any income generated by the sale of freehold land or buildings, or the re-gearing of long leaseholds on payment of a premium, must be reinvested in the purchase or improvement of freehold land and buildings.

At the discretion of the Charity Commission, funds may be spent on infra-structure assets but any sum spent will have to be recouped and the capital fund replenished.

Other Recognised (Gains)/Losses

The annual revaluation of the property portfolio has been completed in 2022/23 resulting in a net gain on revaluation of assets of £5,008,698.

Unrestricted income fund

During 2022/23 the Bridge Repairs Fund received a contribution of £67,293 which is set aside for future works to the Bridge (£104,537 contribution 2021/22), while the unrestricted funds had a contribution of £102,847 (£415,047 2021/22).

4. Income and Expenditure Detailed Analysis

	2022/23 £	2021/22 £
INCOME		
Rent (net of movement in Loss Allowance)	(1,497,411)	(1,880,421)
Service Charges	(26,060)	(57,142)
Interest Received	(39,600)	(3,163)
Other	(26,295)	-
	(1,589,366)	(1,940,726)
EXPENDITURE		
Raising Funds		
Agency and Contracted Services		
Cleaning	-	97
Grounds Maintenance	5,213	(7,955)
Investment Management Costs		
Business Rates	250,128	153,348
Energy Costs & Water	46,122	(455)
Insurance	-	(20,760)
Property Maintenance (inc Bridge)	19,495	(1,291)
Rent Collection	22,534	22,534
Supplies and Services	44,859	68,446
Charitable Activities		
Surplus transferred to NCC General Fund	750,000	1,000,000
Audit Costs	-	10,650
Support Costs		
Management and Administration	131,805	140,550
Other		
Interest Payable	51,110	55,978
Movement to Funds		
Contribution to / (from) Repairs Fund	67,293	104,537
Contribution to / (from) Unrestricted Fund	200,807	415,047
	1,589,366	**1,940,726**

5. Allocation of governance and support costs

The breakdown of Charitable Activity support costs and how these were allocated between governance and other costs is shown below:

2022/23	Total	Governance Related (*)	Other Support Costs	Basis of Apportionment
	£	£	£	
Computer Costs	**17,100**	17,100		Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Staff Time
Property Services Costs	**59,565**	17,500	42,065	Asset Valuation Costs/Staff Time
	131,805	**58,148**	**73,657**	

2021/22	Total	Governance Related (*)	Other Support Costs	Basis of Apportionment
	£	£	£	
Audit Fees	**10,650**	10,650	-	External Provider's Annual Fee
Computer Costs	**17,100**	-	17,100	Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Staff Time
Property Services Costs	**68,310**	22,542	45,768	Asset Valuation Costs/Staff Time
	151,200	**56,740**	**94,460**	

(*) Governance Related Costs are met entirely from Unrestricted Funds.

6. Investment Property

Investment property represents assets owned by the Bridge Estate, primarily property and buildings all situated in the United Kingdom. The portfolio of property is mainly investment properties which are valued by Nottingham City Council Property Service Chartered Surveyor (member of the Royal Institution of Chartered Surveyors) and in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards Manual (the Red Book). Properties held by the Bridge Estate are non-operational properties and as such, the valuation is on the basis of open market value. This area is managed by the Director of Economic Development and Property.

Investment properties in the portfolio are valued at market value in accordance with the Charities SORP. Some properties have a de-minimis value of £NIL as they are community assets, dedicated for the enjoyment of the public in perpetuity.

Assets that are sold are re-valued pending sale and written out of the accounts at this value.

Analysis of the movement in Investment Property	2022/23 (£)	2021/22 (£)
Carrying value (market value) at beginning of year	31,865,896	29,818,293
Add: Capital Expenditure Incurred	101,506	49,670
Add/deduct: Net gains/(losses) on revaluation	5,008,698	1,997,933
Carrying value (market value) at end of year	**36,976,100**	**31,865,896**

The following properties whose value is greater than £1m, are considered to be material in the context of the investment property list:

Property	Value 2022/23 £	Value 2021/22 £
Woolsthorpe Close, Off Wigman Road, Bilborough	4,300,000	3,842,184
Units 21-29, Whitemoor Court, Nuthall Road	4,082,000	3,567,000
Eastcroft Depot, London Road	3,400,000	3,150,000
The Alexander Fleming Building, Nottingham Science and Technology Park, University Boulevard	1,888,000	1,913,000
34-38 Lister Gate	1,645,000	1,670,000
Land: 3 Acres at Bull Close Road, Lenton Lane Industrial Estate, Nottingham	1,470,000	1,076,500
Castle Gate House, 24-30 Castle Castle, Nottingham	1,460,000	1,125,000
Century House, 8-18 Chapel Bar	1,450,000	1,519,743
Territorial Army Centre, Wigman Road	1,387,000	914,000
Eastcroft Incinerator Complex, London Road	1,033,000	933,500

7. Other Investments

	2022/23 £	2021/22 £
Government Stocks	1,385	1,385
COIF Accumulation Units	724,684	730,925
	726,069	**732,310**

Analysis of the movement in Other Investments	2022/23 £	2021/22 £
Carrying value (market value) at beginning of year	732,310	651,087
Add/deduct: Net gains/(losses) on revaluation	(6,241)	81,223
Carrying value (market value) at end of year	**726,069**	**732,310**

8. Analysis of current assets

Debtors	2022/23	2021/22
	£	£
Trading Activities	998,866	677,497
Amounts due from subsidiary and associated undertakings	265,273	313,959
	1,264,140	**991,456**

Cash	2022/23	2021/22
	£	£
Cash at bank	1,147,033	2,026,775

9. Analysis of current liabilities and long term creditors

Current Liabilities	2022/23	2021/22
	£	£
Amounts due to subsidiary and associated undertakings (including subsidiary Receipts in Advance)	(1,440,650)	(1,823,045)
Other creditors	(140,144)	(185,898)
Receipts in Advance	(216,050)	(381,796)
	(1,796,844)	**(2,390,739)**

Long Term Creditors	2022/23	2021/22
	£	£
Rent Bonds	(40,879)	(40,879)
Long Term Borrowing	(1,622,545)	(1,802,828)
	(1,663,424)	**(1,843,707)**

10. Analysis of net assets between funds

	2022/23		2021/22	
	Endowment Fund	Unrestricted Fund	Endowment Fund	Unrestricted Funds
	£	£	£	£
Investment Properties	36,976,100	-	31,865,896	-
Other investments	726,069	-	732,310	-
Debtors (net of Bad Debt Provision)	-	1,266,519	-	927,800
Cash at Bank	(75,956)	1,222,989	104,327	391,315
Creditors - Amounts falling due within one year	(180,283)	(1,630,740)	(180,283)	(904,772)
Creditors - Amounts falling due after one year	-	(40,879)	-	(40,879)
Long Term Borrowing	(1,622,545)	-	(1,802,828)	-
	35,823,385	**829,689**	**30,719,422**	**373,464**

11. TRANSACTIONS WITH RELATED PARTIES

NCC elected members are representing the Council as sole trustees of the Bridge Estate and any related party transactions must be disclosed in accordance with Charity SORP.

A loan of £3,922,881 was approved in 2012/13 to assist in the purchase of an investment property, this loan is for a period of 20 years and for accounting purposes is treated as long term borrowing. The payment started annually on the 31 March 2014. The payments will be made up of £180,283 principal and 2.70% pa interest on the average loan balance in the year. In 2022/23 the Bridge Estate paid £51,110 interest (£55,978 2021/22), which is shown within the SoFA under Other Expenditure and short term creditors, while the outstanding long term borrowing at the 31 March 2023 is £1,622,545 (£1,802,828 2021/22) which is shown in the balance sheet.

Monies due from NCC and other group entities (Robin Hood Energy and Nottingham City Homes) at the end of the financial year to the Bridge Estate was £265,274 (£313,959 2021/22). Monies owed to NCC and group entities was £1,440,650 (£1,823,045 2021/22).

In addition to transactions involving investments and cash balances, there are other transactions between the Charity and the City Council in respect of the day-to-day operations of the Charity.

In the year to 31 March 2023 various City Council departments and other Council group entities paid a sum of £565,861 (£407,632 2021/22) in respect of investment properties let by the Charity at current market rents subject to periodic reviews and related service charges. This income is included in the SoFA.

NCC charged the Bridge Estate £131,805 in the year to 31 March 2023 (£140,550 2021/22) in respect of officers' time and management and maintenance of properties. Of this total it is estimated that £41,048 (£46,090 2021/22) is attributable to the governance of the Charity. These costs relate to the preparation of the final accounts, valuation fees, legal fees and attendance and preparation for the Trusts and Charities Committee meetings.

The Charity had a charge of £5,213 (credit of £7,858 2021/22) for grounds maintenance and contract cleaning, while insurance was £nil for 2022/23 (credit of £20,760 2021/22) with to NCC. These transactions are shown within Raising Funds in the SoFA.

Surplus of income over expenditure during the year is transferred to NCC's General Fund for the improvement of the City of Nottingham and the public benefit of its inhabitants £750,000 (£1,000,000 2021/22).

During the current financial year, trustees received remuneration of £nil (£nil 2021/22) and had expenses reimbursed of £nil (£nil 2021/22).

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, which includes how we have assessed risk and our approach to responding to risks identified:

- Ensuring that the Audit Team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, with specific susceptible areas (e.g. property valuation) having been outlined at the planning stage.
- Enquiry of management and those charged with governance around actual and potential litigation and claims and fraudulent transactions.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.

Rogers Spencer
Statutory Auditor

Newstead House
Pelham Road
Nottingham
NG5 1AP

19/02/2024
Date

Rogers Spencer is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Independent Auditor's Report to the Trustees of Bridge Estate

Opinion

We have audited the financial statements of Bridge Estate (the 'charity') 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 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 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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the 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; or
- we have not received all the information and explanations we require for our audit.

BRIDGE ESTATE

England & Wales - Charity number 220716

Accounts

BRIDGE ESTATE

ANNUAL REPORT

for the year ended 31 March 2022

Registered Charity Number: 220716

CONTENTS

Page	Details
3	Report of the Trustees for the year ended 31st March 2022
3	Objectives and activities for the public benefit
4	Strategies adopted in the management of the property portfolio
5	Achievements and Performance
6	Financial Review
7	Plans for future periods
8	Structure, Governance and Management
11	Reference and administrative details
12	Responsibilities of the Trustees
13	Statement of Financial Activities
14	Balance Sheet
15	Notes to the financial statements
24	Independent Auditor's Report

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2022

The trustees present their annual report and financial statements of the charity for the year ended 31st March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The maintenance and repair of Trent Bridge and approaches remains the primary objective of the charity. Trent Bridge is the major vehicle communication route from the south of the City and is critical in bringing economic benefit to the City. This is increasingly important in light of the downturn in the global and national economy. The bridge is open to the public at large, assuring public benefit on an open access basis. There are no restrictions regarding the members of the public who may use the bridge and no fees are charged.

The Trustees' Annual Report for the year ending 31 March 2022 confirms that any residual income is applied to the Trust's charitable objectives as defined below, this includes the improvement of the City of Nottingham in support of the Council's aims and objectives, as set out in the Council Plan and Medium Term Financial Strategy. This is delivered through the maintenance and protection of the Trust's portfolio of income producing assets.

A proportion of the surplus income generated by the charity is transferred to Nottingham City Council's (NCC) General Fund and is used for the benefit of the citizens of Nottingham. As referred to above, the surplus contributes directly to the delivery of Nottingham's priorities as set out in the Council Plan and enables the Council to provide the citizens of Nottingham with effective and efficient services. Further surplus income has been retained in the Trust for investment in its portfolio.

The Bridge Estate fixed asset portfolio will be actively managed to secure new investment properties, increase income and reduce risk in an uncertain market.

The Bridge Estate's transfer to NCC's General Fund also represents an equivalent saving for Nottingham citizens who pay council tax on a Band D property of £14.81 (£18.29 2020/21).

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives.

Objectives

The initial sole objective of the Bridge Estate was the provision of funds for the maintenance and repair of Trent Bridge. However, by the late nineteenth century the income generated by the Estate was in excess of that required for maintenance of Trent Bridge and consequently the objectives of the Estate were extended by virtue of section 78 of the Nottingham Corporation Act 1882.

The Bridge Estate's charitable objectives are now threefold:

1. To provide for the efficient maintenance and repair of Trent Bridge and the approaches to it.
2. To provide a contingency fund for the possible construction of such new bridge or bridges over the River Trent as may be found necessary or desirable.
3. To apply the residue of any income as the trustees thinks best for the improvement of the City of

Nottingham and the public benefit of its inhabitants.

Main objectives for the financial year 2022/23 -

1. To ensure the necessary financial provision is available if required to provide a vehicle and pedestrian communication link for the City of Nottingham via Trent Bridge.

2. The continued development of the Trust's property portfolio with a view to minimizing the risk of exposure to adverse economic conditions and protecting and increasing its income and capital value of its assets.

3. Surplus revenue generated by the Charity to be invested through NCC to support the City Council's aims and objectives for the city as set out in the Council Plan and the Medium Term Financial Strategy.

Strategies adopted in the management of the property portfolio

The Bridge Estate's stated objectives of setting up a contingency fund for the maintenance and repair of Trent Bridge and to accumulate a fund to build a new bridge, should this be necessary, is effectively met by the management of the property portfolio. In practice, although properties could either be sold or mortgaged to fund such expenditure, the current local government context means that there are more efficient and effective ways of raising the funds required to maintain or to replace Trent Bridge. NCC is able to earmark funds from the Local Transport Plan for this purpose and substituting Bridge Estate funds would unnecessarily run down the value of the portfolio. Trent Bridge forms part of the adopted highway network, with maintenance and repairs overseen by the Highway Authority, with the Bridge Estate providing funds as necessary for the carrying out of these works.

Funds generated by the Bridge Estate holding, either through day-to-day operations or sale/mortgage would, in this context, only be applied where other funding routes have been exhausted. For the latter option, Trustees recognise that the ability to generate the level of sales required to replace the Trent Bridge would be difficult to achieve in the short-term and in any case could not meet the full cost of replacing the structure – further confirming the need of working, where possible, within the current local government financial context. There is a further restriction on the ability to generate funds in this way through the possibility that historic restrictions on the disposal of specific 'endowed' properties may exist.

The property portfolio includes a number of commercial properties including: retail; office; industrial; ground leases; agricultural holdings; and a miscellaneous range of other properties.

Investment risk whilst held in a single investment class (except money held on interest awaiting reinvestment) is in effect spread through the diverse range of property type, location and tenure.

To maximise return on investment, the Charity is obliged to let properties at full market rent and lettings on full repairing and insuring terms where it is practical to do so. In the case of multi occupied premises where the landlord is responsible for external repairs, heating, cleaning common parts, insurance etc., the costs are generally recovered by way of additional service charge.

