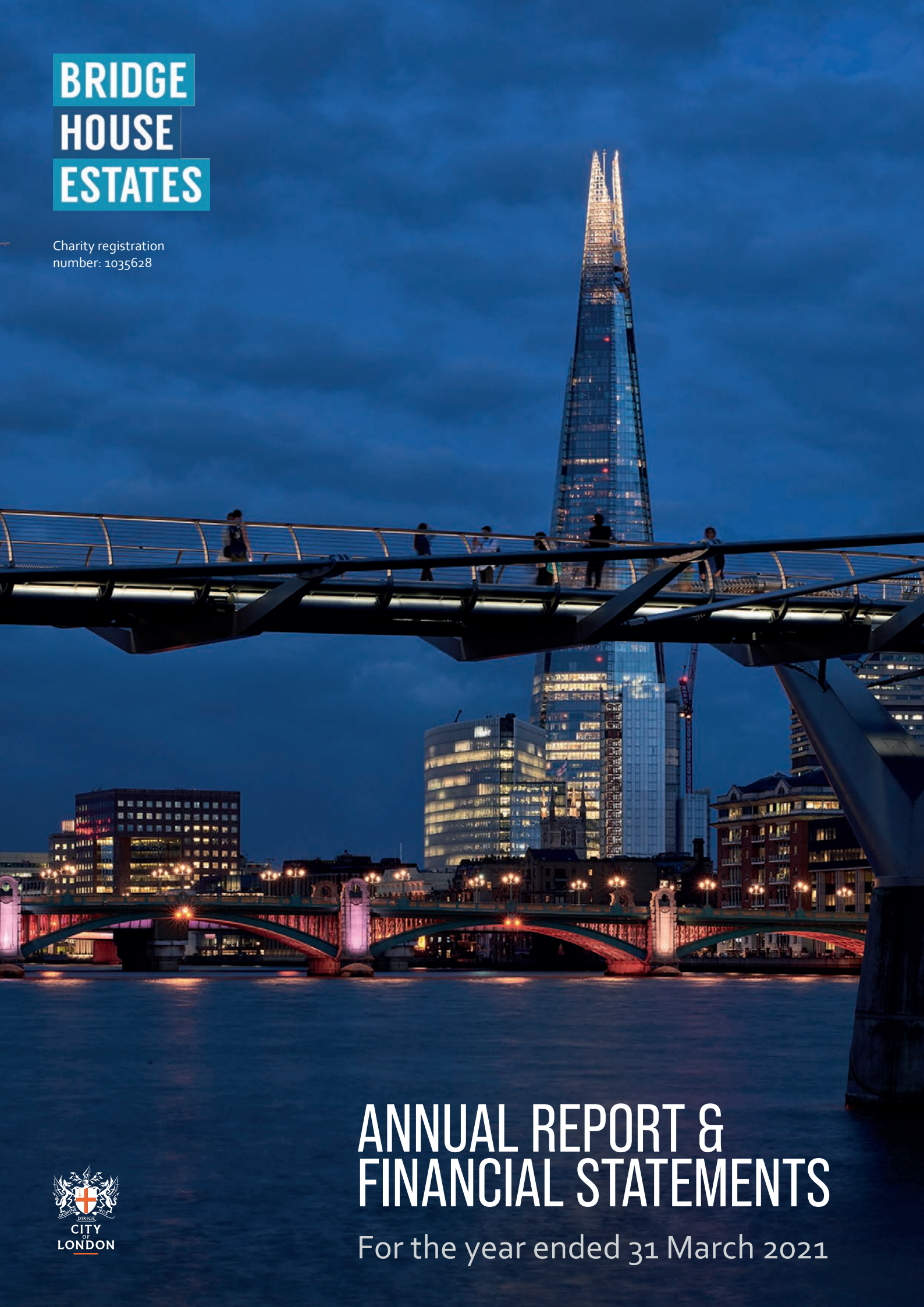


BRIDGE HOUSE ESTATES

Charity registration
number: 1035628



ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2021



CONTENTS

Overview of the year	2
Origins of the charity	4
Trustee's Annual Report	6
Trustee Responsibilities	29
Independent Auditor's Report	30
Report of the Audit Review Panel	33
Statement of Financial Activities	34
Balance Sheet	35
Statement of Cash Flows	36
Notes to the Financial Statements	37
Reference and Administration Details	65

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Southwark Bridge.

OVERVIEW OF THE YEAR

Bridge House Estates (BHE) stands on solid foundations, with a history more than nine centuries old. Originally established to maintain and support London Bridge, BHE now maintains and supports five bridges across the Thames, using surplus funds for wider charitable purposes across Greater London. By asset value, BHE is currently the 7th largest charity in the UK.

The past year has been an important one in the history of BHE. In 2018, a Strategic Review was begun to enhance the governance, management and administration of BHE – to increase the reach and impact of the charity’s activities and to ensure it models good practice, in line with its ambition to be a modern and progressive charity.

A strategy was approved in October 2020: *Bridging London 2020 – 2045*, and in March 2021, the Court of Common Council of the City Corporation, in its capacity as BHE’s Trustee, agreed to establish a new committee named the “Bridge House Estates Board”, to have day-to-day management of the charity. Through its new Board, BHE will continue to work to build a fairer London in 2021 as it continues to maintain its bridges.

In October 2020, the City Corporation, both as Trustee of BHE and in delivering its wider functions and activities, adopted a radical joint *Climate Action*

Strategy. The Strategy breaks new ground, setting out how it will achieve net zero carbon emissions by 2040, build climate resilience and champion sustainable growth. This is in line with the ambition for BHE to deliver its activities and manage its assets in the most sustainable, ethical and responsible ways possible.

Like the bridges, BHE is deeply rooted in the Capital, but also highly flexible, and the challenging, ever-changing nature of the past year saw all its staff adapting quickly to new working conditions.

When the UK went into lockdown in March 2020, income from Tower Bridge’s visitor attraction was immediately hit, and as the year progressed, income from BHE’s investment property portfolio also dropped, as offices and businesses remained closed. Meanwhile, BHE’s charitable grant-making and funding arm, City Bridge Trust (CBT), was speedily adapting the support it could offer to Londoners struggling under the impact of Covid-19.

Tower Bridge reopened to the public in July 2020 but was subsequently forced to close as a visitor attraction for a total of seven months. Early on, a strategy for business recovery was devised. However, the Bridge remained ‘digitally open’ throughout the year, with extensive uptake of the Bridge’s refocused digital education provision and online resources.

At London Bridge, less than 1km upriver, the bridges team were just one week into a major maintenance programme when the first lockdown hit. Despite the circumstances, work to replace the waterproofing and paving was completed under budget, safely, and ahead of schedule. Cycle lanes were introduced, along with new traffic management, as part of Transport for London’s Streetspace programme.

Below and around the bridges, work has continued on the Tideway Tunnel project, a massive new Super Sewer being constructed along the line of the river. BHE worked closely with the Tideway Tunnel project team to ensure minimal impact on the charity’s bridges, particularly at Blackfriars Bridge, where a new public open space of over one acre will hide a 3,700 tonne culvert, floated in below the bridge, and a 65m deep tunnel shaft.

CBT’s funding to existing grantees and small grants continued throughout the pandemic, but the Bridging Divides (BD) funding programme was paused to applications for new projects, allowing the BD programme to refocus attention on supporting those most affected by the pandemic. CBT distributed £1.7m of Covid-19 small charity emergency support funding to existing grantees, and overall across the year, funded £55.2m grant commitments.

“BHE helped to provide greater security to Londoners during this period of uncertainty and increased need.”

CBT was quick to flex its funding offer, providing additional one-off payments to grantees, allowing grantees to convert project funding to core costs; and also collaborating to launch the London Community Response (LCR), a pioneering alliance of more than 65 diverse funders, united to maximise their impact and co-ordinated by London Funders. Launched just four days after the first lockdown was announced, the LCR galvanised over £53.3m of funding, enabling 3,327 grants to be made.

As part of the LCR, the London Community Response Fund (LCRF) was established as a restricted fund which enabled other funders, who chose not to fund projects directly via the LCR, to join the efforts, with CBT administering the LCRF. CBT distributed £15.2m of BHE funding through LCRF alongside a further £13.1m received from other funders, totalling £28.3m.

As the Black Lives Matter protests took place across the globe, CBT responded by creating a Race Action Plan that would be fit for the future, and set up a Diversity, Equity and Inclusion work group to deliver agreed actions to tackle racial injustice. CBT also awarded a strategic grant for research and development to the Baobab Foundation, a new organisation led by the black and ethnic minority organisations it supports.

One of BHE’s key strengths is that of a convenor and collaborator in the capital. It is without doubt that these strong relationships with key partners built on BHE’s wider strengths have, over the past year, helped to provide greater security to Londoners during the period of uncertainty and increased need. This was achieved not just through the on-going maintenance and support of the physical structures of the five bridges themselves, but also through the support provided to Londoners as London’s largest independent charitable funder, under the CBT banner.

The board and management of BHE want to commend and praise their staff across all teams who went the extra mile to ensure that the charitable mission was not just met, but surpassed. Notably this was shown by their ability to work flexibly and collaboratively under often extremely challenging circumstances, to ensure the emerging needs of Londoners were met.

Blackfriars Bridge.



The origins of Bridge House Estates can be traced back to 1097 when William II, successor as King to William the Conqueror, raised a special tax to help repair London Bridge.

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



The Bridge House Mark, established as an identifying emblem of the charity for many centuries was designed by William Leybourn, a famous seventeenth century surveyor.

The work of Bridge House Estates now reaches out across the whole of London in many important and diverse ways:

The River Bridges

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

London Bridge – The first stone bridge across the Thames was built between 1176-1209 and replaced between 1823-1831. The current bridge was built between 1967-1972 and designed by the City Engineer, Harold Knox King with architects Mott, Hay & Anderson and William Holford & Partners. Made of concrete with polished granite, the Bridge has three spans founded on concrete piers fixed deep into the river clay. It was opened by Her Majesty The Queen in 1973.

Blackfriars Bridge – Blackfriars Bridge was originally built between 1760-1769 and was known as 'Pitt Bridge' after William Pitt the Elder. This structure was replaced between 1860-1869 with a design by Joseph Cubitt of five wrought iron arches faced with cast-iron, on granite piers. The decorations include ornithological sculptures surmounting the granite columns on each cutwater, archaded cast iron parapets and enormous attached columns in red granite with Portland stone capitals. The sculptures depict land birds on the landward side of the bridge and sea birds on the side facing the sea. Queen Victoria opened the bridge in 1869.

Southwark Bridge – Originally built between 1814-1819, Southwark Bridge was purchased by the charity in 1868. The City of London had been trying to obtain control since 1827 to catch criminals escaping to Southwark, outside its jurisdiction! It was replaced between 1912-1921 with a design by Sir Ernest George and Basil Mott and comprises five steel arches with granite cutwaters and piers.

Tower Bridge – Designed by the Victorian architect Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB, Tower Bridge was opened in June 1894 after eight years of construction. It is a working bascule, suspension and girder bridge, constructed as a steel frame clad in stone and granite in Gothic style to complement the neighbouring Tower of London and is the only bridge where no part actually touches the City footprint. Under the Corporation of London (Tower Bridge) Act 1885 (as amended), the City Corporation is required to raise the Bridge to provide

access to and egress from the Upper Pool of London for registered vessels with a mast or superstructure of 30 feet or more. The service is provided free of charge subject to 24 hours' notice and is available any time, day or night, 365 days per year. The City Corporation as BHE's Trustee ensures that the Bridge, a designated Grade 1 listed building, is properly maintained and protected as part of the nation's heritage.

As a world-famous icon of London, Tower Bridge enables tourists to have access to the internal areas of the Bridge, with a public exhibition having been in place since 1982. The exhibition showcases the Victorian architecture, engineering and also the original Victorian engines used to power the lifting of the Bridge. The operational and tourism activities at Tower Bridge are managed by the Trustee on behalf of the charity.

Millennium Bridge – As the first new pedestrian bridge to be built across the Thames for over a century, Millennium Bridge links the City of London at St Paul's Cathedral with the Tate Modern Gallery at Bankside. Funded by the charity and the Millennium Commission, the 'Blade of Light' is a 325 metre steel pedestrian bridge, conceived by Sir Anthony Caro OM CBE and built by Ove Arup and Foster Associates under the project management of the London Borough of Southwark and subsequently transferred to the charity to own and maintain.

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

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

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

Further information on the activities of CBT is available at www.citybridgetrust.org.uk

TRUSTEE'S ANNUAL REPORT

Structure and Governance

Governing Document

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

Founders

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

Governing Instruments

Historic trust documents governing gifts, grants and bequests including, a Royal Charter of 24 May 1282
A supplemental Royal Charter of 26 November 1957
Private Acts of Parliament including:

- The Blackfriars Bridge Act 1863
- The Blackfriars and Southwark Bridges Act 1867
- The Corporation of London (Tower Bridge) Act 1885
- The Corporation of London (Bridges) Act 1911
- The City of London (Various Powers) Act 1926, section 11
- The City of London (Various Powers) Act 1949, section 13

- The City of London (Various Powers) Act 1963, sections 9 & 32
- The London Bridge Act 1967
- The City of London (Various Powers) Act 1979, section 19

Various Schemes and Orders made by the Charity Commission:

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

Ancient custom and practice.

Governance Arrangements

BHE is an unincorporated charity. The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate by prescription and politic, is the corporate Trustee of BHE. The City

Corporation is Trustee acting by its Court of Common Council and that executive assembly has delegated responsibility in respect of the administration and management of this charity for the period of this report to various committees and sub-committees.

Membership of those committees and sub-committees is drawn from the 125 elected Members of the Common Council together with external appointees. In making appointments, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after a skills audit. Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The key committees which had responsibility for directly managing matters related to the charity during 2020/21 were as follows:

Policy and Resources Committee – responsible for allocating resources, administering the charity, and for determining the investment strategy between property and financial investments.

Investment Committee – responsible for the strategic oversight and monitoring of the performance of the charity's investments, which are managed by three separate sub-committees, namely the Financial Investment Board, the Property Investment Board and the Social Investment Board.

Finance Committee – responsible for controlling budgets, support costs and other central charges that

affect the charity as a whole, alongside approving the Annual Report and Financial Statements.

Audit and Risk Management Committee – responsible for overseeing systems of internal control, risk management and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.

Planning and Transportation Committee – responsible for the maintenance and upkeep of the bridges with the exception of the tourism operation at Tower Bridge.

Culture, Heritage and Libraries Committee – responsible for the tourism operation at Tower Bridge.

The City Bridge Trust Committee – responsible for reviewing and approving individual grants to voluntary organisations up to the value of £500,000 and otherwise for other charitable expenditure under the Bridging Divides Strategy. Funding commitments above £500,000 are agreed by the Court of Common Council, on recommendation of this committee.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

The Trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of the charity's governance, which commenced in 2017/18, continues with its aim of enhancing the impact and reach of the charity's activities for the public benefit. During the year, the Trustee approved an overarching strategy *Bridging London 2020 – 2045* which provides a framework for all the charity's activities and outlines the collective impact seeks to achieve through furthering its primary and ancillary purposes. An Investment Strategy Statement was also approved, establishing investment objectives in line with the overarching strategy.

Further to the recommendation of the review noted above, in April 2021 the Trustee constituted a new committee named the Bridge House Estates Board. The BHE Board is now the only committee of the Court of Common Council responsible for the day-to-day management and control of BHE, in the discharge of the City Corporation's functions as Trustee. In due course the Board may also establish sub-committees and appropriate links with other committees of the Court of Common Council to support its work. The revised

governance arrangements are intended to provide more cohesive oversight of the charity's operation and activities and a framework for decisions which can be better demonstrated to have been taken solely in the best interests of the charity. Following the establishment of the BHE Board, the committees listed above/on page 7 will no longer be responsible for future decisions relating to the charity. The Court of Common Council is ultimately responsible for the discharge of the City Corporation's trustee functions, and certain matters remain reserved to the whole Court rather than being delegated to the BHE Board, or to staff of the City Corporation.

Consistent with the Trustee's duty to keep BHE's governance under review to ensure the charity is operating effectively to further its charitable purposes, further changes to BHE's governing documents are being sought by way of a Supplemental Royal Charter. The powers sought will enable the charity to operate more effectively and generate greater impact. Appropriate consideration is being given to the practices recommended within the Charity Governance Code throughout this review.

Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee carries out its functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference setting out the scope of delegations from the Court of Common Council, Standing Orders, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations). These City Corporation governance documents can be obtained via a request to the email address stated on page 65. Each elected Member by virtue of their membership of the Court of Common Council, its relevant committees and sub-committees, has a duty to support the City Corporation in the proper discharge of its duties and functions as Trustee of the charity by faithfully acting in accordance with charity law, the charity's governing documents, the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework and procedures as noted above.

Induction and Training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to carry out their duties efficiently and effectively. Induction

meetings are provided on specific aspects of the work of BHE, with an emphasis on involvement for those Members closely working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

Purposes and activities

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

Public benefit statement

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing BHE aims and objectives and in planning future activities. The five river bridges maintained and supported by the charity are available to the general public on an open access basis. Regarding grant-making activities of the charity and other support for the charitable sector undertaken under the name 'City Bridge Trust', the Trustee awards grants at its discretion to address disadvantage across London's diverse communities and provides more general support to the charitable sector through various strategic initiatives. This process is based upon published criteria, and through thoughtful analysis and collaboration with other partners in the sector regarding the needs of marginalised communities in Greater London. The charity utilises a transparent and fair assessment process and ensures that a robust monitoring system is in place to establish the public benefit derived from each grant approved alongside the other activities of the charity.

Consequently, the Trustee considers that BHE operates to benefit the general public and satisfies the public benefit test.

Reference and administrative details

The administrative details of the charity are stated on page 65.



Southwark Bridge



The Bridges

Bridge House Estates maintains and supports five river crossings, ensuring that London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge, and Millennium Bridge not only serve the capital now, but will continue to do so, for as long as they are needed. Upkeep and major overhauls of the bridges are managed by a specialist team, working closely with other stakeholders to ensure the public's safety and security.

Major maintenance work was undertaken at London Bridge, with the bridge's waterproofing and all 24 bearings in the bridge abutments replaced. Replacement of the waterproofing required removal and replacement of all the paving and road surfacing on the bridge. One week into the construction programme, the nation went into Covid-19 lockdown. Despite this, the work was completed under budget, safely, and a month ahead of schedule. The bridge reopened with cycle lanes in both directions and new traffic management as part of Transport for London's Streetspace programme, the highway passing over the bridge being the responsibility of Transport for London.