The rents of properties leased for a term of years are reviewed in accordance with the terms of the agreement and current market conditions and short term 'periodic' tenancies are generally reviewed every 3 years. In the case of expiring leases, these are either renewed on negotiated terms or marketed for re-letting where the original lessee does not wish to continue. In all cases, terms will be negotiated to secure the best outcome for the Charity including where possible an increased rent unless there are other objectives that the Trustees wish to secure.

ACHIEVEMENTS and PERFORMANCE

The sole activity of the Bridge Estate is investing, through property ownership, to generate income that is utilised for the objectives of the Charity and to increase rental income and to grow the capital value of its assets, to further the charitable purposes to maintain Trent Bridge and for the benefit of the citizens of Nottingham. Strategic Assets and Property, a division of NCC's Development and Growth Department, manage the property portfolio on behalf of Bridge Estate. A dedicated Chartered Surveyor is assigned to this role.

In summary, the following has been undertaken over the past 12 months:

- Unit 25 Whitemoor Court – completion of a new lease for a term of 6 years
- 140 Vernon Road – completion of a new short-term lease
- Dragon Court, Part of Building 3, Woolsthorpe Depot, WOolsthorpe Close – completion of a 9 year licence agreement
- Part of Building No. 2, Woolsthorpe Depot, Woolsthorpe Close – completion of a 5 year licence agreement
- Alexander Fleming Building – completion of a new 3 year lease agreement
- Governors House & Judges Retiring Rooms, High Pavement – refurbishment works remain ongoing and terms for lease have been agreed with a prospective tenant with completion on both matters expected mid 2022/23
- Trent Bridge – provision for the allocation of additional funds for undertaking a further programme of maintenance and refurbishment works

There is an ongoing strategic review of the portfolio to identify assets held by the Trust which could be sold and generate investment capital. Should disposals be approved by the Trustees, total capital reserves will provide the Trust with the opportunity to secure positive reinvestment in the portfolio, either through the acquisition of new assets or the improvement or refurbishment of existing properties. The policy remains to achieve market rates for rental, ensuring the charity receives value for money across its asset base.

FINANCIAL REVIEW

The financial statements of the Bridge Estate are included in the following pages. The statements include comparative figures for the previous year and consist of the following:

- **Statement of Financial Activities (SoFA)** is a single accounting statement with the objective of showing all incoming resources and resources expended by the charity in the year on all its funds.
- **Balance Sheet** setting out the assets, liabilities and funds of the Trust;
- **Notes to Financial Statements** explaining the accounting policies adopted and explanations of information contained in the Financial Statements.

The Trustees confirm that the Trust's assets are available and adequate to fulfill the obligations of the Trust. Nottingham City Council is required to publish International Financial Reporting Standards (IFRS) compliant accounts. The Bridge Estate forms part of NCC's Group Accounts, and therefore the accounts have been consolidated on this basis. No adjustments were required to these accounts upon consolidation.

Covid-19 Pandemic

The Government declared a public health emergency on 16th March 2020 and enacted legislation to regulate society and help the country weather the impact of the pandemic and lead to recovery. 2021/22 saw the gradual easing of restrictions with the eventual end to restrictions altogether toward the end of this period on 21st February.

Policy on reserves

The Charity may hold reserves or funds to even out the financial impact of significant costs for any particular year. The Charity's objectives state that any residue of any income should be used for the improvement of the City of Nottingham and the public benefit of its inhabitants, therefore any remaining net income over what is required to be set aside for prudent asset management is transferred to NCC's General Fund.

The actual Surplus transferred was £1,000,000 for 2021/22 (£1,545,000 2020/21). Further details on reserves can be found in the notes to the accounts.

Investment Policy

The Investment Policy is to seek to achieve an absolute return over the long term in order to meet increases in expenditure and maintain the Trust's fund in real terms. Any funds generated by the sale of property are temporarily invested until a new investment opportunity is identified by the property manager, in consultation with the Trusts and Charities Committee. When investing Bridge Estate Funds, NCC adhere to their Investment Strategy which complies with the Local Government Act 2003 in support of obtaining the best yield for the Trust.

Risk Management

The Bridge Estate adopts the NCC's Risk Management Policy, tailored as appropriate for the Trust. The Trustees

are committed to a programme of risk management to protect the Charity's assets. A Risk Register is held which identifies the key risks and the measures in place to mitigate such risks. Procedures are also in place to ensure that appropriate advice and support is provided to Trusts and Charities Committee as and when required.

Review of financial position

Below is a summary of the income generated and resources expended:

	2021/22 (£)	2020/21 (£)
INCOMING RESOURCES	**(1,835,992)**	**(2,147,027)**
RESOURCES EXPENDED		
Surplus transferred to NCC General Fund	1,000,000	1,545,000
Raising Funds	213,964	127,258
Charitable Activities	151,200	835,081
Other	55,978	60,844
Increase / (Decrease) in Loss Allowance	(104,734)	121,603
Net Contribution to / (from) reserves	519,584	(542,759)
	1,835,992	**2,147,027**

PLANS FOR FUTURE PERIODS

A property investment portfolio is a dynamic resource and needs to be actively managed if it is to develop and resist the effects of economic change. The principal focus should be on proactive management of the portfolio's income profile, maximising income from existing properties, acquiring prime assets in favour of secondary stock where possible and developing a mix of investments aimed at creating stability, secure income, capital and revenue growth and minimised risk.

The current portfolio includes some of these elements:

- A diverse range of assets offering some security against the decline of a specific market sector
- Revenue supported by a range of income generating investments including the modern industrial units, some quality office and retail space
- Secure ground lease investments providing strong capital growth and strategic control of land use.
- An opportunity to buy in leases within its own assets, securing the benefit of marriage value

In recent years the Portfolio has been partially rebalanced with the disposal of a number of management intensive, low income producing assets and the acquisition of two prime investments. In times of economic recession, the portfolio will still be susceptible to loss of income through a stagnated rental market and the risk of voids but the range of investments helps to mitigate this risk.

The Trust holds some good quality assets evidenced by the Alexander Fleming Building at the Nottingham Science Park, retail premises on Lister Gate/Wheeler Gate and offices at Century House on Chapel Bar and Castle Marina.

The strategy is based on the following principles:

- All assets in the portfolio to be rated on their potential for retention or disposal with a view to actively pursuing early disposal in selected cases.

- That specific opportunities be identified for using additional investment resources for the improvement of existing assets where it can be demonstrated the investment will generate increased income or maintain income otherwise at risk. This might include the refurbishment of offices or workspace or buying in leasehold interests to provide an asset that is more attractive to a potential tenant.

- That opportunities for strategic acquisitions be brought to future committees for consideration where it can be demonstrated they will:

    - Secure income generation
    - Good potential for rental growth
    - Resilience to changing economic conditions

- An annual review of the policy for disposals and acquisitions looking at projections for the forthcoming year and the influence of opportunities secured in the previous year.

- The exploration of opportunities within the portfolio where value can be secured through strategic acquisition of third party interests, securing planning consent where it is beneficial and is considered to add value to potential disposals

- Maintaining and developing existing income through selective investment in assets identified for retention.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure of the charity

Bridge Estate is a charity of which NCC elected members are representing the Council as sole trustee of the Bridge Estate Charity.

All transactions relating to the Bridge Estate are subject to the same Financial Regulations and procedures as those relating to land and property held by NCC. The Annual Report and Financial Statements are reported to and approved by Councillors of the Trusts and Charities Committee each year.

Governing document

Royal Charter Dated 21 February 1551.

The earliest mention discovered of the Bridge Estate is in 1302. From that date various bequests of land and property were made, the income from which was devoted to the maintenance of bridges over the River Trent.

In 1550, Edward VI made a grant by charter of the “lands, tenements and hereditaments” of two monasteries which had been dissolved by his father Henry VIII. The grant was made to the “Mayor and Burgesses of the town of Nottingham, and to their successors for ever”, and was stated to be to fulfill a promise of Henry VIII “in consideration of the great charges and expenses daily sustained by his well-beloved the Mayor and Burgesses of his town of Nottingham in and about the mending, sustaining and repairing of their bridges over

the water of Trent".

Bridge Estate was thus created by Royal Charter on 21 February 1551 with the then Corporation as sole trustee.

It was established in 1945 that Bridge Estate was and had from the beginning been a Charity. Consequently, the property of the Estate and the Council elected members as Trustees, are subject to the law affecting charitable trusts, the jurisdiction of the Charity Commissioners and the provisions of the Charities Act 2011, various statutes and the provisions of Charity Law.

Trustees' selection methods

Nottingham City Council (NCC) elected members are the Council's representatives for the Bridge Estate.

NCC has elected members who are elected on a 4 year cycle. The following table details the councillors / trustees for the financial year 1 April 2021 to 31 March 2022 and also includes any post year trustee movements:

Councillor Adele Williams	Councillor Leslie Ayoola
Councillor AJ Matsiko	Councillor Linda Woodings
Councillor Andrew Rule	Councillor Maria Joannou
Councillor Angela Kandola	Councillor Maria Watson
Councillor Angharad Roberts	Councillor Merlita Bryan
Councillor Anne Peach	Councillor Michael Edwards
Councillor Audra Wynter	Councillor Mohammed Saghir
Councillor Audrey Dinnall	Councillor Nayab Patel (elected October 21)
Councillor Azad Choudhry	Councillor Neghat Khan
Councillor Carole McCulloch	Councillor Nick Raine
Councillor Cate Woodward	Councillor Nicola Heaton
Councillor Chantal Lee (resigned)	Councillor Patience Ifediora
Councillor Cheryl Barnard	Councillor Pavlos Kotsonis
Councillor Corall Jenkins (elected October 21)	Councillor Phil Jackson
Councillor Dave Liversidge	Councillor Rebecca Langton
Councillor David Mellen	Councillor Roger Steel
Councillor David Trimble	Councillor Rosemary Healy
Councillor Ethan Radford	Councillor Sajid Mohammed
Councillor Eunice Campbell-Clark	Councillor Sally Longford
Councillor Georgina Power	Councillor Salma Mumtaz
Councillor Graham Chapman	Councillor Sam Webster
Councillor Gul Khan	Councillor Samuel Gardiner
Councillor Hassan Ahmed	Councillor Shuguftah Quddoos
Councillor Jane Lakey	Councillor Steve Battlemuch
Councillor Jawaid Khalil	Councillor Sue Johnson
Councillor Jay Hayes	Councillor Toby Neal
Councillor Kevin Clarke	Councillor Wendy Smith
Councillor Kirsty Jones	Councillor Zafran Khan
Councillor Lauren O'Grady (resigned)	

Trusts and Charities Committee

Councillors are appointed to membership of the Trusts and Charities Committee by full Council to fulfil the Council's responsibilities as Trustees. The Constitution allows that where in-year changes are required to memberships, either at the request of the relevant political group or because a member has resigned or ceased to be eligible for membership, the Corporate Director of Finance and Resources has the authority to action those changes subject to political balance being preserved where applicable and to the changes made being reported to the next meeting of Council. Details of membership will be updated and published on the Council's website on an ongoing basis. The following is the current list of the Trusts and Charities Committee appointed members who approve the Annual Report and financial statements for the financial year 1 April 2021 to 31 March 2022:

Councillor Angharad Roberts (Chair)
Councillor Sam Gardiner
Councillor Rosemary Healy
Councillor Sue Johnson
Councillor Anne Peach
Councillor Ethan Radford
Councillor Sajid Mohammed
Councillor Audra Wynter
Councillor Andrew Rule

Induction and training of Trusts and Charities Committee

Following appointment, councillors are invited to attend an induction which includes training on their role and responsibilities on behalf of the Trustees, with particular regard to the public benefit requirement. The historical background, policies and procedures of Bridge Estate are also covered and the councillors receive copies of Charity Commission published guidance.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Bridge Estate
Charity Number	220716
Registered Address	Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Charity's Trustees	Councillors of Nottingham City Council
Day to Day Management	Director of Economic Development & Property Directorate Loxley House Station Street Nottingham NG2 3NG
Auditors	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
Financial Advisor	Corporate Director of Finance ad Resources Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Bankers	Lloyds Bank Parliament Street Nottingham 12-16 Lower Parliament Street Nottingham NG1 3DA

RESPONSIBILITIES OF THE TRUSTEES

The Trustees' Responsibilities

The trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2019 SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm, so far as they are aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 11/11/2022

Cllr Angharad Roberts (Chair), Signed for the Trustees

The notes form part of these accounts.

Statement of Financial Activities for the year ending 31 March 2022

	2021/22			2020/21		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:						
Other Trading Activities	(1,832,829)	-	**(1,832,829)**	(2,124,020)	-	**(2,124,020)**
Investments	(3,163)	-	**(3,163)**	(1,017)	-	**(1,017)**
Other	-	-	**-**	(21,990)	-	**(21,990)**
Total	**(1,835,992)**	**-**	**(1,835,992)**	**(2,147,027)**	**-**	**(2,147,027)**
Expenditure on:						
Raising Funds	-	213,964	**213,964**	-	127,258	**127,258**
Charitable Activities	56,740	94,460	**151,200**	50,220	784,861	**835,081**
Charitable Activities - Transfer to NCC	1,000,000	-	**1,000,000**	1,545,000	-	**1,545,000**
Increase / (Decrease) in Loss Allowance	(104,734)	-	**(104,734)**	121,603	-	**121,603**
Other	-	55,978	**55,978**	-	60,844	**60,844**
Total	**952,006**	**364,402**	**1,316,408**	**1,716,823**	**972,963**	**2,689,786**
Net (income) /expenditure	**(883,986)**	**364,402**	**(519,584)**	**(430,204)**	**972,963**	**542,759**
Transfer between Funds	594,355	(594,355)	**-**	1,033,058	(1,033,058)	**-**
Other Recognised (Gains)/Losses						
(Gains)/losses on Revaluation of Investment Properties	-	(1,997,933)	**(1,997,933)**	-	311,179	**311,179**
(Gains)/losses of following Fair Value assessment of Financial Investments	-	(81,223)	**(81,223)**	-	(123,686)	**(123,686)**
Other (gains)/losses	526	-	**526**	-	-	**-**
Net Movement in Funds	(289,105)	(2,309,109)	**(2,598,214)**	602,854	127,398	**730,252**
Reconciliation of Funds						
Total Funds Brought Forward	(373,464)	(28,410,313)	**(28,783,777)**	(976,318)	(28,537,711)	**(29,514,029)**
Total Funds Carried Forward	**(662,569)**	**(30,719,422)**	**(31,381,991)**	**(373,464)**	**(28,410,313)**	**(28,783,777)**

Balance Sheet as at 31st March 2022

	Note	2021/22 (£)	2020/21 (£)
Fixed Assets			
Property Investments	6	31,865,896	29,818,293
Investments at Fair Value through Statement of Financial Activities	7	732,310	651,087
Total Fixed Assets		**32,598,206**	**30,469,380**
Current Assets			
Debtors (net of Bad Debt Provision)	8	991,456	927,800
Cash at Bank	8	2,026,775	495,641
Total Current Assets		**3,018,231**	**1,423,441**
Liabilities			
Creditors - Amounts falling due within one year	9	(2,390,739)	(1,085,055)
Net Current Assets		**627,492**	**338,386**
Total Assets Less Current Liabilities		**33,225,698**	**30,807,766**
Creditors - Amounts falling due after one year	9	(40,879)	(40,879)
Long Term Borrowing	9	(1,802,828)	(1,983,110)
NET ASSETS		**31,381,991**	**28,783,777**
The Funds of the Charity			
Endowment Fund		(30,719,422)	(28,410,313)
Unrestricted Funds		(662,569)	(373,464)
TOTAL CHARITY FUNDS		**(31,381,991)**	**(28,783,777)**

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 29/11/2022

Clive Heaphy - Corporate Director of Finance and Resources

Date: 11/11/2022

Cllr Angharad Roberts (Chair), Signed for the Trustees

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

General Principles

The Annual Report summarises the Bridge Estate transactions for 2021/22 financial year together with its financial position at 31 March 2022.

This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate. Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

Basis of preparation and assessment of going concern

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The cash flow statement forms part of the Nottingham City Council's group accounts.

The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income Recognition

Income receipts are accrued and accounted for in the period to which they relate. Payments received in advance are recognised as a liability on the balance sheet within creditors.

Rental income is recorded when the invoices are raised and become due for payment.

Expenditure Recognition

All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year-end for goods or services received or work completed. Receipts received in advance are recognised as an asset on the balance sheet within debtors. Expenditure is classified under the following activity headings:

Raising Funds

Costs of raising funds includes premises expenses, which includes day to day maintenance, insurance and external audit fees. These are initially charged against the Endowment Fund in the SoFA, as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer between Funds.

Charitable Activities

The costs of governance arrangements, which relate to the general running of the charity, as opposed to direct management functions inherent in generating funds, service delivery and programme. These activities provide the governance infrastructure, which allows the charity to operate and to generate the information required for public accountability.

Charitable Activities – Transfer to NCC

The net expenditure or income of the Bridge Estate is transferred to NCC's General Fund for the benefit of the citizens of Nottingham.

Other

Expenditure which does not fall into any of the above categories.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Other recognised Gains/(losses)

The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.

The gains/(losses) on revaluation of investment assets represents material changes in property valuations.

Fixed Assets

Investment properties

Investment properties are those used solely to earn rentals and/or for capital appreciation for the Bridge Estate. Investment properties are measured initially at cost. They are not depreciated but are revalued annually according to market conditions at year-end.

The 2021/22 valuations have been carried out in accordance with current RICS. Gains and losses on revaluation and on disposal are shown within the SOFA. However as revaluation and disposal gains and losses are not allowed by statute to impact on the financial activities of the Bridge Estate, they do not form part of the income and expenditure totals, but provide details within the SOFA of the movement on the Endowment Fund. Any sale proceeds are posted to the Endowment Fund.

Rental income from investment properties is credited to investment income within the SOFA.

Where land or property is held as a community asset, dedicated for the enjoyment of the public in perpetuity they are given a value of £NIL.

Other investments

Other investments are included in the Balance Sheet at market value and include loans and government stocks.

Accruals of Expenditure and Income

The accounts of the Bridge Estate are maintained on an accruals basis. This means that sums due to or from the Bridge Estate during the year are included whether or not the cash has actually been received or paid in the year. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the SOFA adjusted accordingly. Fees, charges and rents due from customers are accounted for as income at the date that the Bridge Estate provides the associated goods or services.

This policy is not followed for certain quarterly payments, including gas and electricity, where expenditure is recorded at the date of meter reading rather than being apportioned between financial years. This policy is

consistently applied each year and, therefore, does not have a material effect on the year's accounts.

Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the SoFA for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet.

Cash

Cash is represented by deposits held within the Bridge Estate bank account.

Funds of the Charity

Endowment fund
The capital of the Bridge Estate is held as a permanent endowment fund. There is no power to convert the capital into income; the fund must generally be held indefinitely.

Unrestricted income fund
This fund has been established so that the cost of repairing Trent Bridge was spread out and does not impact on the finances of the Charity in a particular year. In 2006/07 an additional Renewal and Repairs Fund was set up to meet the cost of repairs to the housing stock held by the Bridge Estate. Annual contributions are made to the fund and repairs costs are charged to the SoFA in the year they are carried out, with transfers being taken from the fund.

The income from the fund is unrestricted income but it is expendable at the discretion of the active trustees in the furtherance of the charity's objectives.

2. Tax status of the Bridge Estate

Bridge Estate is a registered charity and is therefore exempt from income tax and capital gains tax on income and gains falling within S531 ITA 2007 and S256 CGA 1992. Nottingham City Council is the sole trustee of the Bridge Estate and, in accordance with VAT notice 749, is entitled to recover VAT incurred on the expenditure of the Bridge Estate under section 33 of the VAT Act 1994.

3. Summary of Fund Movements

	2021/22			2020/21		
	Endowment Fund	**Unrestricted Funds**	**TOTAL**	**Endowment Fund**	**Unrestricted Funds**	**TOTAL**
	£	**£**	**£**	**£**	**£**	**£**
Balance B/fwd	(28,410,313)	(373,464)	**(28,783,777)**	(28,537,711)	(976,318)	**(29,514,029)**
Incoming Resources	-	(1,835,992)	**(1,835,992)**	-	(2,147,027)	**(2,147,027)**
Outgoing Resources	364,402	952,006	**1,316,408**	972,963	1,716,823	**2,689,786**
Transfers	(594,355)	594,355	**-**	(1,033,058)	1,033,058	**-**
Gains and Losses	(2,079,156)	-	**(2,079,156)**	187,493	-	**187,493**
Balances C/fwd	**(30,719,422)**	**(662,569)**	**(31,381,991)**	**(28,410,313)**	**(373,464)**	**(28,783,777)**

Incoming Resources
As a general rule, incoming capital resources to the Bridge Estate are generated by the sale of investment properties or the payment of premiums in respect of the re-gearing of long leaseholds. The Bridge Estate capital fund is a permanent endowment fund which means that it cannot usually be spent as income. Thus,

any income generated by the sale of freehold land or buildings, or the re-gearing of long leaseholds on payment of a premium, must be reinvested in the purchase or improvement of freehold land and buildings.

At the discretion of the Charity Commission, funds may be spent on infra-structure assets but any sum spent will have to be recouped and the capital fund replenished.

Other Recognised (Gains)/Losses

The annual revaluation of the property portfolio has been completed in 2021/22 resulting in a net gain on revaluation of assets of £1,997,933.

Unrestricted income fund

During 2021/22 the Bridge Repairs Fund received a contribution of £104,537 which is set aside for future works to the Bridge (£590,463 drawdown 2020/21), while the unrestricted funds had a contributions of £346,737 (£47,702 2020/21).

4. Income and Expenditure Detailed Analysis

	2021/22 £	2020/21 £
INCOME		
Rent (net of movement in Loss Allowance)	(1,880,421)	(1,903,994)
Service Charges	(57,142)	(98,423)
Interest Received	(3,163)	(1,017)
Other	-	(21,990)
	(1,940,726)	**(2,025,424)**
EXPENDITURE		
Raising Funds		
Agency and Contracted Services		
Cleaning	97	597
Grounds Maintenance	(7,955)	18,365
Investment Management Costs		
Business Rates	153,348	17,708
Energy Costs & Water	(455)	47,624
Insurance	(20,760)	20,760
Property Maintenance (inc Bridge)	(1,291)	1,095
Rent Collection	22,534	27,428
Supplies and Services	68,446	34,641
Charitable Activities		
Surplus transferred to NCC General Fund	1,000,000	1,545,000
Property Repairs (inc Bridge)	-	624,772
Audit Costs	10,650	10,150
Support Costs		
Management and Administration	140,550	159,200
Other		
Interest Payable	55,978	60,845
Movement to Funds		
Contribution to / (from) Repairs Fund	104,537	(590,463)
Contribution to / (from) Unrestricted Fund	415,047	47,702
	1,940,726	**2,025,424**

5. Allocation of governance and support costs

The breakdown of Charitable Activity support costs and how these were allocated between governance and other costs is shown below:

2021/22	Total	Governance Related (*)	Other Support Costs	Basis of Apportionment
	£	£	£	
Audit Fees	**10,650**	10,650	-	External Provider's Annual Fee
Computer Costs	**17,100**	-	17,100	Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Staff Time
Property Services Costs	**68,310**	22,542	45,768	Asset Valuation Costs/Staff Time
	151,200	**56,740**	**94,460**	

2020/21	Total	Governance Related (*)	Other Support Costs	Basis of Apportionment
	£	£	£	
Audit Fees	**10,150**	10,150	-	External Provider's Annual Fee
Computer Costs	**17,100**	-	17,100	Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Staff Time
Property Services Costs	**86,960**	16,522	70,438	Asset Valuation Costs/Staff Time
	169,350	**50,220**	**119,130**	

(*) Governance Related Costs are met entirely from Unrestricted Funds.

6. Investment Property

Investment property represents assets owned by the Bridge Estate, primarily property and buildings all situated in the United Kingdom. The portfolio of property is mainly investment properties which are valued by Nottingham City Council Property Service Chartered Surveyor (member of the Royal Institution of Chartered Surveyors) and in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards Manual (the Red Book). Properties held by the Bridge Estate are non-operational properties and as such, the valuation is on the basis of open market value. This area is managed by the Director of Economic Development and Property.

Investment properties in the portfolio are valued at market value in accordance with the Charities SORP. Some properties have a de-minimis value of £NIL as they are community assets, dedicated for the enjoyment of the public in perpetuity.

Assets that are sold are re-valued pending sale and written out of the accounts at this value.

Analysis of the movement in Investment Property	2021/22 (£)	2020/21 (£)
Carrying value (market value) at beginning of year	29,818,293	29,952,336
Add: Capital Expenditure Incurred	49,670	177,136
Add/deduct: Net gains/(losses) on revaluation	1,997,933	(311,179)
Carrying value (market value) at end of year	**31,865,896**	**29,818,293**

The following properties whose value is greater than £1m, are considered to be material in the context of the investment property list:

Property	Value 2021/22 £	Value 2020/21 £
Century House, 8-18 Chapel Bar	1,519,743	1,501,632
Woolsthorpe Close, Off Wigman Road, Bilborough	3,842,184	3,655,902
Eastcroft Depot, London Road	3,150,000	2,900,000
The Alexander Fleming Building, Nottingham Science and Technology Park, University Boulevard	1,913,000	2,000,000
Land: 3 Acres at Bull Close Road, Lenton Lane Industrial Estate, Nottingham	1,076,500	900,500
Castle Gate House, 24-30 Castle Castle, Nottingham	1,125,000	997,000
34-38 Lister Gate	1,670,000	1,795,000
Units 21-29, Whitemoor Court, Nuthall Road	3,567,000	3,458,353

7. Other Investments

	2021/22 £	2020/21 £
Government Stocks	1,385	1,385
COIF Accumulation Units	730,925	649,702
	732,310	**651,087**

Analysis of the movement in Other Investments	2021/22 £	2020/21 £
Carrying value (market value) at beginning of year	651,087	527,401
Add/deduct: Net gains/(losses) on revaluation	81,223	123,686
Carrying value (market value) at end of year	**732,310**	**651,087**

8. Analysis of current assets

Debtors	2021/22 £	2020/21 £
Trading Activities	677,497	370,685
Amounts due from subsidiary and associated undertakings	313,959	557,115
	991,456	**927,800**

Cash	2021/22 £	2020/21 £
Cash at bank	2,026,775	495,641

9. Analysis of current liabilities and long term creditors

Current Liabilities	2021/22 £	2020/21 £
Amounts due to subsidiary and associated undertakings (including subsidiary Receipts in Advance)	(1,823,045)	(713,589)
Other creditors	(185,898)	(153,728)
Receipts in Advance	(381,796)	(217,738)
	(2,390,739)	**(1,085,055)**

Long Term Creditors	2021/22 £	2020/21 £
Rent Bonds	(40,879)	(40,879)
Long Term Borrowing	(1,802,828)	(1,983,110)
	(1,843,707)	**(2,023,989)**

10. Analysis of Lessor Operating Leases

	2021/22 £	2020/21 £
Not later than one year	959,314	1,115,530
Between one and five years	1,985,399	1,858,536
Later than five years	11,297,809	11,503,029
Total	**14,242,522**	**14,477,095**

11. Analysis of net assets between funds

	2021/22		2020/21	
	Endowment Fund	Unrestricted Funds	Endowment Fund	Unrestricted Funds
	£	£	£	£
Investment Properties	31,865,896	-	29,818,293	-
Other investments	732,310	-	651,087	-
Debtors (net of Bad Debt Provision)	-	991,456	-	927,800
Cash at Bank	104,327	1,922,448	104,326	391,315
Creditors - Amounts falling due within one year	(180,283)	(2,210,456)	(180,283)	(904,772)
Creditors - Amounts falling due after one year	-	(40,879)	-	(40,879)
Long Term Borrowing	(1,802,828)	-	(1,983,110)	-
	30,719,422	**662,569**	**28,410,313**	**373,464**

12. TRANSACTIONS WITH RELATED PARTIES

NCC elected members are representing the Council as sole trustees of the Bridge Estate and any related party transactions must be disclosed in accordance with Charity SORP.

A loan of £3,922,881 was approved in 2012/13 to assist in the purchase of an investment property, this loan is for a period of 20 years and for accounting purposes is treated as long term borrowing. The payment started annually on the 31 March 2014. The payments will be made up of £180,283 principal and 2.70% pa interest on the average loan balance in the year. In 2021/22 the Bridge Estate paid £55,978 interest (£60,845 2020/21), which is shown within the SoFA under Other Expenditure and short term creditors, while the outstanding long term borrowing at the 31 March 2022 is £1,802,828 (£1,983,110 2020/21) which is shown in the balance sheet.

Monies due from NCC and other group entities (Robin Hood Energy and Nottingham City Homes) at the end of the financial year to the Bridge Estate was £313,959 (£557,115 2020/21). Monies owed to NCC and group entities was £1,823,045 (£713,589 2020/21).

In addition to transactions involving investments and cash balances, there are other transactions between the Charity and the City Council in respect of the day-to-day operations of the Charity.

In the year to 31 March 2022 various City Council departments and other Council group entities paid a sum of £407,632 (£627,370 2020/21) in respect of investment properties let by the Charity at current market rents subject to periodic reviews and related service charges. This income is included in the SoFA.