Nearby, following consultation to remove the footbridge over Duke Street Hill, discussions have continued with the developer of Colechurch House to erect a replacement bridge and walkway at the developer's expense, subject to the Trustee's final agreement to those terms as they affect BHE.

Over the year, the Tideway Tunnel project has had a significant bearing on all BHE river crossings. The massive main tunnel was constructed along the line of the river and underneath all five bridges. Substantial monitoring regimes were approved and installed to ensure the effects of tunnelling were fully scrutinised and understood. The impact of the work has so far been minimal, and the bridges team continue to work with the project to ensure there are no long-term operational implications.

Works to create Tideway's new foreshore area adjacent to Blackfriars Bridge also progressed significantly. In August, a large 3,700 tonne culvert was precisely floated into position below the bridge. This will intercept a polluting discharge point hidden beneath the bridge, and also protect the long-term integrity of the bridge structure.

Nearby, a 65m deep tunnel shaft has been sunk into the foreshore. Along with the culvert this will form part of the new Bazalgette Embankment, a new public space providing fresh views of Blackfriars Bridge and the Thames. The bridges team have been working with local authority planning colleagues at the City Corporation to ensure the new embankment connects seamlessly with the bridge, while respecting its heritage.

Blackfriars Bridge also played host to the Illuminated River project during the installation of the second phase of their unified light installation. Drawing on experience gained during the project's first phase, the Bridges team, in conjunction with lighting colleagues within the City Corporation on behalf of the charity, have worked closely with the project to provide technical approval and ensure that the charity's assets are protected throughout the design, installation and operation of the artwork on the bridge structure. The addition of Blackfriars Bridge to the Illuminated River project means that the feature lighting of four of the five river crossings has now been successfully updated.

The design and tender process for the significant refurbishment of Blackfriars Bridge has also been completed. Subject to approval, the project is expected to start on site in 2021/22.

The Bridges team have also been working with the City Corporation's local authority highways team to install permanent security measures, replacing the Metropolitan Police's temporary barriers and amending the containment kerbs. The work on Southwark Bridge has been completed, using sympathetic adjustments to the road layout.

Tower Bridge Engine Room
© Cecelina Tornberg.



Tourism at Tower Bridge

Tower Bridge is one of London's most recognised landmarks, a working bascule bridge which, in normal years, is an extremely popular, paid visitor attraction. With visitor numbers severely curtailed, the Tower Bridge team adapted and turned to new ways of reaching audiences, while ensuring the Bridge maintained operational duty as London's most famous gateway.

Tower Bridge was in the first wave of UK attractions, museums and cultural sites to reopen to the public on 4 July 2020, following the first national lockdown. Considerations while closed included a strategy for business recovery and detailed planning at an early stage for safety measures, risk assessments and operational considerations, all of which were continuously adapted in line with evolving Government advice.

Evidence that these Covid-secure operational measures were received well by visitors was apparent in post-visit questionnaires and surveys, conducted from the point of reopening. 98% of visitors did not feel uncomfortable with the amount of people onsite and 78% scored Tower Bridge as 10 out of 10 for safety measures.

A significant challenge was the need to balance a warm welcome while ensuring social distancing and safety. Staff reported emotional responses from visitors, with visits representing normality and an opportunity to safely meet family members for the first time since lockdown. The provision of excellent customer service in addition to ensuring confidence was key. 95% of visitors scored Tower Bridge as nine or 10 out of 10 for welcome and customer service after it reopened in July. In terms of the Bridge's learning programme and focus on inclusivity, the months following reopening saw extensive uptake of its refocused digital education provision, exceptional levels of engagement with on-site family activities and its highest take-up of 'Relaxed Early Opening' sessions, designed to create an autism-friendly environment.

“Ninety five percent of visitors scored Tower Bridge as nine or 10 out of 10 for welcome and customer service after it reopened in July.”

Prior to this, following closure in line with the first national lockdown from March 2020, Tower Bridge became 'digitally open' despite being physically closed. Similar to many of its peer attractions, the Bridge's visitor offer was swiftly redeveloped digitally in an effort to stay relevant, visible and provide meaningful cultural content and learning resources for public engagement during lockdown. Digital content on the new Tower Bridge website included activities and articles on a range of subjects, including the history of BHE, quizzes, short films, and podcasts. An artist's exhibition, commissioned for the 125th anniversary and launched in February, was recreated as a digital exhibition and film being shared on the website in April. The film won three independent film awards during the summer.

Digital approaches were also adopted for learning provision, including workshops and online resources, a dedicated family activities hub, and community engagement collaborations and partnerships. Many of these resources have been retained as the Bridge and wider sector move towards recovery.

As a tourist attraction, Tower Bridge celebrated a record year in 2019/20, but the impact of the pandemic, severe across the sector, resulted in a significant downturn in visitors in 2020/21. The Bridge was forced to close as a visitor attraction on a number of occasions and for a total of seven months. Throughout the year, efforts were made to reduce losses for the charity, including utilisation of the Government's furlough scheme and significant reductions to the Bridge's variable costs. Although income was severely impacted, the Bridge's potential was maximised by effectively engaging with local audiences, as the Bridge's previous international and wider domestic visitor base was cut off. Tower Bridge remained operational as a working bascule bridge throughout the crisis, with staff managing the statutory obligation of raising the Bridge for river vessels, while protecting the structure and public.



Bridge House Estates' Funding and Philanthropic Activities

Beyond BHE's management and protection of the five bridges, surplus income is used by CBT – BHE's charitable funding arm and London's largest independent funder – to benefit marginalised communities across Greater London. Under the *Bridging Divides* strategy, over £25m per year is dispersed to groups working to reduce inequality and grow stronger, more resilient and thriving communities.

The City Corporation both as Trustee of BHE and otherwise in delivering its wider functions and activities, has adopted a joint Philanthropy Strategy. In so doing, the Strategy has support from both the charity's and from the City Corporation's own funds. Higher value philanthropy can be achieved through this joint approach, role modelling in London through support for, and awareness-raising of high impact philanthropy initiatives in the UK and internationally.

CBT's Activities

When Covid-19 hit the CBT team acted swiftly: collaborating with other London funders to launch the London Community Response (LCR); flexing their funding offer; offering a one-off payment to grantees; and showing solidarity with the sector. Senior staff played an integral part of the pan-London response, a critical role they continue to play in the drive to build London back better. In line with the critical needs of many charities, CBT offered core cost grants to many of their funded organisations, releasing a financial burden at a challenging time. Whilst funding to existing grantees and the small grants programme continued, the charity's Bridging Divides funding programme was temporarily paused to new applications.

The LCR was a pioneering collaboration of over 65 institutional, statutory and corporate funders who united to maximise their impact. It galvanised over £53.3m of funding from across these funders and enabled 3,327 grants to be made. It also presented an opportunity to

fund new organisations and test new ideas. Significant innovations in funding practice resulted, with the associated funders pooling expertise and streamlining processes to accelerate impact. Lessons learnt gave a boost to the dynamic learning and impact strategy and prompted an interim review of the Bridging Divides strategy which commenced in January 2021.

The LCR launched on 27 March 2020, just four days after the first national lockdown was announced. Co-ordinated by London Funders, it featured a set of eight funding principles anchored in equitable grant-making and drawing on learning from previous joint-funder responses to emergencies. A common online application form allowed civil society organisations to make applications for emergency support, which any of the 67 funders involved could consider.

At the same time, BHE established the London Community Response Fund (LCRF). This was, and continues to be held as, a restricted fund within BHE's ancillary purpose to enable funders (including grant-makers, Livery Companies, and City businesses) who chose not to directly fund via the LCR to join the collaboration. Major donors included the Mayor of London, Quadrature Capital Foundation, Paul Hamlyn Foundation and Macquarie Group Foundation. The LCRF is administered by the City Corporation through the CBT Team.

Between April 2020 and March 2021, five waves of LCRF funding provided support to voluntary organisations across the capital. The LCRF was responsible for distributing £28.3m in the year, via 1,591 grants. CBT allocated a total of £15.2m from its own resources from BHE, with £13.1m leveraged from 19 other funders. In Wave 3, The National Lottery Community Fund contributed significantly, providing funds for 201 grants totalling £6.7m. In Wave 5, CBT awarded an additional £990k as aligned funding from BHE to 21 organisations.

Acknowledging the disproportionate impact of Covid-19 on racialised communities and other groups affected by structural inequality, a key feature of the collaboration was the LCR equity and inclusion partners; Ubele Initiative, Inclusion London, Consortium and Women's Resource Centre, who co-developed each wave of funding.