NCC charged the Bridge Estate £140,550 in the year to 31 March 2022 (£159,200 2020/21) in respect of officers' time and management and maintenance of properties. Of this total it is estimated that £46,090 (£40,070 2020/21) is attributable to the governance of the Charity. These costs relate to the preparation of the final accounts, valuation fees, legal fees and attendance and preparation for the Trusts and Charities Committee meetings.

The Charity had a credit of £7,858 (charge of £18,962 2020/21) for grounds maintenance and contract cleaning, while insurance was a credit of £20,760 (charge of £20,760 2020/21) with to NCC. These transactions are shown within Raising Funds in the SoFA.

Surplus of income over expenditure during the year is transferred to NCC's General Fund for the improvement of the City of Nottingham and the public benefit of its inhabitants £1,000,000 (£1,545,000 2020/21).

During the current financial year, trustees received remuneration of £nil (£nil 2020/21) and had expenses reimbursed of £nil (£nil 2020/21).

BRIDGE ESTATE

ANNUAL REPORT

for the year ended 31 March 2022

Registered Charity Number: 220716

CONTENTS

Page	Details
3	Report of the Trustees for the year ended 31st March 2022
3	Objectives and activities for the public benefit
4	Strategies adopted in the management of the property portfolio
5	Achievements and Performance
6	Financial Review
7	Plans for future periods
8	Structure, Governance and Management
11	Reference and administrative details
12	Responsibilities of the Trustees
13	Statement of Financial Activities
14	Balance Sheet
15	Notes to the financial statements
24	Independent Auditor's Report

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2022

The trustees present their annual report and financial statements of the charity for the year ended 31st March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The maintenance and repair of Trent Bridge and approaches remains the primary objective of the charity. Trent Bridge is the major vehicle communication route from the south of the City and is critical in bringing economic benefit to the City. This is increasingly important in light of the downturn in the global and national economy. The bridge is open to the public at large, assuring public benefit on an open access basis. There are no restrictions regarding the members of the public who may use the bridge and no fees are charged.

The Trustees' Annual Report for the year ending 31 March 2022 confirms that any residual income is applied to the Trust's charitable objectives as defined below, this includes the improvement of the City of Nottingham in support of the Council's aims and objectives, as set out in the Council Plan and Medium Term Financial Strategy. This is delivered through the maintenance and protection of the Trust's portfolio of income producing assets.

A proportion of the surplus income generated by the charity is transferred to Nottingham City Council's (NCC) General Fund and is used for the benefit of the citizens of Nottingham. As referred to above, the surplus contributes directly to the delivery of Nottingham's priorities as set out in the Council Plan and enables the Council to provide the citizens of Nottingham with effective and efficient services. Further surplus income has been retained in the Trust for investment in its portfolio.

The Bridge Estate fixed asset portfolio will be actively managed to secure new investment properties, increase income and reduce risk in an uncertain market.

The Bridge Estate's transfer to NCC's General Fund also represents an equivalent saving for Nottingham citizens who pay council tax on a Band D property of £14.81 (£18.29 2020/21).

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives.

Objectives

The initial sole objective of the Bridge Estate was the provision of funds for the maintenance and repair of Trent Bridge. However, by the late nineteenth century the income generated by the Estate was in excess of that required for maintenance of Trent Bridge and consequently the objectives of the Estate were extended by virtue of section 78 of the Nottingham Corporation Act 1882.

The Bridge Estate's charitable objectives are now threefold:

1. To provide for the efficient maintenance and repair of Trent Bridge and the approaches to it.
2. To provide a contingency fund for the possible construction of such new bridge or bridges over the River Trent as may be found necessary or desirable.
3. To apply the residue of any income as the trustees thinks best for the improvement of the City of

Nottingham and the public benefit of its inhabitants.

Main objectives for the financial year 2022/23 -

1. To ensure the necessary financial provision is available if required to provide a vehicle and pedestrian communication link for the City of Nottingham via Trent Bridge.

2. The continued development of the Trust's property portfolio with a view to minimizing the risk of exposure to adverse economic conditions and protecting and increasing its income and capital value of its assets.

3. Surplus revenue generated by the Charity to be invested through NCC to support the City Council's aims and objectives for the city as set out in the Council Plan and the Medium Term Financial Strategy.

Strategies adopted in the management of the property portfolio

The Bridge Estate's stated objectives of setting up a contingency fund for the maintenance and repair of Trent Bridge and to accumulate a fund to build a new bridge, should this be necessary, is effectively met by the management of the property portfolio. In practice, although properties could either be sold or mortgaged to fund such expenditure, the current local government context means that there are more efficient and effective ways of raising the funds required to maintain or to replace Trent Bridge. NCC is able to earmark funds from the Local Transport Plan for this purpose and substituting Bridge Estate funds would unnecessarily run down the value of the portfolio. Trent Bridge forms part of the adopted highway network, with maintenance and repairs overseen by the Highway Authority, with the Bridge Estate providing funds as necessary for the carrying out of these works.

Funds generated by the Bridge Estate holding, either through day-to-day operations or sale/mortgage would, in this context, only be applied where other funding routes have been exhausted. For the latter option, Trustees recognise that the ability to generate the level of sales required to replace the Trent Bridge would be difficult to achieve in the short-term and in any case could not meet the full cost of replacing the structure – further confirming the need of working, where possible, within the current local government financial context. There is a further restriction on the ability to generate funds in this way through the possibility that historic restrictions on the disposal of specific 'endowed' properties may exist.

The property portfolio includes a number of commercial properties including: retail; office; industrial; ground leases; agricultural holdings; and a miscellaneous range of other properties.

Investment risk whilst held in a single investment class (except money held on interest awaiting reinvestment) is in effect spread through the diverse range of property type, location and tenure.

To maximise return on investment, the Charity is obliged to let properties at full market rent and lettings on full repairing and insuring terms where it is practical to do so. In the case of multi occupied premises where the landlord is responsible for external repairs, heating, cleaning common parts, insurance etc., the costs are generally recovered by way of additional service charge.

The rents of properties leased for a term of years are reviewed in accordance with the terms of the agreement and current market conditions and short term 'periodic' tenancies are generally reviewed every 3 years. In the case of expiring leases, these are either renewed on negotiated terms or marketed for re-letting where the original lessee does not wish to continue. In all cases, terms will be negotiated to secure the best outcome for the Charity including where possible an increased rent unless there are other objectives that the Trustees wish to secure.

ACHIEVEMENTS and PERFORMANCE

The sole activity of the Bridge Estate is investing, through property ownership, to generate income that is utilised for the objectives of the Charity and to increase rental income and to grow the capital value of its assets, to further the charitable purposes to maintain Trent Bridge and for the benefit of the citizens of Nottingham. Strategic Assets and Property, a division of NCC's Development and Growth Department, manage the property portfolio on behalf of Bridge Estate. A dedicated Chartered Surveyor is assigned to this role.

In summary, the following has been undertaken over the past 12 months:

- Unit 25 Whitemoor Court – completion of a new lease for a term of 6 years
- 140 Vernon Road – completion of a new short-term lease
- Dragon Court, Part of Building 3, Woolsthorpe Depot, WOolsthorpe Close – completion of a 9 year licence agreement
- Part of Building No. 2, Woolsthorpe Depot, Woolsthorpe Close – completion of a 5 year licence agreement
- Alexander Fleming Building – completion of a new 3 year lease agreement
- Governors House & Judges Retiring Rooms, High Pavement – refurbishment works remain ongoing and terms for lease have been agreed with a prospective tenant with completion on both matters expected mid 2022/23
- Trent Bridge – provision for the allocation of additional funds for undertaking a further programme of maintenance and refurbishment works

There is an ongoing strategic review of the portfolio to identify assets held by the Trust which could be sold and generate investment capital. Should disposals be approved by the Trustees, total capital reserves will provide the Trust with the opportunity to secure positive reinvestment in the portfolio, either through the acquisition of new assets or the improvement or refurbishment of existing properties. The policy remains to achieve market rates for rental, ensuring the charity receives value for money across its asset base.

FINANCIAL REVIEW

The financial statements of the Bridge Estate are included in the following pages. The statements include comparative figures for the previous year and consist of the following:

- **Statement of Financial Activities (SoFA)** is a single accounting statement with the objective of showing all incoming resources and resources expended by the charity in the year on all its funds.
- **Balance Sheet** setting out the assets, liabilities and funds of the Trust;
- **Notes to Financial Statements** explaining the accounting policies adopted and explanations of information contained in the Financial Statements.

The Trustees confirm that the Trust's assets are available and adequate to fulfill the obligations of the Trust. Nottingham City Council is required to publish International Financial Reporting Standards (IFRS) compliant accounts. The Bridge Estate forms part of NCC's Group Accounts, and therefore the accounts have been consolidated on this basis. No adjustments were required to these accounts upon consolidation.

Covid-19 Pandemic

The Government declared a public health emergency on 16th March 2020 and enacted legislation to regulate society and help the country weather the impact of the pandemic and lead to recovery. 2021/22 saw the gradual easing of restrictions with the eventual end to restrictions altogether toward the end of this period on 21st February.

Policy on reserves

The Charity may hold reserves or funds to even out the financial impact of significant costs for any particular year. The Charity's objectives state that any residue of any income should be used for the improvement of the City of Nottingham and the public benefit of its inhabitants, therefore any remaining net income over what is required to be set aside for prudent asset management is transferred to NCC's General Fund.

The actual Surplus transferred was £1,000,000 for 2021/22 (£1,545,000 2020/21). Further details on reserves can be found in the notes to the accounts.

Investment Policy

The Investment Policy is to seek to achieve an absolute return over the long term in order to meet increases in expenditure and maintain the Trust's fund in real terms. Any funds generated by the sale of property are temporarily invested until a new investment opportunity is identified by the property manager, in consultation with the Trusts and Charities Committee. When investing Bridge Estate Funds, NCC adhere to their Investment Strategy which complies with the Local Government Act 2003 in support of obtaining the best yield for the Trust.

Risk Management

The Bridge Estate adopts the NCC's Risk Management Policy, tailored as appropriate for the Trust. The Trustees

are committed to a programme of risk management to protect the Charity's assets. A Risk Register is held which identifies the key risks and the measures in place to mitigate such risks. Procedures are also in place to ensure that appropriate advice and support is provided to Trusts and Charities Committee as and when required.

Review of financial position

Below is a summary of the income generated and resources expended:

	2021/22 (£)	2020/21 (£)
INCOMING RESOURCES	**(1,835,992)**	**(2,147,027)**
RESOURCES EXPENDED		
Surplus transferred to NCC General Fund	1,000,000	1,545,000
Raising Funds	213,964	127,258
Charitable Activities	151,200	835,081
Other	55,978	60,844
Increase / (Decrease) in Loss Allowance	(104,734)	121,603
Net Contribution to / (from) reserves	519,584	(542,759)
	1,835,992	**2,147,027**

PLANS FOR FUTURE PERIODS

A property investment portfolio is a dynamic resource and needs to be actively managed if it is to develop and resist the effects of economic change. The principal focus should be on proactive management of the portfolio's income profile, maximising income from existing properties, acquiring prime assets in favour of secondary stock where possible and developing a mix of investments aimed at creating stability, secure income, capital and revenue growth and minimised risk.

The current portfolio includes some of these elements:

- A diverse range of assets offering some security against the decline of a specific market sector
- Revenue supported by a range of income generating investments including the modern industrial units, some quality office and retail space
- Secure ground lease investments providing strong capital growth and strategic control of land use.
- An opportunity to buy in leases within its own assets, securing the benefit of marriage value

In recent years the Portfolio has been partially rebalanced with the disposal of a number of management intensive, low income producing assets and the acquisition of two prime investments. In times of economic recession, the portfolio will still be susceptible to loss of income through a stagnated rental market and the risk of voids but the range of investments helps to mitigate this risk.

The Trust holds some good quality assets evidenced by the Alexander Fleming Building at the Nottingham Science Park, retail premises on Lister Gate/Wheeler Gate and offices at Century House on Chapel Bar and Castle Marina.

The strategy is based on the following principles:

- All assets in the portfolio to be rated on their potential for retention or disposal with a view to actively pursuing early disposal in selected cases.

- That specific opportunities be identified for using additional investment resources for the improvement of existing assets where it can be demonstrated the investment will generate increased income or maintain income otherwise at risk. This might include the refurbishment of offices or workspace or buying in leasehold interests to provide an asset that is more attractive to a potential tenant.

- That opportunities for strategic acquisitions be brought to future committees for consideration where it can be demonstrated they will:

    - Secure income generation
    - Good potential for rental growth
    - Resilience to changing economic conditions

- An annual review of the policy for disposals and acquisitions looking at projections for the forthcoming year and the influence of opportunities secured in the previous year.

- The exploration of opportunities within the portfolio where value can be secured through strategic acquisition of third party interests, securing planning consent where it is beneficial and is considered to add value to potential disposals

- Maintaining and developing existing income through selective investment in assets identified for retention.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure of the charity

Bridge Estate is a charity of which NCC elected members are representing the Council as sole trustee of the Bridge Estate Charity.

All transactions relating to the Bridge Estate are subject to the same Financial Regulations and procedures as those relating to land and property held by NCC. The Annual Report and Financial Statements are reported to and approved by Councillors of the Trusts and Charities Committee each year.

Governing document

Royal Charter Dated 21 February 1551.

The earliest mention discovered of the Bridge Estate is in 1302. From that date various bequests of land and property were made, the income from which was devoted to the maintenance of bridges over the River Trent.

In 1550, Edward VI made a grant by charter of the “lands, tenements and hereditaments” of two monasteries which had been dissolved by his father Henry VIII. The grant was made to the “Mayor and Burgesses of the town of Nottingham, and to their successors for ever”, and was stated to be to fulfill a promise of Henry VIII “in consideration of the great charges and expenses daily sustained by his well-beloved the Mayor and Burgesses of his town of Nottingham in and about the mending, sustaining and repairing of their bridges over

the water of Trent".

Bridge Estate was thus created by Royal Charter on 21 February 1551 with the then Corporation as sole trustee.

It was established in 1945 that Bridge Estate was and had from the beginning been a Charity. Consequently, the property of the Estate and the Council elected members as Trustees, are subject to the law affecting charitable trusts, the jurisdiction of the Charity Commissioners and the provisions of the Charities Act 2011, various statutes and the provisions of Charity Law.

Trustees' selection methods

Nottingham City Council (NCC) elected members are the Council's representatives for the Bridge Estate.