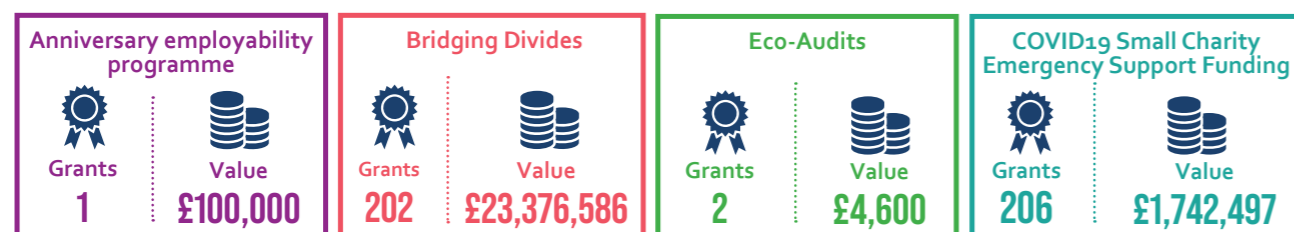
Strategic Initiatives

In 2020-2021 CBT funded various strategic initiatives focused on increasing the impact and scale of philanthropy, as well as CBT's learning. Examples of support in this area include:

- **London's Giving:** supporting the development of place-based giving schemes in each of London's 32

City Bridge Trust Main Giving

FINANCIAL YEAR 2020/21



TOTAL SPEND £26.9M



LONDON COMMUNITY RESPONSE FUND EQUITY

Equity data – percentage of grants approved to organisations led by and for their communities in each funding Wave.

'led by' category	% of approved grants Wave 1 & 2	% of approved grants Wave 3	% of approved grants Wave 4	% of approved grants Wave 5**	Wave	Total number of grants awarded	Total value of grants	Average grant size
LGBT+	5%	9%	12%	8%	1&2	976	£12,960,262	£13,279
BAME	43%	58%	71%	66%	3	361	£12,027,219	£33,316
Deaf and disabled	8%	13%	12%	7%	4	207	£1,918,087	£9,266
Women	59%*	40%	43%	38%	5	47	£1,417,542	£30,160

Note these values do not sum to the number of approved grants as there can be more than one category per grant

* Data not collected in early waves

** change to classification which resulted in fewer applicants meeting the criteria

boroughs. Bringing together the voluntary, private and statutory sectors, it acknowledges that everyone has something to give – time, skills or money.

- **London Funders:** the membership network for funders and investors of civil society from all sectors – be they charitable, statutory and private.
- **LondonPlus:** established by CBT in 2017 as a co-ordinating body for London's civil society, it played a vital role in the voluntary sector's response to the Covid-19 crisis.

The Prince's Trust

This 10-year partnership was set up to positively impact some of the most socially deprived areas of London, assisting young Londoners from challenging backgrounds. Training, education and development programmes provide essential support to young people who are at risk or underachieving in education or unemployed and not ready for work. Over six years, more than 11,000 young Londoners have been supported and 77% have achieved a positive outcome. The full impact of the Covid-19 pandemic fallout has yet to materialise, but it is clear that young people are disproportionately affected; with many facing a hostile environment with regards to job opportunities, mental health and well-being. Although positive outcomes have been achieved over the six years, a review of the strategic partnership has commenced to develop The Prince's Trust's ability to measure its long-term impact and inform the focus of the partnership going forward. Once the review is complete, the seventh year of delivery will commence.

Bridge to Work

Many activities being delivered through this programme were suspended as lockdown restrictions made it harder for organisations to deliver employability support and many staff were furloughed. However, partners continued to work with young disabled Londoners in other ways: bringing together beneficiaries for discussions about their well-being, providing online opportunities to interact with their peers and keeping young people engaged with the core purpose of the programme.

Responding to the Resilience Risk (RRR)

The RRR programme finished its first phase and was evaluated. This project worked with the voluntary sector to investigate and learn how to support staff resilience, acknowledging that this is a cadre of workers who are often missed out. CBT's learning partner, Renaisi, found that overall, individual resilience levels were increased, but highlighted the potential to increase impact by delivering a combination of group and one-to-one

activities within organisations. To progress and refine understanding of resilience support, a further research phase has been agreed.

Social Investment

The Social Investment Fund represents the designation of £21.5m from the charity's unrestricted income funds, which are to be invested for a financial return as part of the charity's balanced investment portfolio. It focuses solely on enterprises and markets that achieve social impact. Since its inception in 2012 the Social Investment Fund has committed a total of £20.3m and achieved a return of 3.11% (gross) on invested funds.

During the year, the Fund committed and deployed funds (£0.63m in total) including to the Thera Trust to provide accommodation for adults with learning disabilities, and to the Women In Safe Homes Fund, who provide accommodation and support to vulnerable women. CBT also committed funds to Snowball Impact Management, to invest in a range of public and private funds to create positive outcomes for people and the planet. Following two major redemptions, the total funds invested at the end of 2020/21 were £9.1m with a further £3.4m either committed but not yet placed or subject to agreement of terms.

CBT continues to run its Stepping Stones Fund, a funding programme in partnership with UBS, offering social investment-readiness grants to charitable organisations and social enterprises working in Greater London.



Action On Disability works with young disabled people
© Action On Disability



BHE Investments

During the year, the Trustee approved a 'transitional' Investment Strategy Statement (ISS) to incorporate the strategic objectives approved within the new overarching strategy for BHE, *Bridging London 2020 – 2045*. This transitional ISS lays the foundation to incorporate future changes regarding the charity's overall investment portfolio, enabling the Trustee to have considered discussions in response to changing circumstances.

The purpose of the ISS is to ensure that the charity maintains consistent funding for its primary purpose, meeting the needs of the five Thames Bridges across the short, medium and long-term, with surplus investment income being appropriately managed to support the ancillary purpose in line with BHE's latest approved charitable funding strategy, delivered in the name of CBT. The ISS covers the investment of the charity's permanent endowment fund and unrestricted income fund, and encompasses property, financial and social investments.

In October 2020, the City Corporation adopted a radical Climate Action Strategy for both the organisation itself and BHE, in its role as Trustee. The Strategy breaks new ground and sets out how the City Corporation, both as Trustee and otherwise in its other activities, will achieve net zero carbon emissions by 2040 across its full value chain. This is in line with BHE's ambition to deliver its activities and manage its assets in the most sustainable, ethical and responsible ways possible. It is acknowledged that BHE's approach to Responsible Investment will need to continually evolve, both due to the changing landscape and with respect to environmental, social and governance (ESG) issues as well as broader industry developments. The Trustee is committed to making ongoing improvements to its approach and the processes that underpin the delivery of this strategy for BHE to ensure the ISS remains relevant.

Property Investments

BHE has a property investment portfolio comprising of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents the permanent endowment funds of the charity. There are now 65 assets within the portfolio of which around 50% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio, but are externally valued alongside the rest of the portfolio.

The impact of Covid-19 reduced rental income receipts, however the underlying value of the property portfolio, as disclosed in the balance sheet, only decreased by £11.1m (1.3%) to £843.8m at 31 March 2021. Where possible BHE worked with tenants to provide rent assistance to support smaller businesses. The objectives for this portfolio, as stated within the ISS, are to maximise rental income and to outperform the MSCI Benchmark (Greater London Properties including owner occupied) total return on an annualised 5-year basis. The portfolio outperformed the MSCI benchmark across all reported periods. The performance of the property portfolio is depicted in the table below:

	31 March 2021	31 March 2020
Capital Value*	£843.8m	£854.9m
Gross Rental Income **	£27.0m	£34.6m***
5-year annualised Total Return	10.18%	13.33%
Benchmark 5-year annualised Total Return	4.29%	7.42%
MSCI Universe (All UK Property) 5-year annualised Total Return	3.10%	5.40%

* Inclusive of lease smoothing adjustment

** Inclusive of service charge income

*** Including a surrender premium of £3.1m received in 2019/20

Review of activities from 2020/21:

- Increased investment in industrial sector with purchase of Viper Estate in Romford for £12m and head leases at 30 Engate Street, Lewisham (£2.75m) and 207 Southwark Bridge Road (£2.63m);
- Maximised the price of £14.2m achieved from the sale of Tower Bridge Road retail parade in March 2021 (ahead of valuation of £12.1m) and reduced exposure to non-prime retail;
- Progressed major refurbishments at 120 Cannon Street, 30 New Bridge Street, 74 Moorgate and 84 Moorgate, all due to achieve EPC B / BREEAM Excellent sustainability certification while reducing carbon emissions;
- Progressed joint ventures at Southwark's Ministry of Sound site and 32-34 Southwark Bridge Road to maximise value for BHE;
- £260,000 per annum of new lettings between April 2020 and March 2021.

Financial Investments

The BHE financial investment portfolio primarily represents the unrestricted income funds of the charity, although currently around 13% of the portfolio forms part of the permanent endowment fund. The aim of the portfolio is to seek an absolute return over the long term to provide for increases in annual expenditure whilst preserving its capital base in real terms, which is currently set at CPI + 4%.

To achieve its objective, the portfolio is invested across a diverse array of asset classes, on a global basis, which includes exposure to publicly listed equities, fixed income, multi-asset funds, infrastructure and private equity. The charity primarily accesses these asset classes through pooled fund vehicles, each managed by specialist appointed fund managers. Twenty percent of the portfolio is managed on a segregated account basis by Ruffer LLP.

The performance of the financial investment portfolio is shown in the table below:

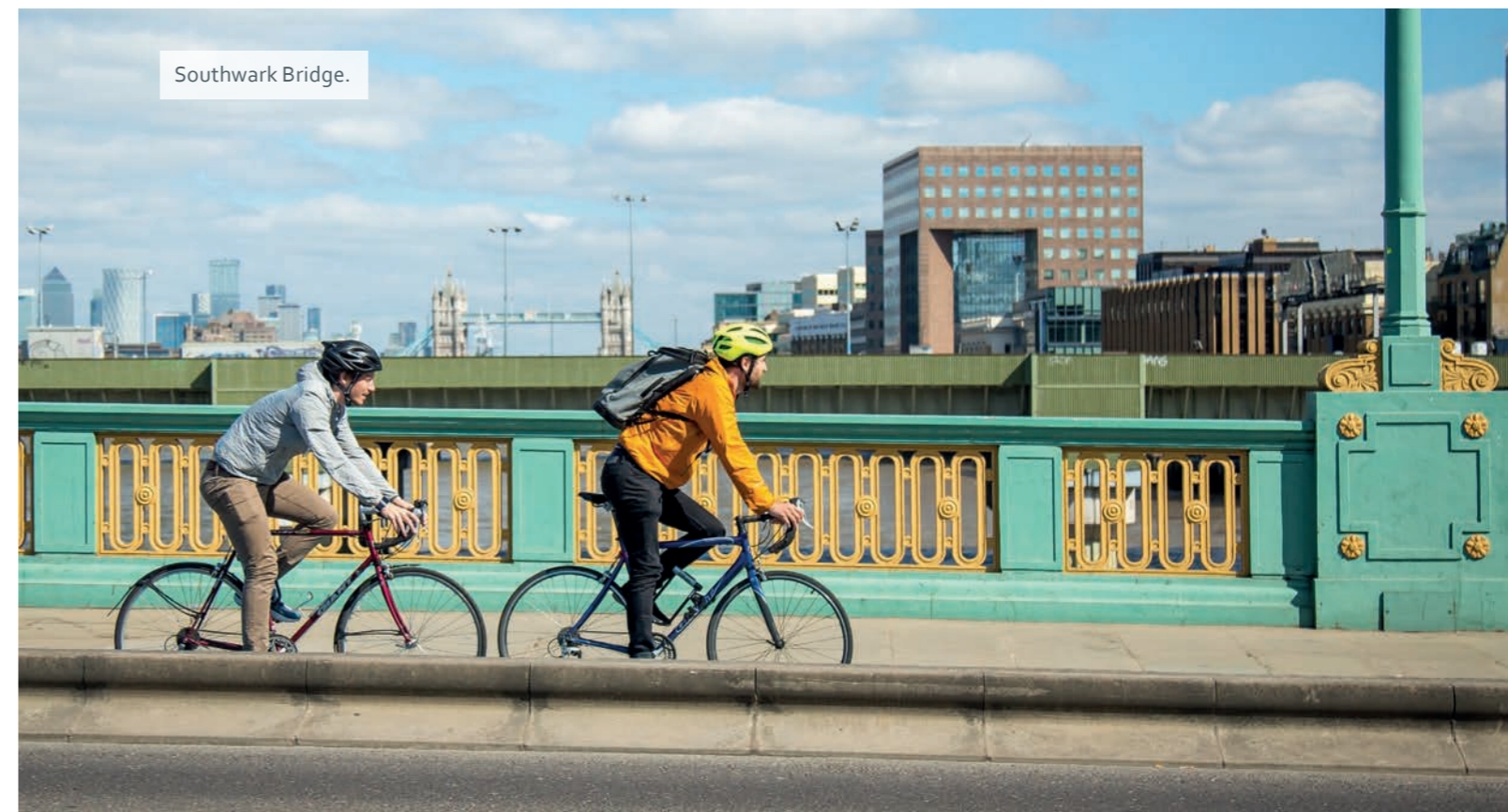
	31 March 2021	31 March 2020
Financial Investments Value	£834.0m	£687.2m
One Year Total Return	26.50%	-2.90%
Absolute Return Target	4.70%	5.50%
Asset Allocation Benchmark	8.00%	-1.60%

The year to 31 March 2021 has been defined by a marked recovery in financial markets following the worst quarterly decline in a decade (Jan - Mar 2020), precipitated by the onset of the global pandemic in early 2020. Global equities and fixed income markets rebounded sharply at the start of the reporting period as governments and central banks adopted supportive fiscal and monetary policies alongside social and economic restrictions to reduce the spread of Covid-19. Economic sectors that were at the forefront of this 'new normal', particularly technology companies, performed strongly. Markets remained volatile as authorities struggled to bring the virus under control, and in the run up to the US presidential election in November, but the news of several successful vaccine trials in the autumn lifted equities markets further. The prospect of a wider reopening of the economy and the end of pandemic-related restrictions led to an increase in bond yields as confidence in the global economic recovery grew. The rally in equities was sustained into the first quarter of 2021, led by many of the cyclical stocks that had lagged behind technology holdings in the first half the year, such as financial institutions and energy companies.

Under these supportive conditions, the charity's financial investments generated an annual return of 26.5% in the year to 31 March 2021 which compares favourably to an absolute return target of 4.7% and an asset allocation benchmark of 8.0%. The diverging fortunes of particular economic sectors at various times during 2020/21 underscores the importance of maintaining a diversified asset allocation strategy that seeks broad exposure to different sources of risk and return. The charity sets out to do this through its investment strategy, and this approach has delivered robust returns over the past year and the longer term.

Social Investments

BHE holds £9.1m (2019/20: £12.6m) as social investments. The activities and performance of the social investment fund is stated on page 17 alongside the section on BHE's philanthropic and funding activities.



Plans for future periods

BHE has always existed, and continues to exist, for the benefit of London, and is anchored by the needs of London's communities. BHE's role is perhaps more important than ever in bridging and connecting London – both physically via its five bridges, and through supporting causes at the heart of London's communities that help bridge divides in society. The constitution of the BHE Board in April 2021 was a key moment for the charity and presents the opportunity to model best practice by enhancing its governance, management and administration – ensuring that BHE is a modern and progressive charity that can continue to respond to the issues of today. Key for 2021/22 will be the development of an appropriate board culture to ensure that it is engaged, efficient and effective in its management of the charity. The vision for the next year across the activities of the charity includes:

The Bridges: A major focus will be the refurbishment of Blackfriars Bridge, a three-year project scheduled to start in 2021. The team will continue to work closely with the Tideway Tunnel project team, and to enhance security across the bridges. BHE will celebrate the centenary of Southwark Bridge on 6 June 2021.

Tower Bridge Tourism: Moving forward, the focus will be on continued recovery of the tourism business and venue hire business, while remaining adaptable to changing circumstances. The new digital strategy will continue to be developed. Work will commence on a complete overhaul of the Bridge's high voltage system and replacement of hydraulic pipework.

Activities of City Bridge Trust: Having adapted to support those sectors of society most hard-hit by Covid-19, CBT will continue to develop new funding programmes and ways of working, while continuing to cultivate a learning culture. The aim will be to inform, influence and benefit the wider public and charity sector.

Investments: The new BHE Board will be reviewing the weighting of its investments in the next year as part of the future development of its current ISS. Plans for the specific investment areas include:

Property Investments: additional investment in industrial assets and raising funds by re-gearing the ground lease at Millennium Bridge House and selling office freeholds at 64 & 65 London Wall. A major office refurbishment at 120 Cannon Street will achieve EPC B and BREEAM Excellent sustainability ratings and a consultant will be appointed to advise on achieving EPC B by 2030 and net zero carbon by 2040 across the portfolio.

Financial Investments: looking ahead, the BHE Board will continue to manage the charity's financial investment portfolio in line with the overall objectives. Throughout 2021/22 it will monitor the performance of the financial investments, ensuring that asset allocation remains appropriate and interrogating the performance of appointed investment managers.



Overview of financial performance

The charity has been impacted financially as a result of the Covid-19 pandemic, with uncertainties on the level of investment income receivable, reductions in investment growth and the closure of Tower Bridge as a visitor attraction for lengthy periods. Despite this, careful management of the available financial assets has enabled the charity to continue as planned with support and maintenance of the bridges, alongside reaching a record high for grant commitments made in a single year.

financial investment holdings of the charity being held on a pooled basis, the income equivalent forms part of the movement in the value of the assets within the balance sheet. For those investments held on a non-pooled basis, income totalled £2.5m, matching that of the previous year. The remainder of the charity's investment income comes from interest earned from social investments and monies placed on treasury deposits, at £0.9m (2019/20: £0.8m).

Expenditure

Total expenditure for the year was £89.6m, an increase of £26.8m when compared to 2019/20 (£62.8m). This uplift in spend was as a result of the increased grant-making commitments in the year following the establishment of the LCRF in March 2020. Together with the donations received from other funders across London, BHE utilised £15.2m of its own funds to enable a total of £28.3m grants to be approved in the year, alongside the costs of administration, within this restricted trust.

Expenditure on raising funds reduced slightly to £15.0m (2019/20: £15.3m), with these costs relating to the management of the charity's investments. Whilst the costs attributable to the property investments reduced, following the significant increase to the bad debt provision required last year as a result of the Covid-19 pandemic, the costs of the financial investment portfolio increased in the year with the inclusion of one-off performance fees.