NCC has elected members who are elected on a 4 year cycle. The following table details the councillors / trustees for the financial year 1 April 2021 to 31 March 2022 and also includes any post year trustee movements:

Councillor Adele Williams	Councillor Leslie Ayoola
Councillor AJ Matsiko	Councillor Linda Woodings
Councillor Andrew Rule	Councillor Maria Joannou
Councillor Angela Kandola	Councillor Maria Watson
Councillor Angharad Roberts	Councillor Merlita Bryan
Councillor Anne Peach	Councillor Michael Edwards
Councillor Audra Wynter	Councillor Mohammed Saghir
Councillor Audrey Dinnall	Councillor Nayab Patel (elected October 21)
Councillor Azad Choudhry	Councillor Neghat Khan
Councillor Carole McCulloch	Councillor Nick Raine
Councillor Cate Woodward	Councillor Nicola Heaton
Councillor Chantal Lee (resigned)	Councillor Patience Ifediora
Councillor Cheryl Barnard	Councillor Pavlos Kotsonis
Councillor Corall Jenkins (elected October 21)	Councillor Phil Jackson
Councillor Dave Liversidge	Councillor Rebecca Langton
Councillor David Mellen	Councillor Roger Steel
Councillor David Trimble	Councillor Rosemary Healy
Councillor Ethan Radford	Councillor Sajid Mohammed
Councillor Eunice Campbell-Clark	Councillor Sally Longford
Councillor Georgina Power	Councillor Salma Mumtaz
Councillor Graham Chapman	Councillor Sam Webster
Councillor Gul Khan	Councillor Samuel Gardiner
Councillor Hassan Ahmed	Councillor Shuguftah Quddoos
Councillor Jane Lakey	Councillor Steve Battlemuch
Councillor Jawaid Khalil	Councillor Sue Johnson
Councillor Jay Hayes	Councillor Toby Neal
Councillor Kevin Clarke	Councillor Wendy Smith
Councillor Kirsty Jones	Councillor Zafran Khan
Councillor Lauren O'Grady (resigned)	

Trusts and Charities Committee

Councillors are appointed to membership of the Trusts and Charities Committee by full Council to fulfil the Council's responsibilities as Trustees. The Constitution allows that where in-year changes are required to memberships, either at the request of the relevant political group or because a member has resigned or ceased to be eligible for membership, the Corporate Director of Finance and Resources has the authority to action those changes subject to political balance being preserved where applicable and to the changes made being reported to the next meeting of Council. Details of membership will be updated and published on the Council's website on an ongoing basis. The following is the current list of the Trusts and Charities Committee appointed members who approve the Annual Report and financial statements for the financial year 1 April 2021 to 31 March 2022:

Councillor Angharad Roberts (Chair)
Councillor Sam Gardiner
Councillor Rosemary Healy
Councillor Sue Johnson
Councillor Anne Peach
Councillor Ethan Radford
Councillor Sajid Mohammed
Councillor Audra Wynter
Councillor Andrew Rule

Induction and training of Trusts and Charities Committee

Following appointment, councillors are invited to attend an induction which includes training on their role and responsibilities on behalf of the Trustees, with particular regard to the public benefit requirement. The historical background, policies and procedures of Bridge Estate are also covered and the councillors receive copies of Charity Commission published guidance.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Bridge Estate
Charity Number	220716
Registered Address	Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Charity's Trustees	Councillors of Nottingham City Council
Day to Day Management	Director of Economic Development & Property Directorate Loxley House Station Street Nottingham NG2 3NG
Auditors	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
Financial Advisor	Corporate Director of Finance ad Resources Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Bankers	Lloyds Bank Parliament Street Nottingham 12-16 Lower Parliament Street Nottingham NG1 3DA

RESPONSIBILITIES OF THE TRUSTEES

The Trustees' Responsibilities

The trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2019 SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm, so far as they are aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 11/11/2022

Cllr Angharad Roberts (Chair), Signed for the Trustees

The notes form part of these accounts.

Statement of Financial Activities for the year ending 31 March 2022

	2021/22			2020/21		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:						
Other Trading Activities	(1,832,829)	-	**(1,832,829)**	(2,124,020)	-	**(2,124,020)**
Investments	(3,163)	-	**(3,163)**	(1,017)	-	**(1,017)**
Other	-	-	**-**	(21,990)	-	**(21,990)**
Total	**(1,835,992)**	**-**	**(1,835,992)**	**(2,147,027)**	**-**	**(2,147,027)**
Expenditure on:						
Raising Funds	-	213,964	**213,964**	-	127,258	**127,258**
Charitable Activities	56,740	94,460	**151,200**	50,220	784,861	**835,081**
Charitable Activities - Transfer to NCC	1,000,000	-	**1,000,000**	1,545,000	-	**1,545,000**
Increase / (Decrease) in Loss Allowance	(104,734)	-	**(104,734)**	121,603	-	**121,603**
Other	-	55,978	**55,978**	-	60,844	**60,844**
Total	**952,006**	**364,402**	**1,316,408**	**1,716,823**	**972,963**	**2,689,786**
Net (income) /expenditure	**(883,986)**	**364,402**	**(519,584)**	**(430,204)**	**972,963**	**542,759**
Transfer between Funds	594,355	(594,355)	**-**	1,033,058	(1,033,058)	**-**
Other Recognised (Gains)/Losses						
(Gains)/losses on Revaluation of Investment Properties	-	(1,997,933)	**(1,997,933)**	-	311,179	**311,179**
(Gains)/losses of following Fair Value assessment of Financial Investments	-	(81,223)	**(81,223)**	-	(123,686)	**(123,686)**
Other (gains)/losses	526	-	**526**	-	-	**-**
Net Movement in Funds	(289,105)	(2,309,109)	**(2,598,214)**	602,854	127,398	**730,252**
Reconciliation of Funds						
Total Funds Brought Forward	(373,464)	(28,410,313)	**(28,783,777)**	(976,318)	(28,537,711)	**(29,514,029)**
Total Funds Carried Forward	**(662,569)**	**(30,719,422)**	**(31,381,991)**	**(373,464)**	**(28,410,313)**	**(28,783,777)**

Balance Sheet as at 31st March 2022

	Note	2021/22 (£)	2020/21 (£)
Fixed Assets			
Property Investments	6	31,865,896	29,818,293
Investments at Fair Value through Statement of Financial Activities	7	732,310	651,087
Total Fixed Assets		**32,598,206**	**30,469,380**
Current Assets			
Debtors (net of Bad Debt Provision)	8	991,456	927,800
Cash at Bank	8	2,026,775	495,641
Total Current Assets		**3,018,231**	**1,423,441**
Liabilities			
Creditors - Amounts falling due within one year	9	(2,390,739)	(1,085,055)
Net Current Assets		**627,492**	**338,386**
Total Assets Less Current Liabilities		**33,225,698**	**30,807,766**
Creditors - Amounts falling due after one year	9	(40,879)	(40,879)
Long Term Borrowing	9	(1,802,828)	(1,983,110)
NET ASSETS		**31,381,991**	**28,783,777**
The Funds of the Charity			
Endowment Fund		(30,719,422)	(28,410,313)
Unrestricted Funds		(662,569)	(373,464)
TOTAL CHARITY FUNDS		**(31,381,991)**	**(28,783,777)**

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 29/11/2022

Clive Heaphy - Corporate Director of Finance and Resources

Date: 11/11/2022

Cllr Angharad Roberts (Chair), Signed for the Trustees

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

General Principles

The Annual Report summarises the Bridge Estate transactions for 2021/22 financial year together with its financial position at 31 March 2022.

This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate. Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

Basis of preparation and assessment of going concern

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The cash flow statement forms part of the Nottingham City Council's group accounts.

The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income Recognition

Income receipts are accrued and accounted for in the period to which they relate. Payments received in advance are recognised as a liability on the balance sheet within creditors.

Rental income is recorded when the invoices are raised and become due for payment.

Expenditure Recognition

All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year-end for goods or services received or work completed. Receipts received in advance are recognised as an asset on the balance sheet within debtors. Expenditure is classified under the following activity headings:

Raising Funds

Costs of raising funds includes premises expenses, which includes day to day maintenance, insurance and external audit fees. These are initially charged against the Endowment Fund in the SoFA, as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer between Funds.

Charitable Activities

The costs of governance arrangements, which relate to the general running of the charity, as opposed to direct management functions inherent in generating funds, service delivery and programme. These activities provide the governance infrastructure, which allows the charity to operate and to generate the information required for public accountability.

Charitable Activities – Transfer to NCC

The net expenditure or income of the Bridge Estate is transferred to NCC's General Fund for the benefit of the citizens of Nottingham.

Other

Expenditure which does not fall into any of the above categories.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Other recognised Gains/(losses)

The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.

The gains/(losses) on revaluation of investment assets represents material changes in property valuations.

Fixed Assets

Investment properties

Investment properties are those used solely to earn rentals and/or for capital appreciation for the Bridge Estate. Investment properties are measured initially at cost. They are not depreciated but are revalued annually according to market conditions at year-end.

The 2021/22 valuations have been carried out in accordance with current RICS. Gains and losses on revaluation and on disposal are shown within the SOFA. However as revaluation and disposal gains and losses are not allowed by statute to impact on the financial activities of the Bridge Estate, they do not form part of the income and expenditure totals, but provide details within the SOFA of the movement on the Endowment Fund. Any sale proceeds are posted to the Endowment Fund.

Rental income from investment properties is credited to investment income within the SOFA.

Where land or property is held as a community asset, dedicated for the enjoyment of the public in perpetuity they are given a value of £NIL.

Other investments

Other investments are included in the Balance Sheet at market value and include loans and government stocks.

Accruals of Expenditure and Income

The accounts of the Bridge Estate are maintained on an accruals basis. This means that sums due to or from the Bridge Estate during the year are included whether or not the cash has actually been received or paid in the year. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the SOFA adjusted accordingly. Fees, charges and rents due from customers are accounted for as income at the date that the Bridge Estate provides the associated goods or services.

This policy is not followed for certain quarterly payments, including gas and electricity, where expenditure is recorded at the date of meter reading rather than being apportioned between financial years. This policy is

consistently applied each year and, therefore, does not have a material effect on the year's accounts.

Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the SoFA for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet.

Cash

Cash is represented by deposits held within the Bridge Estate bank account.

Funds of the Charity

Endowment fund
The capital of the Bridge Estate is held as a permanent endowment fund. There is no power to convert the capital into income; the fund must generally be held indefinitely.

Unrestricted income fund
This fund has been established so that the cost of repairing Trent Bridge was spread out and does not impact on the finances of the Charity in a particular year. In 2006/07 an additional Renewal and Repairs Fund was set up to meet the cost of repairs to the housing stock held by the Bridge Estate. Annual contributions are made to the fund and repairs costs are charged to the SoFA in the year they are carried out, with transfers being taken from the fund.

The income from the fund is unrestricted income but it is expendable at the discretion of the active trustees in the furtherance of the charity's objectives.

2. Tax status of the Bridge Estate

Bridge Estate is a registered charity and is therefore exempt from income tax and capital gains tax on income and gains falling within S531 ITA 2007 and S256 CGA 1992. Nottingham City Council is the sole trustee of the Bridge Estate and, in accordance with VAT notice 749, is entitled to recover VAT incurred on the expenditure of the Bridge Estate under section 33 of the VAT Act 1994.

3. Summary of Fund Movements

	2021/22			2020/21		
	Endowment Fund	**Unrestricted Funds**	**TOTAL**	**Endowment Fund**	**Unrestricted Funds**	**TOTAL**
	£	**£**	**£**	**£**	**£**	**£**
Balance B/fwd	(28,410,313)	(373,464)	**(28,783,777)**	(28,537,711)	(976,318)	**(29,514,029)**
Incoming Resources	-	(1,835,992)	**(1,835,992)**	-	(2,147,027)	**(2,147,027)**
Outgoing Resources	364,402	952,006	**1,316,408**	972,963	1,716,823	**2,689,786**
Transfers	(594,355)	594,355	**-**	(1,033,058)	1,033,058	**-**
Gains and Losses	(2,079,156)	-	**(2,079,156)**	187,493	-	**187,493**
Balances C/fwd	**(30,719,422)**	**(662,569)**	**(31,381,991)**	**(28,410,313)**	**(373,464)**	**(28,783,777)**

Incoming Resources
As a general rule, incoming capital resources to the Bridge Estate are generated by the sale of investment properties or the payment of premiums in respect of the re-gearing of long leaseholds. The Bridge Estate capital fund is a permanent endowment fund which means that it cannot usually be spent as income. Thus,

any income generated by the sale of freehold land or buildings, or the re-gearing of long leaseholds on payment of a premium, must be reinvested in the purchase or improvement of freehold land and buildings.

At the discretion of the Charity Commission, funds may be spent on infra-structure assets but any sum spent will have to be recouped and the capital fund replenished.

Other Recognised (Gains)/Losses

The annual revaluation of the property portfolio has been completed in 2021/22 resulting in a net gain on revaluation of assets of £1,997,933.

Unrestricted income fund

During 2021/22 the Bridge Repairs Fund received a contribution of £104,537 which is set aside for future works to the Bridge (£590,463 drawdown 2020/21), while the unrestricted funds had a contributions of £346,737 (£47,702 2020/21).

4. Income and Expenditure Detailed Analysis

	2021/22 £	2020/21 £
INCOME		
Rent (net of movement in Loss Allowance)	(1,880,421)	(1,903,994)
Service Charges	(57,142)	(98,423)
Interest Received	(3,163)	(1,017)
Other	-	(21,990)
	(1,940,726)	**(2,025,424)**
EXPENDITURE		
Raising Funds		
Agency and Contracted Services		
Cleaning	97	597
Grounds Maintenance	(7,955)	18,365
Investment Management Costs		
Business Rates	153,348	17,708
Energy Costs & Water	(455)	47,624
Insurance	(20,760)	20,760
Property Maintenance (inc Bridge)	(1,291)	1,095
Rent Collection	22,534	27,428
Supplies and Services	68,446	34,641
Charitable Activities		
Surplus transferred to NCC General Fund	1,000,000	1,545,000
Property Repairs (inc Bridge)	-	624,772
Audit Costs	10,650	10,150
Support Costs		
Management and Administration	140,550	159,200
Other		
Interest Payable	55,978	60,845
Movement to Funds		
Contribution to / (from) Repairs Fund	104,537	(590,463)
Contribution to / (from) Unrestricted Fund	415,047	47,702
	1,940,726	**2,025,424**

5. Allocation of governance and support costs

The breakdown of Charitable Activity support costs and how these were allocated between governance and other costs is shown below:

2021/22	Total	Governance Related (*)	Other Support Costs	Basis of Apportionment
	£	£	£	
Audit Fees	**10,650**	10,650	-	External Provider's Annual Fee
Computer Costs	**17,100**	-	17,100	Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Staff Time
Property Services Costs	**68,310**	22,542	45,768	Asset Valuation Costs/Staff Time
	151,200	**56,740**	**94,460**	

2020/21	Total	Governance Related (*)	Other Support Costs	Basis of Apportionment
	£	£	£	
Audit Fees	**10,150**	10,150	-	External Provider's Annual Fee
Computer Costs	**17,100**	-	17,100	Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Staff Time
Property Services Costs	**86,960**	16,522	70,438	Asset Valuation Costs/Staff Time
	169,350	**50,220**	**119,130**	

(*) Governance Related Costs are met entirely from Unrestricted Funds.

6. Investment Property

Investment property represents assets owned by the Bridge Estate, primarily property and buildings all situated in the United Kingdom. The portfolio of property is mainly investment properties which are valued by Nottingham City Council Property Service Chartered Surveyor (member of the Royal Institution of Chartered Surveyors) and in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards Manual (the Red Book). Properties held by the Bridge Estate are non-operational properties and as such, the valuation is on the basis of open market value. This area is managed by the Director of Economic Development and Property.

Investment properties in the portfolio are valued at market value in accordance with the Charities SORP. Some properties have a de-minimis value of £NIL as they are community assets, dedicated for the enjoyment of the public in perpetuity.

Assets that are sold are re-valued pending sale and written out of the accounts at this value.

Analysis of the movement in Investment Property	2021/22 (£)	2020/21 (£)
Carrying value (market value) at beginning of year	29,818,293	29,952,336
Add: Capital Expenditure Incurred	49,670	177,136
Add/deduct: Net gains/(losses) on revaluation	1,997,933	(311,179)
Carrying value (market value) at end of year	**31,865,896**	**29,818,293**

The following properties whose value is greater than £1m, are considered to be material in the context of the investment property list:

Property	Value 2021/22 £	Value 2020/21 £
Century House, 8-18 Chapel Bar	1,519,743	1,501,632
Woolsthorpe Close, Off Wigman Road, Bilborough	3,842,184	3,655,902
Eastcroft Depot, London Road	3,150,000	2,900,000
The Alexander Fleming Building, Nottingham Science and Technology Park, University Boulevard	1,913,000	2,000,000
Land: 3 Acres at Bull Close Road, Lenton Lane Industrial Estate, Nottingham	1,076,500	900,500
Castle Gate House, 24-30 Castle Castle, Nottingham	1,125,000	997,000
34-38 Lister Gate	1,670,000	1,795,000
Units 21-29, Whitemoor Court, Nuthall Road	3,567,000	3,458,353

7. Other Investments

	2021/22 £	2020/21 £
Government Stocks	1,385	1,385
COIF Accumulation Units	730,925	649,702
	732,310	**651,087**

Analysis of the movement in Other Investments	2021/22 £	2020/21 £
Carrying value (market value) at beginning of year	651,087	527,401
Add/deduct: Net gains/(losses) on revaluation	81,223	123,686
Carrying value (market value) at end of year	**732,310**	**651,087**

8. Analysis of current assets

Debtors	2021/22 £	2020/21 £
Trading Activities	677,497	370,685
Amounts due from subsidiary and associated undertakings	313,959	557,115
	991,456	**927,800**

Cash	2021/22 £	2020/21 £
Cash at bank	2,026,775	495,641

9. Analysis of current liabilities and long term creditors

Current Liabilities	2021/22 £	2020/21 £
Amounts due to subsidiary and associated undertakings (including subsidiary Receipts in Advance)	(1,823,045)	(713,589)
Other creditors	(185,898)	(153,728)
Receipts in Advance	(381,796)	(217,738)
	(2,390,739)	**(1,085,055)**

Long Term Creditors	2021/22 £	2020/21 £
Rent Bonds	(40,879)	(40,879)
Long Term Borrowing	(1,802,828)	(1,983,110)
	(1,843,707)	**(2,023,989)**

10. Analysis of Lessor Operating Leases

	2021/22 £	2020/21 £
Not later than one year	959,314	1,115,530
Between one and five years	1,985,399	1,858,536
Later than five years	11,297,809	11,503,029
Total	**14,242,522**	**14,477,095**

11. Analysis of net assets between funds

	2021/22		2020/21	
	Endowment Fund	Unrestricted Funds	Endowment Fund	Unrestricted Funds
	£	£	£	£
Investment Properties	31,865,896	-	29,818,293	-
Other investments	732,310	-	651,087	-
Debtors (net of Bad Debt Provision)	-	991,456	-	927,800
Cash at Bank	104,327	1,922,448	104,326	391,315
Creditors - Amounts falling due within one year	(180,283)	(2,210,456)	(180,283)	(904,772)
Creditors - Amounts falling due after one year	-	(40,879)	-	(40,879)
Long Term Borrowing	(1,802,828)	-	(1,983,110)	-
	30,719,422	**662,569**	**28,410,313**	**373,464**

12. TRANSACTIONS WITH RELATED PARTIES

NCC elected members are representing the Council as sole trustees of the Bridge Estate and any related party transactions must be disclosed in accordance with Charity SORP.

A loan of £3,922,881 was approved in 2012/13 to assist in the purchase of an investment property, this loan is for a period of 20 years and for accounting purposes is treated as long term borrowing. The payment started annually on the 31 March 2014. The payments will be made up of £180,283 principal and 2.70% pa interest on the average loan balance in the year. In 2021/22 the Bridge Estate paid £55,978 interest (£60,845 2020/21), which is shown within the SoFA under Other Expenditure and short term creditors, while the outstanding long term borrowing at the 31 March 2022 is £1,802,828 (£1,983,110 2020/21) which is shown in the balance sheet.

Monies due from NCC and other group entities (Robin Hood Energy and Nottingham City Homes) at the end of the financial year to the Bridge Estate was £313,959 (£557,115 2020/21). Monies owed to NCC and group entities was £1,823,045 (£713,589 2020/21).

In addition to transactions involving investments and cash balances, there are other transactions between the Charity and the City Council in respect of the day-to-day operations of the Charity.

In the year to 31 March 2022 various City Council departments and other Council group entities paid a sum of £407,632 (£627,370 2020/21) in respect of investment properties let by the Charity at current market rents subject to periodic reviews and related service charges. This income is included in the SoFA.

NCC charged the Bridge Estate £140,550 in the year to 31 March 2022 (£159,200 2020/21) in respect of officers' time and management and maintenance of properties. Of this total it is estimated that £46,090 (£40,070 2020/21) is attributable to the governance of the Charity. These costs relate to the preparation of the final accounts, valuation fees, legal fees and attendance and preparation for the Trusts and Charities Committee meetings.

The Charity had a credit of £7,858 (charge of £18,962 2020/21) for grounds maintenance and contract cleaning, while insurance was a credit of £20,760 (charge of £20,760 2020/21) with to NCC. These transactions are shown within Raising Funds in the SoFA.

Surplus of income over expenditure during the year is transferred to NCC's General Fund for the improvement of the City of Nottingham and the public benefit of its inhabitants £1,000,000 (£1,545,000 2020/21).

During the current financial year, trustees received remuneration of £nil (£nil 2020/21) and had expenses reimbursed of £nil (£nil 2020/21).

Independent Auditor's Report to the Trustees of Bridge Estate

Opinion

We have audited the financial statements of Bridge Estate (the 'charity') for the year ended 31 March 2022 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 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 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 other information comprises the information included in the trustees annual report2, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the 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; 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 13, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, which includes how we have assessed risk and our approach to responding to risks identified:

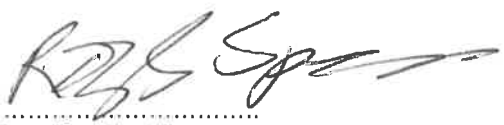
- Ensuring that the Audit Team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, with specific susceptible areas (e.g. property valuation) having been outlined at the planning stage.
- Enquiry of management and those charged with governance around actual and potential litigation and claims and fraudulent transactions.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



Rogers Spencer
Statutory Auditor

Newstead House
Pelham Road
Nottingham
NG5 1AP

6/12/22

Date

Rogers Spencer is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BRIDGE ESTATE

England & Wales - Charity number 220716

Accounts

BRIDGE ESTATE

ANNUAL REPORT

for the year ended 31 March 2021

Registered Charity Number: 220716

CONTENTS

Page	Details
3	Report of the Trustees for the year ended 31st March 2021
3	Objectives and activities for the public benefit
4	Strategies adopted in the management of the property portfolio
5	Achievements and Performance
5	Financial Review
7	Plans for future periods
8	Structure, Governance and Management
11	Reference and administrative details
12	Responsibilities of the Trustees
13	Statement of Financial Activities
14	Balance Sheet
15	Notes to the financial statements
24	Independent Auditor's Report

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

The trustees present their annual report and financial statements of the charity for the year ended 31st March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The maintenance and repair of Trent Bridge and approaches remains the primary objective of the charity. Trent Bridge is the major vehicle communication route from the south of the City and is critical in bringing economic benefit to the City. This is increasingly important in light of the downturn in the global and national economy. The bridge is open to the public at large, assuring public benefit on an open access basis. There are no restrictions regarding the members of the public who may use the bridge and no fees are charged.

The Trustees' Annual Report for the year ending 31 March 2021 confirms that any residual income would be applied to the improvement of the City of Nottingham in support of the Council's aims and objectives, as set out in the Council Plan and Medium Term Financial Strategy. This is delivered through the maintenance and protection of the Trust's portfolio of income producing assets.

The surplus income generated by the charity is transferred to Nottingham City Council's (NCC) General Fund and is used for the benefit of the citizens of Nottingham. As referred to above, the surplus contributes directly to the delivery of Nottingham's priorities as set out in the Council Plan and enables the Council to provide the citizens of Nottingham with effective and efficient services.

The Bridge Estate fixed asset portfolio will be actively managed to secure new investment properties, increase income and reduce risk in an uncertain market.

The Bridge Estate's transfer to NCC's General Fund also represents an equivalent saving for Nottingham citizens who pay council tax on a Band D property of £18.29 (£22.95 2019/20).

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives.

Objectives

The initial sole objective of the Bridge Estate was the provision of funds for the maintenance and repair of Trent Bridge. However, by the late nineteenth century the income generated by the Estate was in excess of that required for maintenance of Trent Bridge and consequently the objectives of the Estate were extended by virtue of section 78 of the Nottingham Corporation Act 1882.

The Bridge Estate's charitable objectives are now threefold:

1. To provide for the efficient maintenance and repair of Trent Bridge and the approaches to it.
2. To provide a contingency fund for the possible construction of such new bridge or bridges over the River Trent as may be found necessary or desirable.
3. To apply the residue of any income as the trustees thinks best for the improvement of the City of Nottingham and the public benefit of its inhabitants.

Main objectives for the financial year 2021/22 -

1. To ensure the necessary financial provision is available if required to provide a vehicle and pedestrian communication link for the City of Nottingham via Trent Bridge.

2. Surplus revenue generated by the Charity to be invested through NCC to support the City Council's aims and objectives for the city as set out in the Council Plan and the Medium Term Financial Strategy.

3. The continued development of the Trust's property portfolio with a view to minimizing the risk of exposure to adverse economic conditions and protecting and increasing its income and capital value of its assets.

Strategies adopted in the management of the property portfolio

The Bridge Estate's stated objectives of setting up a contingency fund for the maintenance and repair of Trent Bridge and to accumulate a fund to build a new bridge, should this be necessary, is effectively met by the management of the property portfolio. In practice, although properties could either be sold or mortgaged to fund such expenditure, the current local government context means that there are more efficient and effective ways of raising the funds required to maintain or to replace Trent Bridge. NCC is able to earmark funds from the Local Transport Plan for this purpose and substituting Bridge Estate funds would unnecessarily run down the value of the portfolio. Trent Bridge forms part of the adopted highway network, with maintenance and repairs overseen by the Highway Authority, with the Bridge Estate providing funds as necessary for the carrying out of these works.

Funds generated by the Bridge Estate holding, either through day-to-day operations or sale/mortgage would, in this context, only be applied where other funding routes have been exhausted. For the latter option, Trustees recognise that the ability to generate the level of sales required to replace the Trent Bridge would be difficult to achieve in the short-term and in any case could not meet the full cost of replacing the structure – further confirming the need of working, where possible, within the current local government financial context. There is a further restriction on the ability to generate funds in this way through the possibility that historic restrictions on the disposal of specific 'endowed' properties may exist.

The property portfolio includes a number of commercial properties including: retail; office; industrial; ground leases; agricultural holdings; and a miscellaneous range of other properties.

Investment risk whilst held in a single investment class (except money held on interest awaiting reinvestment) is in effect spread through the diverse range of property type, location and tenure.

To maximise return on investment, the Charity is obliged to let properties at full market rent and lettings on full repairing and insuring terms where it is practical to do so. In the case of multi occupied premises where the landlord is responsible for external repairs, heating, cleaning common parts, insurance etc., the costs are generally recovered by way of additional service charge.

The rents of properties leased for a term of years are reviewed in accordance with the terms of the agreement and current market conditions and short term 'periodic' tenancies are generally reviewed every 3 years. In the case of expiring leases, these are either renewed on negotiated terms or marketed for re-letting where the original lessee does not wish to continue. In all cases, terms will be negotiated to secure the best outcome for the Charity including where possible an increased rent unless there are other objectives that the Trustees wish to secure.

ACHIEVEMENTS and PERFORMANCE

The sole activity of the Bridge Estate is investing, through property ownership, to generate income that is utilised for the objectives of the Charity and to increase rental income and to grow the capital value of its assets, to further the charitable purposes to maintain Trent Bridge and for the benefit of the citizens of Nottingham. Strategic Assets and Property, a division of NCC's Development and Growth Department, manage the property portfolio on behalf of Bridge Estate. A dedicated Chartered Surveyor is assigned to this role.

In summary, the following has been undertaken over the past 12 months:

- Unit 25 Whitemoor Court - terms for a new lease have been agreed with completion expected early 2021/2022
- 140 Vernon Road – terms for a new short-term lease have been agreed with completion expected early 2021/2022
- Part of Building No. 2, Woolsthorpe Depot, Woolsthorpe Close – terms agreed for a 5 year agreement with completion expected early 2021/2022
- Alexander Fleming Building – terms have been agreed for a new lease with completion anticipated early 2021/2022
- Upper Floors, Century House, 8-16 Chapel Bar – expenditure approved for refurbishing the WC facilities with the works expected to be carried out during 2021/2022
- Governors House & Judges Retiring Rooms, High Pavement – refurbishment works remain ongoing and terms for lease have been agreed with a prospective tenant with completion on both matters expected early 2021/2022.
- Land situated off Wigman Road, Bilborough – terms have been agreed to re-gear part of an existing long ground lease subject to a premium payment with completion anticipated early 2021/2022
- Trent Bridge – the re-painting and undertaking of conservation reinstatement works were completed in September 2020.

There is an ongoing review of the portfolio to identify older assets held by the Trust which could be sold and generate investment capital. Should disposals be approved by the Trustees, total capital reserves will provide the Trust with the opportunity to secure positive reinvestment in the portfolio, either through the acquisition of new assets or the improvement or refurbishment of existing properties.