The spend on charitable activities covers that of supporting and maintaining the bridges, the operational costs of Tower Bridge as both a working bridge and a visitor attraction, and the grant-making activities undertaken under the name of City Bridge Trust. Expenditure for 2020/21 totalled £72.3m, compared to the previous year's £46.4m. Within this, spend on the five Thames bridges totalled £9.4m (2019/20: £6.5m), including that on a major maintenance project on London Bridge which was successfully completed within budget despite the impacts caused by the pandemic. The design and tender process for the planned refurbishment of Blackfriars Bridge was completed in the year, with work due to start in 2021/22. The spend in year on Tower Bridge was contained as much as possible as a result of the closures enforced due to the various lockdowns during the period under review. The furlough grants received for staff unable to work during these closure periods are shown within other income, as opposed to being netted off expenditure. Grant-making activities and related spend achieved a record annual high for the charity at £58.6m, with the spend in 2019/20 of £33.7m having been the previous record. In addition

Income

In 2020/21, the charity's total reported income was £47.4m, an overall increase of £0.8m against the previous year (£46.6m). The overall increase has been driven by the £15.4m of restricted grant income received in the year, with £15.0m of this having been donated by various funders towards the London Community Response Fund (LCRF), which more than offset the decline in other sources of income.

The combined income derived from visitor admissions, retail and events at Tower Bridge, reported within income from charitable activities, reduced to £0.5m from the previous year's £6.7m due to the required closures of the visitor attraction during the year. The charity was a beneficiary of the Government's Coronavirus Job Retention Scheme, more commonly known as the 'furlough scheme', with the £0.8m received to support staff as disclosed within other income.

Investment income principally comprises the rental and other related income earned from the property portfolio held by the charity, which is currently all held within the endowment fund. For 2020/21, such income totalled £27.0m, a reduction of £7.6m against the previous year (2019/20: £34.6m). The charity worked to support its tenants during the pandemic, approving rent-free periods and reduced rents for categories of tenant whose businesses were significantly impacted. The previous years' income was unusually high due to inclusion of a £3.1m surrender payment following a tenant's early exit from a lease. With the majority of the

to the £28.3m grants committed within the LCRF restricted fund, noted above, a further amount of £26.9m was committed under the Bridging Divides funding policy.

Overall performance

The above activities in the year resulted in an overall deficit of £42.2m (2019/20: £16.2m), prior to movements on investments held. Total gains of £155.5m were reported as at 31 March 2021, compared to £63.3m the previous year. A strong performance was delivered from the financial investment portfolio, with gains of £178.7m, the majority of which added to the value of the unrestricted income fund. A loss of £23.4m was reported against the investment property portfolio, with £22.9m of this being unrealised, as a result of the impacts of the Covid-19 pandemic on the underlying value of the portfolio. Further details on the performance of investments is stated on pages 18-20.

The social investment fund delivered an unrealised gain of £0.2m in the year (2019/20: loss of £0.9m).

Funds held

As at 31 March 2021, the total funds held by the charity were £1,643.2m (2020: £1,536.4m), an increase over the year of £106.8m. Within these, £979.5m represent permanent endowment funds which are held in perpetuity as a capital fund to generate income for the future activities of the charity. All income arising from this capital fund is accounted for as unrestricted funds. Such income enables the charity to meet its primary purpose of maintaining and supporting the five river bridges across the Thames, with the remaining surplus income available to undertake the activities of CBT.

Restricted funds held as at year-end amounted to £3.8m (2020: £2.8m). £3.4m of these represent grant income received into the LCRF with £0.4m held for other funding programmes being undertaken by CBT. Details of these are stated on page 60.

The unrestricted income funds of the charity include both the general fund (free reserves) and a number of designated funds. As at 31 March 2021, these funds totalled £659.9m (2020: £549.4m) being net of £27.7m held to cover the pension deficit (2020: £18.9m).

The Trustee has decided to set aside, or designate, unrestricted income funds for specific purposes. These designations total £445.6m (2020: £440.7m). The bridges repair fund increased by £6.4m in the year, ensuring that sufficient funds are set aside to cover planned projects across the next five years. A further

£10.2m was added to the bridges replacement fund, giving a total of £168.7m (2020: £158.5m) held to fund future rebuild costs. The balance on the grant-making fund at year-end is £206.9m (2020: £219.2m), a decrease of £12.3m. The charity utilised both unrestricted and restricted funds during the year in achieving its highest ever level of giving in a single year.

Details of all funds held, including their purposes, is set out within Note 23 to the financial statements.

Reserves policy

The permanent endowment funds are held in perpetuity. It is the Trustee's policy to invest the assets of the charity held within this fund to retain the real value of the endowment, while also generating sufficient returns to fund the charity's primary purpose to maintain and support its five river bridges, whilst preserving both the 'real' value of the asset base and the purchasing power of the sums available for annual expenditure over the long term.

Any income surplus to that required to be applied to the charity's primary purpose is predominantly used to provide assistance in the form of grants to charitable organisations across Greater London. The level of funds available for grant awards is monitored and adjusted to ensure compliance with the policy to preserve the 'real' value of the asset base.

The free reserves of the charity are held to cover working capital needs and a provision for unplanned urgent activities. The Trustee believes that an amount of £35m should be held for these purposes, although has approved that an additional amount of up to £55m (giving a total of £90m) should be held due to the uncertainties resulting from the Covid-19 pandemic. This amount is subject to at least annual review.

The charity is considering, within its governance review, adopting a total return basis for its permanent endowment fund – subject to this power being adopted within the Supplemental Royal Charter. With this approach, the charity's Trustee decides each year how much of the total return within the endowment fund can be released to income for spending against the objectives and how much is retained for investment. Prior to adopting this approach, the Trustee will be maintaining a designated fund for bridge replacement out of the charity's unrestricted income funds.

Reserve levels held as at 31 March 2021 are set out in Note 23. The charity holds free reserves of £214.3m (2020: £108.7m). Amounts held are £124.3m above the current revised policy, following a strong performance by the investments in which the unrestricted income

funds are held. The Trustee remains cautious on the long-term impacts of the Covid-19 pandemic across its investment portfolio, noting the potential risk of future realised losses, and against the potential of increased future construction costs and continues to review plans for the future use of reserves held.

Investment policy

The charity's investments are invested in accordance with the powers set out in an Order of the Charity Commission dated 20 July 1998, the Trustee Act 1925, the Trustee Act 2000 and within its Investment Strategy Statement (ISS). The Order, in addition to its other powers, enables the Trustee to invest the property of the charity either:

- in the acquisition of any securities or property (real or personal) of any sort; or
- on deposit or loan whether in the UK or elsewhere.

The objective of the charity's ISS, as approved by the Trustee in January 2021, is to ensure consistent funding for the primary purpose of BHE, meeting the financial needs of maintaining and supporting the five Thames Bridges across the short, medium and long-term, with surplus investment income generated being available to support the ancillary purpose of the charity.

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

- Apply a targeted income return of CPI +4% to the financial investment funds held.
- Outperform the MSCI Benchmark (Greater London Properties) for total return on an annualised 5-year basis, for the property investment funds held.
- Apply a minimum targeted income return of CPI to the Social Investment Fund.

The Trustee is committed to being a responsible investor of the charity's funds and the long-term steward of the assets in which it chooses to invest those funds. It expects this approach to protect and enhance the value of the charity's assets over the long term. The Trustee is aware that the charity's mission or its credibility may be undermined if it invests in businesses whose activities undermine the charity's values and charitable purposes. The Trustee recognises it is consistent with its fiduciary duties and duty in investing charity property to manage Environmental, Social and Governance (ESG) issues that may be financially material. As a long-term investor, BHE recognises that it should manage ESG risks that can be both long-term and short-term in nature. In addition, the Trustee seeks to identify investment opportunities for BHE aligned with the charity's long-term purposes. As a signatory to the Principles for Responsible Investment (PRI), the Trustee has also agreed to incorporate the six core principles of PRI into the charity's investment analysis and decision-making processes. The Trustee is also committed to align the charity's financial investment portfolio with the goals of the Paris Agreement on climate change (2015). It is further committed to being net zero across BHE's full value chain, working closely with other aspects of the City Corporation's business to deliver the joint Climate Action Strategy adopted for BHE as Trustee and by the City Corporation for itself, with a deadline of net zero by 2040.

The performance of the charity's investments during the year is discussed on pages 18-20 and set out in Notes 14 - 16.

Grant-making policy

The Trustee has established BHE's grant-making policy to achieve the charity's ancillary purpose, as laid out on page 5, for the public benefit. In the name of City Bridge Trust, its charitable funding arm, BHE considers and funds a large number of organisations and makes awards through a wide programme of funding schemes. The majority of grants are usually for revenue expenditure, awarded over 2–5 years. 2020/21 was an exceptional year in the charity's grant-making history with the Covid-19 pandemic disrupting many organisations' delivery plans. Many of the organisations already in receipt of funding were offered the opportunity to convert funds towards core costs (subject to retaining a restriction for London benefit), with conversion requests decided on a case-by-case basis. Open funding programmes were paused for requests for new projects whilst grant-making activities focused on a multi-funder emergency response, which included funds awarded over shorter than usual time periods (up to 1 year).

All applications are assessed via a robust process to ensure that proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match the charity's criteria. Approved grantees are required to report annually on the impact of their work. Information is collected in a uniform and systematic way, enabling analysis and feedback to take place. The results of monitoring reports are used to assess the overall effectiveness of grant-making, along with a commissioned grantee perception survey providing benchmarking and performance data.

Details of how to apply for grants are available on the CBT website – www.citybridgetrust.org.uk

Remuneration policy

The charity's senior staff are employees of the City Corporation and, alongside all staff, pay is reviewed annually. These expenses incurred by the Trustee in administering the charity are re-charged to BHE. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for the payment of bonuses and recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within Note 12 to the financial statements.

Senior staff posts of the charity are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

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

Fundraising

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

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

The charity has received no complaints in relation to fundraising activities in the current year (2019/20: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities.