The Strategic Property service has continued to secure tenant demand for investment properties, although in common with the market generally, there has been little by way of rental growth during the last year. The policy remains, however, to achieve market rates for rental, ensuring the charity receives value for money.

FINANCIAL REVIEW

The financial statements of the Bridge Estate are included in the following pages. The statements include comparative figures for the previous year and consist of the following:

- **Statement of Financial Activities (SoFA)** is a single accounting statement with the objective of showing all incoming resources and resources expended by the charity in the year on all its funds.

- **Balance Sheet** setting out the assets, liabilities and funds of the Trust;
- **Notes to Financial Statements** explaining the accounting policies adopted and explanations of information contained in the Financial Statements.

The Trustees confirm that the Trust's assets are available and adequate to fulfill the obligations of the Trust. Nottingham City Council is required to publish International Financial Reporting Standards (IFRS) compliant accounts. The Bridge Estate forms part of NCC's Group Accounts, and therefore the accounts have been consolidated on this basis. No adjustments were required to these accounts upon consolidation.

Covid-19 Pandemic

The Government declared a public health emergency on 16th March 2020 and enacted legislation to regulate society and help the country weather the impact of the pandemic and lead to recovery. This legislation was in place for the whole of 2020/21 in various forms with measures changing in line with the scale and effects of the pandemic.

Bridge Estate has sufficient reserves to cover any short-term effects of Covid-19, any longer term impact from Covid-19 could reduce the Charity's annual surplus which will mean that the amount transferred to NCC's General Fund will be reduced accordingly.

Policy on reserves

The Charity may hold reserves or funds to even out the financial impact of significant costs for any particular year. The Charity's objectives state that any residue of any income should be used for the improvement of the City of Nottingham and the public benefit of its inhabitants, therefore any remaining surplus of income over expenditure during the year is transferred to NCC's General Fund.

The actual Surplus transferred was £1,545,000 for 2020/21 (£1,545,000 2019/20). Further details on reserves can be found in the notes to the accounts.

Investment Policy

The Investment Policy is to seek to achieve an absolute return over the long term in order to meet increases in expenditure and maintain the Trust's fund in real terms. Any funds generated by the sale of property are temporarily invested until a new investment opportunity is identified by the property manager, in consultation with the Trusts and Charities Committee. When investing surplus Bridge Estate Funds, NCC adhere to their Investment Strategy which complies with the Local Government Act 2003 in support of obtaining the best yield for the Trust.

Risk Management

The Bridge Estate adopts the NCC's Risk Management Policy, tailored as appropriate for the Trust. The Trustees are committed to a programme of risk management to protect the Charity's assets. A Risk Register is held which identifies the key risks and the measures in place to mitigate such risks. Procedures are also in place to ensure that appropriate advice and support is provided to Trusts and Charities Committee as and when required.

Review of financial position

Below is a summary of the income generated and resources expended:

	2020/21 (£)	2019/20 (£)
INCOMING RESOURCES	**(2,147,027)**	**(2,390,780)**
RESOURCES EXPENDED		
Surplus transferred to NCC General Fund	1,545,000	1,545,000
Raising Funds	127,258	254,874
Charitable Activities	835,081	168,278
Other	60,844	65,713
Increase / (Decrease) in Loss Allowance	121,603	68,380
Net Contribution to / (from) reserves	(542,759)	288,535
	2,147,027	**2,390,780**

PLANS FOR FUTURE PERIODS

A property investment portfolio is a dynamic resource and needs to be actively managed if it is to develop and resist the effects of economic change. The principal focus should be on proactive management of the portfolio's income profile, maximising income from existing properties, acquiring prime assets in favour of secondary stock where possible and developing a mix of investments aimed at creating stability, secure income, capital and revenue growth and minimised risk.

The current portfolio includes some of these elements:

- A diverse range of assets offering some security against the decline of a specific market sector
- Revenue supported by a range of income generating investments including the modern industrial units, some quality office and retail space
- Secure ground lease investments providing strong capital growth and strategic control of land use.
- An opportunity to buy in leases within its own assets, securing the benefit of marriage value

In recent years the Portfolio has been partially rebalanced with the disposal of a number of management intensive, low income producing assets and the acquisition of two prime investments. In times of economic recession, the portfolio will still be susceptible to loss of income through a stagnated rental market and the risk of voids but the range of investments helps to mitigate this risk.

The Trust holds some good quality assets evidenced by the Alexander Fleming Building at the Nottingham Science Park, retail premises on Lister Gate/Wheeler Gate and offices at Century House on Chapel Bar and Castle Marina.

The strategy is based on the following principles:

- A dedicated investment resource of circa £0.5m to fund acquisitions and capital investment. This is sourced from existing capital and receipts from selected disposals.

- All assets in the portfolio to be rated on their potential for retention or disposal with a view to actively pursuing early disposal in selected cases.

- That specific opportunities be identified for using additional investment resources for the improvement of existing assets where it can be demonstrated the investment will generate

increased income or maintain income otherwise at risk. This might include the refurbishment of offices or workspace or buying in leasehold interests to provide an asset that is more attractive to a potential tenant.

- That opportunities for strategic acquisitions be brought to future committees for consideration where it can be demonstrated they will:

    - Secure income generation
    - Good potential for rental growth
    - Resilience to changing economic conditions

- An annual review of the policy for disposals and acquisitions looking at projections for the forthcoming year and the influence of opportunities secured in the previous year.

- The exploration of opportunities within the portfolio where value can be secured through strategic acquisition of third party interests, securing planning consent where it is beneficial and is considered to add value to potential disposals

- Maintaining and developing existing income through selective investment in assets identified for retention.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure of the charity

Bridge Estate is a charity of which NCC elected members are representing the Council as sole trustee of the Bridge Estate Charity.

All transactions relating to the Bridge Estate are subject to the same Financial Regulations and procedures as those relating to land and property held by NCC. The Annual Report and Financial Statements are reported to and approved by Councillors of the Trusts and Charities Committee each year.

Governing document

Royal Charter Dated 21 February 1551.

The earliest mention discovered of the Bridge Estate is in 1302. From that date various bequests of land and property were made, the income from which was devoted to the maintenance of bridges over the River Trent.

In 1550, Edward VI made a grant by charter of the “lands, tenements and hereditaments” of two monasteries which had been dissolved by his father Henry VIII. The grant was made to the “Mayor and Burgesses of the town of Nottingham, and to their successors for ever”, and was stated to be to fulfill a promise of Henry VIII “in consideration of the great charges and expenses daily sustained by his well-beloved the Mayor and Burgesses of his town of Nottingham in and about the mending, sustaining and repairing of their bridges over the water of Trent".

Bridge Estate was thus created by Royal Charter on 21 February 1551 with the then Corporation as sole

trustee.

It was established in 1945 that Bridge Estate was and had from the beginning been a Charity. Consequently, the property of the Estate and the Council elected members as Trustees, are subject to the law affecting charitable trusts, the jurisdiction of the Charity Commissioners and the provisions of the Charities Act 2011, various statutes and the provisions of Charity Law.

Trustees' selection methods

Nottingham City Council (NCC) elected members are the Council's representatives for the Bridge Estate.

NCC has elected members who are elected on a 4 year cycle. The following table details the councillors / trustees for the financial year 1 April 2020 to 31 March 2021 and also includes any post year trustee movements:

Councillor Adele Williams	Councillor Leslie Ayoola
Councillor AJ Matsiko	Councillor Linda Woodings
Councillor Andrew Rule	Councillor Maria Joannou
Councillor Angela Kandola	Councillor Maria Watson
Councillor Angharad Roberts	Councillor Merlita Bryan
Councillor Anne Peach	Councillor Michael Edwards
Councillor Audra Wynter	Councillor Mohammed Saghir
Councillor Audrey Dinnall	Councillor Neghat Khan
Councillor Azad Choudhry	Councillor Nick Raine
Councillor Carole McCulloch	Councillor Nicola Heaton
Councillor Cate Woodward	Councillor Patience Ifediora
Councillor Chantal Lee	Councillor Pavlos Kotsonis
Councillor Cheryl Barnard	Councillor Phil Jackson
Councillor Dave Liversidge	Councillor Rebecca Langton
Councillor David Mellen	Councillor Roger Steel
Councillor David Trimble	Councillor Rosemary Healy
Councillor Ethan Radford	Councillor Sajid Mohammed
Councillor Eunice Campbell-Clark	Councillor Sally Longford
Councillor Georgina Power	Councillor Salma Mumtaz
Councillor Graham Chapman	Councillor Sam Webster
Councillor Gul Khan	Councillor Samuel Gardiner
Councillor Hassan Ahmed	Councillor Shuguftah Quddoos
Councillor Jane Lakey	Councillor Steve Battlemuch
Councillor Jawaid Khalil	Councillor Sue Johnson
Councillor Jay Hayes	Councillor Toby Neal
Councillor Kevin Clarke	Councillor Wendy Smith
Councillor Kirsty Jones	Councillor Zafran Khan
Councillor Lauren O'Grady	

Trusts and Charities Committee

Councillors are appointed to membership of the Trusts and Charities Committee by full Council to fulfil the Council's responsibilities as Trustees. The Constitution allows that where in-year changes are required to memberships, either at the request of the relevant political group or because a member has resigned or ceased to be eligible for membership, the Corporate Director of Finance and Resources has the authority to action those changes subject to political balance being preserved where applicable and to the changes made being reported to the next meeting of Council. Details of membership will be updated and published on the Council's website on an ongoing basis. The following is the current list of the Trusts and Charities Committee appointed members who approve the Annual Report and financial statements for the financial year 1 April 2020 to 31 March 2021:

Councillor Sajid Mohammed (Chair)
Councillor Sam Gardiner
Councillor Rosemary Healy
Councillor Sue Johnson
Councillor Anne Peach
Councillor Ethan Radford
Councillor Angharad Roberts
Councillor Audra Wynter
Councillor Andrew Rule

Induction and training of Trusts and Charities Committee

Following appointment, councillors are invited to attend an induction which includes training on their role and responsibilities on behalf of the Trustees, with particular regard to the public benefit requirement. The historical background, policies and procedures of Bridge Estate are also covered and the councillors receive copies of Charity Commission published guidance.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Bridge Estate
Charity Number	220716
Registered Address	Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Charity's Trustees	Councillors of Nottingham City Council
Day to Day Management	Director of Economic Development & Property Directorate Loxley House Station Street Nottingham NG2 3NG
Auditors	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
Financial Advisor	Corporate Director of Finance ad Resources Nottingham City Council Loxley House Station Street Nottingham NG2 3NG
Bankers	Lloyds Bank Parliament Street Nottingham 12-16 Lower Parliament Street Nottingham NG1 3DA

RESPONSIBILITIES OF THE TRUSTEES

The Trustees' Responsibilities

The trustees 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 2019 SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm, so far as they are aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 21/07/2021

Cllr Sajid Mohammed (Chair), Signed for the Trustees

The notes form part of these accounts.

Statement of Financial Activities for the year ending 31 March 2021

	2020/21			2019/20		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:						
Other Trading Activities	(2,124,020)	-	**(2,124,020)**	(2,301,525)	-	**(2,301,525)**
Investments	(1,017)	-	**(1,017)**	(9,950)	-	**(9,950)**
Other	(21,990)	-	**(21,990)**	(79,305)	-	**(79,305)**
Total	**(2,147,027)**	**-**	**(2,147,027)**	**(2,390,780)**	**-**	**(2,390,780)**
Expenditure on:						
Raising Funds	-	127,258	**127,258**	-	254,874	**254,874**
Charitable Activities	50,220	784,861	**835,081**	50,665	117,613	**168,278**
Charitable Activities - Transfer to NCC	1,545,000	-	**1,545,000**	1,545,000	-	**1,545,000**
Increase / (Decrease) in Loss Allowance	121,603	-	**121,603**	68,380	-	**68,380**
Other	-	60,844	**60,844**	-	65,713	**65,713**
Total	**1,716,823**	**972,963**	**2,689,786**	**1,664,045**	**438,200**	**2,102,245**
Net (income) /expenditure	**(430,204)**	**972,963**	**542,759**	**(726,735)**	**438,200**	**(288,535)**
Transfer between Funds	1,033,058	(1,033,058)	**-**	923,622	(923,622)	**-**
Other Recognised (Gains)/Losses						
(Gains)/losses on Revaluation of Investment Properties	-	311,179	**311,179**	-	(111,051)	**(111,051)**
(Gains)/losses following Fair Value assessment of Financial Investments	-	(123,686)	**(123,686)**	-	1,741	**1,741**
Other (gains)/losses	-	-	**-**	-	(31,046)	**(31,046)**
Net Movement in Funds	602,854	127,398	**730,252**	196,887	(625,778)	(428,891)
Reconciliation of Funds						
Total Funds Brought Forward	(976,318)	(28,537,711)	**(29,514,029)**	(1,173,205)	(27,911,933)	**(29,085,138)**
Total Funds Carried Forward	**(373,464)**	**(28,410,313)**	**(28,783,777)**	**(976,318)**	**(28,537,711)**	**(29,514,029)**

Balance Sheet as at 31st March 2021

	Note	2020/21 (£)	2019/20 (£)
Fixed Assets			
Property Investments	6	29,818,293	29,952,336
Investments at Fair Value through Statement of Financial Activities	7	651,087	527,401
Total Fixed Assets		**30,469,380**	**30,479,737**
Current Assets			
Debtors (net of Bad Debt Provision)	8	927,800	779,304
Cash at Bank	8	495,641	1,341,228
Total Current Assets		**1,423,441**	**2,120,532**
Liabilities			
Creditors - Amounts falling due within one year	9	(1,085,055)	(881,958)
Net Current Assets		**338,386**	**1,238,574**
Total Assets Less Current Liabilities		**30,807,766**	**31,718,311**
Creditors - Amounts falling due after one year	9	(40,879)	(40,879)
Long Term Borrowing	9	(1,983,110)	(2,163,403)
NET ASSETS		**28,783,777**	**29,514,029**
The Funds of the Charity			
Endowment Fund		(28,410,313)	(28,537,711)
Unrestricted Funds		(373,464)	(976,318)
TOTAL CHARITY FUNDS		**(28,783,777)**	**(29,514,029)**

Approved by the Trusts and Charities Committee and signed on behalf of Nottingham City Council by:

Date: 21/07/2021

Clive Heaphy - Corporate Director of Finance and Resources

Date: 21/07/2021

Cllr Sajid Mohammed (Chair), Signed for the Trustees

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

General Principles

The Annual Report summarises the Bridge Estate transactions for 2020/21 financial year together with its financial position at 31 March 2021.

This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate. Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

Basis of preparation and assessment of going concern

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The cash flow statement forms part of the Nottingham City Council's group accounts.

The Trust constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income Recognition

Income receipts are accrued and accounted for in the period to which they relate. Payments received in advance are recognised as a liability on the balance sheet within creditors.

Rental income is recorded when the invoices are raised and become due for payment.

Expenditure Recognition

All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year-end for goods or services received or work completed. Receipts received in advance are recognised as an asset on the balance sheet within debtors. Expenditure is classified under the following activity headings:

Raising Funds

Costs of raising funds includes premises expenses, which includes day to day maintenance, insurance and external audit fees. These are initially charged against the Endowment Fund in the SoFA, as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer between Funds.

Charitable Activities

The costs of governance arrangements, which relate to the general running of the charity, as opposed to direct management functions inherent in generating funds, service delivery and programme. These activities provide the governance infrastructure, which allows the charity to operate and to generate the information required for public accountability.

Charitable Activities – Transfer to NCC

The net expenditure or income of the Bridge Estate is transferred to NCC's General Fund for the benefit of the citizens of Nottingham.

Other

Expenditure which does not fall into any of the above categories, such as interest and principal loan repayments.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Other recognised Gains/(losses)

The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.

The gains/(losses) on revaluation of investment assets represents material changes in property valuations.

Fixed Assets

Investment properties

Investment properties are those used solely to earn rentals and/or for capital appreciation for the Bridge Estate. Investment properties are measured initially at cost. They are not depreciated but are revalued annually according to market conditions at year-end.

Due to the current pandemic the 2020/21 valuations have been carried out in accordance with current RICS guidance and any subsequent effect on valuations will be undertaken in 2021/22. Gains and losses on revaluation and on disposal are shown within the SOFA. However as revaluation and disposal gains and losses are not allowed by statute to impact on the financial activities of the Bridge Estate, they do not form part of the income and expenditure totals, but provide details within the SOFA of the movement on the Endowment Fund. Any sale proceeds are posted to the Endowment Fund.

Rental income from investment properties is credited to investment income within the SOFA.

Where land or property is held as a community asset, dedicated for the enjoyment of the public in perpetuity they are given a value of £NIL.

Other investments

Other investments are included in the Balance Sheet at market value and include loans and government stocks.

Accruals of Expenditure and Income

The accounts of the Bridge Estate are maintained on an accruals basis. This means that sums due to or from the Bridge Estate during the year are included whether or not the cash has actually been received or paid in the year. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the SOFA adjusted accordingly. Fees, charges and rents due from customers are accounted for as income at the date that the Bridge Estate provides the associated goods or services.

This policy is not followed for certain quarterly payments, including gas and electricity, where expenditure is recorded at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and, therefore, does not have a material effect on the year's accounts.

Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the SoFA for the income that might not be collected. This bad debt provision is offset against the debtor

balance on the balance sheet.

Due to the current pandemic Bridge Estate has increased it bad debt provision by c35%, to take into account any amounts which Bridge Estate will be unable to collect from tenants in financial difficulty. In many cases, the value to be entered in respect of accrued transactions will be certain.

In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the likely value.

Cash

Cash is represented by deposits held within the Bridge Estate bank account.

Funds of the Charity

Endowment fund

The capital of the Bridge Estate is held as a permanent endowment fund. There is no power to convert the capital into income; the fund must generally be held indefinitely.

Unrestricted income fund

This fund has been established so that the cost of repairing Trent Bridge was spread out and does not impact on the finances of the Charity in a particular year. In 2006/07 an additional Renewal and Repairs Fund was set up to meet the cost of repairs to the housing stock held by the Bridge Estate. Annual contributions are made to the fund and repairs costs are charged to the SoFA in the year they are carried out, with transfers being taken from the fund.

The income from the fund is unrestricted income but it is expendable at the discretion of the active trustees in the furtherance of the charity's objectives.

2. Tax status of the Bridge Estate

Bridge Estate is a registered charity and is therefore exempt from income tax and capital gains tax on income and gains falling within S531 ITA 2007 and S256 CGA 1992. Nottingham City Council is the sole trustee of the Bridge Estate and, in accordance with VAT notice 749, is entitled to recover VAT incurred on the expenditure of the Bridge Estate under section 33 of the VAT Act 1994.

3. Summary of Fund Movements

	2020/21			2019/20		
	Endowment Fund	**Unrestricted Funds**	**TOTAL**	**Endowment Fund**	**Unrestricted Funds**	**TOTAL**
	£	**£**	**£**	**£**	**£**	**£**
Balance B/fwd	(28,537,711)	(976,318)	**(29,514,029)**	(27,911,933)	(1,173,205)	**(29,085,138)**
Incoming Resources	-	(2,147,027)	**(2,147,027)**	-	(2,390,780)	**(2,390,780)**
Outgoing Resources	972,963	1,716,823	**2,689,786**	438,200	1,664,045	**2,102,245**
Transfers	(1,033,058)	1,033,058	**-**	(923,622)	923,622	**-**
Gains and Losses	187,493	-	**187,493**	(109,310)	-	**(109,310)**
Other Movements	-	-	**-**	(31,046)	-	**(31,046)**
Balances C/fwd	**(28,410,313)**	**(373,464)**	**(28,783,777)**	**(28,537,711)**	**(976,318)**	**(29,514,029)**

Incoming Resources

As a general rule, incoming capital resources to the Bridge Estate are generated by the sale of investment properties or the payment of premiums in respect of the re-gearing of long leaseholds. The Bridge Estate capital fund is a permanent endowment fund which means that it cannot usually be spent as income. Thus, any income generated by the sale of freehold land or buildings, or the re-gearing of long leaseholds on payment of a premium, must be reinvested in the purchase or improvement of freehold land and buildings.

At the discretion of the Charity Commission, funds may be spent on infra-structure assets but any sum spent will have to be recouped and the capital fund replenished.

Other Recognised (Gains)/Losses

The annual revaluation of the property portfolio has been completed in 2020/21 resulting in a loss on revaluation of assets of £311,179.

Unrestricted income fund

During 2020/21 the Bridge Repairs Fund was fully drawn down to pay for the works carried out in year, meaning a drawdown of £590,463 (£72,000 contribution 2019/20), while the unrestricted funds had a contributions of 47,702 (£216,535 2019/20).

4. Income and Expenditure Detailed Analysis

	2020/21 £	2019/20 £
INCOME		
Rent (net of movement in Loss Allowance)	(1,903,994)	(2,172,935)
Service Charges	(98,423)	(60,210)
Interest Received	(1,017)	(9,950)
Other	(21,990)	(79,305)
	(2,025,424)	**(2,322,400)**
EXPENDITURE		
Raising Funds		
Agency and Contracted Services		
Cleaning	597	7,448
Grounds Maintenance	18,365	22,749
Investment Management Costs		
Business Rates	17,708	108,362
Energy Costs	42,826	50,375
Insurance	20,760	20,760
Property Maintenance	1,095	7,029
Rent Collection	27,428	23,326
Supplies and Services	34,641	33,172
Water Charges	4,798	623
Charitable Activities		
Surplus transferred to NCC General Fund	1,545,000	1,545,000
Property Repairs (inc Bridge)	624,772	(18,970)
Audit Costs	10,150	10,950
Support Costs		
Management and Administration	159,200	157,328
Other		

Interest Payable	60,845	65,713
Movement to Funds		
Contribution to / (from) Repairs Fund	(590,463)	72,000
Contribution to / (from) Unrestricted Fund	47,702	216,535
	2,025,424	**2,322,400**

5. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other costs is shown below:

2020/21					
	Total	**Governance Related (*)**	**Other Support Costs**	**SOFA Category**	**Basis of Apportionment**
	£	**£**	**£**		
Audit Fees	**10,150**	10,150	-	Charitable Activities	External Provider's Annual Fee
Computer Costs	**17,100**	-	17,100	Charitable Activities	Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Charitable Activities	Staff Time
Valuation Fees	**86,960**	16,522	70,438	Charitable Activities	Asset Valuation Costs/Staff Time
	169,350	**50,220**	**119,130**		

2019/20					
	Total	**Governance Related (*)**	**Other Support Costs**	**SOFA Category**	**Basis of Apportionment**
	£	**£**	**£**		
Audit Fees	**10,950**	10,950	-	Charitable Activities	External Provider's Annual Fee
Computer Costs	**17,100**	-	17,100	Charitable Activities	Software Usage
Recharged Staff Costs	**55,140**	23,548	31,592	Charitable Activities	Staff Time
Valuation Fees	**85,088**	16,167	68,921	Charitable Activities	Asset Valuation Costs/Staff Time
	168,278	**50,665**	**117,613**		

(*) Governance Related Costs are met entirely from Unrestricted Funds.

6. Investment Property

Investment property represents assets owned by the Bridge Estate, primarily property and buildings all situated in the United Kingdom. The portfolio of property is mainly investment properties which are valued by Nottingham City Council Property Service Chartered Surveyor (member of the Royal Institution of

Chartered Surveyors) and in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards Manual (the Red Book). Properties held by the Bridge Estate are non-operational properties and as such, the valuation is on the basis of open market value. This area is managed by the Director of Economic Development and Property.

Investment properties in the portfolio are valued at market value in accordance with the Charities SORP. Some properties have a de-minimis value of £NIL as they are community assets, dedicated for the enjoyment of the public in perpetuity.

Assets that are sold are re-valued pending sale and written out of the accounts at this value.

Analysis of the movement in Investment Property	**2020/21 (£)**	**2019/20 (£)**
Carrying value (market value) at beginning of year	29,952,336	29,841,285
Add: Additions to investments at cost	-	-
Add: Capital Expenditure Incurred	177,136	-
Less: Disposals at carrying value	-	-
Add/deduct: Net gains/(losses) on revaluation	(311,179)	111,051
Carrying value (market value) at end of year	**29,818,293**	**29,952,336**

The following properties whose value is greater than £1m, are considered to be material in the context of the investment property list:

Property	**Value 2020/21 £**	**Value 2019/20 £**
Century House, 8-18 Chapel Bar	1,501,632	1,358,026
Woolsthorpe Close, Off Wigman Road, Bilborough	3,655,902	3,866,084
Eastcroft Depot, London Road	2,900,000	2,900,000
The Alexander Fleming Building, Nottingham Science and Technology Park, University Boulevard	2,000,000	1,496,235
34-38 Lister Gate	1,795,000	3,706,007
Units 21-29, Whitemoor Court, Nuthall Road	3,458,353	3,259,238
14-16 Wheeler Gate	995,535	1,125,000

7. Other Investments

	2020/21 £	**2019/20 £**
Government Stocks	1,385	1,385
COIF Accumulation Units	649,702	526,016
	651,087	**527,401**

Analysis of the movement in Other Investments	2020/21 £	2019/20 £
Carrying value (market value) at beginning of year	527,401	529,142
Add/deduct: Net gains/(losses) on revaluation	123,686	(1,741)
Carrying value (market value) at end of year	**651,087**	**527,401**

8. Analysis of current assets

Debtors	2020/21 £	2019/20 £
Trading Activities	370,685	461,662
Amounts due from subsidiary and associated undertakings	557,115	317,642
	927,800	**779,304**

Cash	2020/21 £	2019/20 £
Cash at bank	495,641	1,341,228

9. Analysis of current liabilities and long term creditors

	2020/21 £	2019/20 £
Amounts due to subsidiary and associated undertakings (including subsidiary Receipts in Advance)	(713,589)	(487,125)
Other creditors	(153,728)	(308,287)
Receipts in Advance	(217,738)	(86,546)
	(1,085,055)	**(881,958)**

	2020/21 £	2019/20 £
Rent Bonds	(40,879)	(40,879)
Long Term Borrowing	(1,983,110)	(2,163,403)
	(2,023,989)	**(2,204,282)**

10. Analysis of Lessor Operating Leases

	2020/21 £	2019/20 £
Not later than one year	1,115,530	1,674,952
Between one and five years	1,858,536	2,833,420
Later than five years	11,503,029	11,674,306
Total	**14,477,095**	**16,182,678**

11. Analysis of net assets between funds

	2020/21		2019/20	
	Endowment Fund £	Unrestricted Funds £	Endowment Fund £	Unrestricted Funds £
Investment Properties	29,818,293	-	29,952,336	-
Other investments	-	651,087	-	527,401
Debtors (net of Bad Debt Provision)	-	927,800	-	1,019,536
Cash at Bank	755,413	(259,772)	929,061	412,167
Creditors - Amounts falling due within one year	(180,283)	(904,772)	(180,283)	(941,907)
Creditors - Amounts falling due after one year	-	(40,879)	-	(40,879)
Long Term Borrowing	(1,983,110)	-	(2,163,403)	-
	28,410,313	**373,464**	**28,537,711**	**976,318**

12. TRANSACTIONS WITH RELATED PARTIES

NCC elected members are representing the Council as sole trustees of the Bridge Estate and any related party transactions must be disclosed in accordance with Charity SORP.

A loan of £3,922,881 was approved in 2012/13 to assist in the purchase of an investment property, this loan is for a period of 20 years and for accounting purposes is treated as long term borrowing. The payment started annually on the 31 March 2014. The payments will be made up of £180,283 principal and 2.70% pa interest on the average loan balance in the year. In 2020/21 the Bridge Estate paid £60,845 interest (£65,713 2019/20), which is shown within the SoFA under Other Expenditure and short term creditors, while the outstanding long term borrowing at the 31 March 2021 is £1,983,110 (£2,163,403 2019/20) which is shown in the balance sheet.

Monies due from NCC and other group entities (Robin Hood Energy and Nottingham City Homes) at the end of the financial year to the Bridge Estate was £557,115(£317,642 2019/20). Monies owed to NCC and group entities was £713,589 (£487,125 2019/20).

In addition to transactions involving investments and cash balances, there are other transactions between the Charity and the City Council in respect of the day-to-day operations of the Charity.

In the year to 31 March 2021 various City Council departments and other Council group entities paid a sum of £627,370 (£577,434 2019/20) in respect of investment properties let by the Charity at current market rents subject to periodic reviews and related service charges. This income is included in the SoFA.

NCC charged the Bridge Estate £159,200 in the year to 31 March 2021 (£157,328 2019/20) in respect of officers' time and management and maintenance of properties. Of this total it is estimated that £40,070 (£39,715 2019/20) is attributable to the governance of the Charity. These costs relate to the preparation of the final accounts, valuation fees, legal fees and attendance and preparation for the Trusts and Charities Committee meetings.

The Charity had a charge of £18,962 (£30,197 2019/20) for grounds maintenance and contract cleaning, while insurance costs of £20,760 (£20,760 2019/20) was paid to NCC. These transactions are shown within Raising Funds in the SoFA.

Surplus of income over expenditure during the year is transferred to NCC's General Fund for the improvement of the City of Nottingham and the public benefit of its inhabitants £1,545,000 (£1,545,000 2019/20).

During the current financial year, trustees received remuneration of £nil (£nil 2019/20) and had expenses reimbursed of £nil (£nil 2019/20).