Principal risks and uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed and adopted by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

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

Risk	Actions to manage risks
Lack of understanding by Members and staff of the duties and powers of the City Corporation as Trustee of BHE.	<p>Design and implement a training programme for Members and staff. Provision of a Handbook on the charity's governance and the role of the City Corporation as Trustee – specifically, knowledge of the general charity regulatory framework, the charity's own governing document, and how the charity operates and is administered within the City Corporation's corporate governance framework.</p> <p>Implementation of clear procedures to ensure skills, knowledge and experience required on the Board are appropriate and relevant.</p> <p>Revision of corporate governance documents as relevant.</p>
Conflict of interest/ loyalty between the City Corporation acting solely in the best interest of the charity and otherwise in its other legal capacities.	<p>Implementation of the new BHE Board to enhance the management of conflicts of interest/loyalty.</p> <p>Seeking Supplemental Royal Charter to expressly confirm authorisation of conflicts of interest/loyalty for the City Corporation, and to provide a framework for managing them.</p> <p>Implementation of a Conflicts of Interest Policy.</p>
Structural damage to one of the bridges may cause it to become non-operational.	<p>The City Surveyor's Department and Department of the Built Environment within the City Corporation work together (for the charity and in the discharge of the City Corporation's separate statutory and regulatory functions), alongside other bodies and stakeholders, to manage ongoing actions associated with this risk which includes potential structural damage as a result of issues such as a substantial vessel strike or through acts of terrorism. Possible impacts from the Thames Tideway tunnelling continue to be monitored. A 50-year maintenance plan is in place to manage on-going works.</p>
Positive returns from investment activities are not achieved and review of a balanced asset portfolio not kept under adequate review.	<p>Monitor investments held against the 'transitional' Investment Strategy. Implement a new Investment Strategy and regularly review to ensure that the investments are suitable and appropriately diverse (i.e. appropriate levels of asset allocation between asset types and within funds held by the charity).</p> <p>Continuation of ongoing financial scenario planning.</p>

Going concern

The financial statements of BHE have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. In making this assessment, the Trustee has considered the potential impact of the Covid-19 pandemic on the value of investment assets held, future income levels and the liquidity of the charity over the next 12-month period. The Trustee is satisfied that the charity could absorb significant changes in investment value with no impact on its ability to continue as a going concern. The charity's funds grew by £106.8m in the year to 31 March 2021, with funds available in liquid assets to meet any cash needs as they fall due. The "material valuation uncertainty" that was placed by the valuers of our property portfolio on their valuations as at 31 March 2020 no longer exists due to the nature of the properties held, as there are no material holdings within the leisure and hospitality sectors.

Financial projections have been considered over the short-term, being a 3-year period, with the assumption that income levels will continue to be below normal expectations. Financial investments held have generated gains which have exceeded previous forecasts although this is not a guaranteed portrayal of future performance. The primary purpose of the charity is to meet the needs of the charity's five Thames bridges, ensuring that adequate funds have been set aside to cover both their short and long-term needs. The Trustee continues to be satisfied that it will have the necessary resources to meet these needs, with sufficient funds available as at 31 March 2021 to make the necessary transfers to designated funds for these purposes, based on current requirements. The ancillary purpose of BHE is undertaken only where surplus income is available after responsibilities relating to the Bridges have been met, as stated on page 5, and the charity continues to be able to fund both its responsibilities for the Bridges and its ancillary purpose. However, should it be required, this method of operation provides flexibility to the charity when approving future plans. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

The Audit Review Panel

Historically, the audit of the individual funds of the City Corporation was shared between the members of an Audit Panel, comprising representatives from a number of different audit firms. This Panel was appointed via Common Hall. Changing regulatory requirements have meant that a full team of auditors is required in the modern era to complete the audit work to the level of detail and degree of complexity appropriate for the size of the organisation. Consequently, the City Corporation now appoints one auditor across all funds, and the Panel is engaged to act as a peer reviewer of that auditor. The Panel now represents an unnecessary duplication of process not in keeping with modern practice and therefore, following approval having been given to remove this process, 2020/21 will be the final year in which the Audit Panel undertake their review.

TRUSTEE RESPONSIBILITIES

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

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

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

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

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

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

Adopted and signed for on behalf of the Trustee.



Dr Giles Shilson
Chairman of BHE Board



Dhruv Patel OBE
Deputy Chairman of BHE Board

Guildhall, London
16 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF BRIDGE HOUSE ESTATES

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of Bridge House Estates ("the Charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: Overview of the year; Origins of the charity; Trustee's Annual Report; Trustee Responsibilities; Report of the Audit Review Panel; Reference and Administration Details. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustee's Annual Report; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Trustee responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We obtained an understanding of the legal and regulatory framework applicable to the Charity. We focused on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Charity. The laws and regulations we considered in this context were United Kingdom Accounting Standards (Financial Reporting Standard 102), the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (FRS 102), and the Charities Act 2011.
- We understood how the Charity is complying with those legal and regulatory frameworks, by making enquiries to management, and the Trustee, of known or suspected instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of key committee board minutes.
- We reviewed the financial statement disclosures to assess compliance with the relevant laws and regulations discussed above. We remained alert to any indications of non-compliance throughout the audit.
- We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur, by discussing with management and the Trustee to understand where it is considered there was a susceptibility of fraud.
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to the override of controls by management including posting of inappropriate journal entries, management bias in key material accounting estimates, and the timing of income recognition.

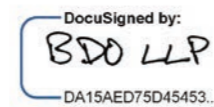
- Audit procedures performed in response to the assessment above included: Enquiries of management; reviewing accounting estimates for bias and challenging assumptions made by management in their significant accounting estimates including, but not limited to, valuation of investment properties, valuation of the Charity's financial investments, measurement of the defined benefit pension scheme liability; Sample testing the recognition of income, Sample testing the appropriateness of journal entries.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



BDO LLP, statutory auditor

London, UK

23 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

REPORT OF THE AUDIT REVIEW PANEL TO THE RIGHT HONOURABLE THE LORD MAYOR, ALDERMEN AND LIVERY OF THE SEVERAL COMPANIES OF THE CITY OF LONDON IN COMMON HALL ASSEMBLED

We, whose names are hereunto subscribed, the Audit Review Panel of the Chamberlain's and Bridgemasters' Accounts, elected by the Livery of London in Common Hall assembled on 26 June 2017, 25 June 2018 and 24 June 2019 pursuant to Act 11, George 1, Cap. 18, an Act for regulating elections within the City of London, etc., do report as follows:-

We have reviewed the processes adopted by BDO LLP for the audit of the Bridge House Estates for the period from 1 April 2020 to 31 March 2021.

In our view the audit of the Financial Statements has been conducted in accordance with auditing procedures as stated on pages 30 to 32.

This report is made solely to the above-named addressees. Our work has been undertaken to enable us to make this report and for no other purpose.

P. Dossett

A. Francis

P. Watts

Dated: 23 December 2021

The BDO City Corporation Engagement Lead, David Eagles, is also a member of the Audit Review Panel. However, as the role of the Panel is to provide independent confirmation that the processes adopted by BDO LLP have been conducted in accordance with auditing procedures, it is not appropriate for David Eagles to sign the report.

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2021

	Notes	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	2020/21 Total Funds £m	2019/20 Total Funds £m
Income and Endowments from:						
Voluntary income	2	–	15.4	–	15.4	1.8
Charitable activities	3	0.5	–	–	0.5	6.7
Investments	4	30.4	–	–	30.4	37.9
Other income	5	1.1	–	–	1.1	0.2
Total Income		32.0	15.4	–	47.4	46.6
Expenditure on:						
Raising funds	6	14.6	–	0.4	15.0	15.3
Charitable activities						
Repair and maintenance of bridges		9.4	–	–	9.4	6.5
Tower Bridge tourism		4.3	–	–	4.3	6.2
Grants to voluntary organisations		29.9	28.7	–	58.6	33.7
Total charitable activities	7	43.6	28.7	–	72.3	46.4
Other						
Net pension scheme costs	9	2.3	–	–	2.3	1.1
Total Expenditure		60.5	28.7	0.4	89.6	62.8
Net (expenditure)/income before gains/(losses) on investments		(28.5)	(13.3)	(0.4)	(42.2)	(16.2)
Net (losses)/gains on property investments	14	–	–	(23.4)	(23.4)	80.2
Net gains/(losses) on financial investments	15	159.6	–	19.1	178.7	(16.0)
Net gains/(losses) on social investments	16	0.2	–	–	0.2	(0.9)
Total Gains/(Losses) on Investments		159.8	–	(4.3)	155.5	63.3
Net income/(expenditure) after gains/(losses) on investments		131.3	(13.3)	(4.7)	113.3	47.1
Transfers between funds	23	(14.3)	14.3	–	–	–
Other recognised gains/(losses):						
Actuarial (losses) on defined benefit pension scheme	9	(6.5)	–	–	(6.5)	(5.4)
Net movement in funds		110.6	1.0	(4.7)	106.8	41.7
Reconciliation of funds:						
Fund balances brought forward at 1 April 2020		549.4	2.8	984.2	1,536.4	1,494.7
Total funds carried forward	23	660.0	3.8	979.5	1,643.2	1,536.4

All of the above results are derived from continuing activities.

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

The notes on pages 37 to 64 form part of these financial statements.

BALANCE SHEET

As at 31 March 2021

	Notes	2021 Total £m	2020 Total £m
Fixed assets:			
Tangible assets	13	3.1	3.4
Investment properties	14	843.8	854.9
Financial investments	15	834.0	687.2
Social investment fund	16	9.1	12.6
Total fixed assets		1,690.0	1,558.1
Current assets			
Stock		0.3	0.3
Debtors	18	11.7	11.6
Short term investments and deposits	15	38.0	49.4
Cash at bank and in hand		4.5	7.7
Total current assets		54.5	69.0
Creditors: Amounts falling due within one year	19	(44.8)	(37.9)
Total assets less current liabilities		1,699.7	1,589.2
Creditors: Amounts falling due after more than one year	20	(28.8)	(33.9)
Net assets excluding pension scheme liability		1,670.9	1,555.3
Defined benefit pension scheme liability	21	(27.7)	(18.9)
Total net assets		1,643.2	1,536.4
The funds of the charity:			
Permanent endowment funds		979.5	984.2
Restricted funds		3.8	2.8
Designated funds		445.6	440.7
General funds		214.3	108.7
Total funds	23	1,643.2	1,536.4

The notes on pages 37 to 64 form part of these financial statements.

Approved and signed on behalf of the Trustee



Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

16 December 2021

STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS

	Notes	2020/21 Total £m	2019/20 Restated Total £m
Cash flows from operating activities:			
Net cash (used in) operating activities	24	(68.1)	(38.5)
Cash flows from investing activities:			
Dividends, interests and rents from investments		30.2	37.1
Cash deducted from short term deposits		11.4	54.9
Sale of investment property		14.3	5.6
Purchase of property		(26.6)	(41.0)
Additions to Social Investments		(0.6)	(0.8)
Social Investments repayments		4.3	0.5
Additions to financial investments		(60.5)	(119.0)
Proceeds from sale of financial investments		92.4	103.4
Net cash provided by investing activities		64.9	40.7
(Decrease)/increase in cash in the year		(3.2)	2.2
Change in cash and cash equivalents in the reporting period		(3.2)	2.2
Cash and cash equivalents at the beginning of the reporting period		7.7	5.5
Cash and cash equivalents at the end of the year	25	4.5	7.7

1. Accounting policies

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

a. Basis of preparation

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

The City Corporation is Trustee of the charity, with officers of the City Corporation providing administrative services for both the charity and other Funds for which it is responsible. All assets, liabilities, income and costs are accounted for by the charity individually. Where required, costs are apportioned based on actual activity of the charity.

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

b. Going concern

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

In making this assessment, the Trustee has considered the potential ongoing impact of the Covid-19 pandemic on the value of investment assets held, future income

levels and the liquidity of the charity over the 12-month period from the date of the signed accounts. Financial projections have been considered over the short-term assuming that income levels will continue to be below former expectations, with some of the investments held unlikely to generate gains in line with previous financial years results. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both the short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. For this reason, and as set out in the Trustee's report above on page 29 the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

c. Critical accounting judgements and assumptions

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

i. Valuation of investment properties

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

Valuations are calculated, in accordance with "RICS Valuation – Global Standards 2020" together with the UK National Supplement (the "RICS Red Book") current edition at valuation date. The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security of income. Where lease premia or costs relating to rent free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of

the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

The outbreak of Covid-19, declared by the World Health Organisation as a global pandemic on 11 March 2020, has and continues to impact on the global economy. Nevertheless, some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, valuations are not reported as being subject to 'material valuation uncertainty' as defined by the RICS Red Book Global, which contains mandatory rules, best practice guidance and related commentary for all RICS members undertaking asset valuations.

In considering the specific portfolio of 65 assets which the charity holds, the valuers have not identified any assumptions that provide a material impact on a single or sub-group of those assets which were specifically sensitive to the impacts of the pandemic and which were relevant to the judgments applied as at 31 March 2021.

ii. Investment property disposals

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

iii. Valuation of financial investments

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

iv. Valuation of social investments

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

v. Defined benefit pension scheme

The charity has an obligation to pay pension benefits to those working for it. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See Note 21 for the disclosures relating to the defined benefit pension scheme, alongside further detail on the sensitivity of assumptions made.

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

vi. Allocation of support costs

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

d. Income and expenditure

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that the economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of fees and charges from the tourism operation at Tower Bridge, grants income, income from property (see policy g below) and financial investments and income on money market deposits held.

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

Expenditure on raising funds comprises those related to management of the investment property portfolio and financial investments, including apportioned support costs. The element of costs relating to property and financial investments that are attributable to maintaining the capital value of the endowment are charged to that fund, with the balance of these costs coming from the unrestricted income fund. Expenditure on charitable activities comprises repair and maintenance of the bridges, those related to the operation of the Tower Bridge tourist attraction, alongside grant-making, including apportioned support costs. Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. Where the payment is planned to be more than 12 months after the reporting date of the charity's accounts, the charity reviews the present value of future payments and considers whether the effective financing cost is material to the charity's reporting. If so, the financing charge is disclosed in the SOFA. Otherwise, the unadjusted value of the grant awarded is shown within creditors. In 2020/21 the charity does not consider the effective financing cost of future payments as material, and no adjustment has been made.

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

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, technology, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 11.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid, with details provided in Note 12.

e. Foreign currencies

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

f. Pension costs

Defined benefit scheme

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

For the defined benefit scheme the amounts charged within expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses. The assets of the scheme are held separately from those in the charity and are invested by independent fund managers appointed by the Trustee. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the balance sheet.

Barnett Waddingham LLP, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2019, using the projected unit method. The actuary will carry out the next triennial actuarial assessment of the scheme as at 31 March 2022 during 2022/23, which will set contributions for the period from 1 April 2023 to 31 March 2026.

g. Operating leases – Bridge House Estates as the lessor

Assets subject to operating leases are included in the Balance Sheet according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis until the next rent review, even if the payments are not received on this basis, unless another basis is more representative of the

time pattern in which the benefits derived from the leased asset are diminished. Rent-free periods are allocated over the term of the lease.

Where rent concessions have been granted because of the Covid-19 pandemic, these have included the forgiveness of a portion of or all lease payments for an agreed period (i.e. a temporary rent reduction or rent holiday). These concessions have been recognised over the periods that the change relate to, in accordance with amendments to FRS 102 issued in October 2020.

h. Taxation

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

i. Fixed assets

Tangible fixed assets

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

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

Land is not depreciated.

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

Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e. they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic

properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2021 was £944m (2020: £939m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1 (d).

Investment properties

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

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

Financial investments

i. Quoted investments

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

ii. Unquoted investments

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

iii. Cash held by fund managers

The fund managers utilised by the charity may hold investments in the form of cash from time to time when

making transactions. These amounts are recognised within investments due to the intention to reinvest.

Social investments

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

j. Stocks

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

k. Cash

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

l. Financial assets and liabilities

Since the charity only has financial instruments which qualify as basic financial instruments, it has chosen to adopt Section 11 of FRS 102 in respect of financial instruments. Financial assets and liabilities, including debtors and creditors, are recognised when the charity becomes party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

m. Funds structure

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

Permanent endowment fund – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purposes of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

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

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

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

2. Income from voluntary activities

	Restricted Income Funds £m	Total 2020/21 £m	Restricted Income Funds £m	Total 2019/20 £m
Grant income	15.4	15.4	1.8	1.8
	15.4	15.4	1.8	1.8

3. Income from charitable activities

	Unrestricted Income Funds £m	Total 2020/21 £m	Unrestricted Income Funds £m	Total 2019/20 £m
Tower Bridge tourism fees and charges	0.5	0.5	6.7	6.7
	0.5	0.5	6.7	6.7

4. Income from investments

	Unrestricted Income Funds £m	Total 2020/21 £m	Unrestricted Income Funds £m	Total 2019/20 £m
Investment property	27.0	27.0	34.6	34.6
Financial investments	2.5	2.5	2.5	2.5
Interest receivable	0.9	0.9	0.8	0.8
	30.4	30.4	37.9	37.9

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

5. Other income

	Unrestricted Income Funds £m	Total 2020/21 £m	Unrestricted Income Funds £m	Total 2019/20 £m
Other income	0.3	0.3	0.2	0.2
Government grants	0.8	0.8	–	–
	1.1	1.1	0.2	0.2

Government grants covers claims from HMRC under the Government's Coronavirus Job Retention Scheme (CJRS) for staff who were furloughed due to the Covid-19 pandemic. There are no unfulfilled conditions or other contingencies relating to this grant income and no other forms of government assistance were received in the year.

6. Expenditure on raising funds

	Direct costs £m	Support costs £m	Total 2020/21 £m	Direct costs £m	Support costs £m	Total 2019/20 £m
Investment property expenses	6.0	3.1	9.1	7.2	3.0	10.2
Financial investment expenses	5.9	–	5.9	5.1	–	5.1
	11.9	3.1	15.0	12.3	3.0	15.3

Of the total expenditure on raising funds, £14.6m (2019/20: £14.7m) relates to the unrestricted income fund and £0.4m (2019/20: £0.6m) to the endowment fund.

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

Financial investment expenses - fees paid to fund managers.

7. Expenditure on charitable activities

	Direct costs £m	Support costs £m	Total 2020/21 £m	Direct costs £m	Support costs £m	Total 2019/20 £m
Repair and maintenance of bridges	8.8	0.6	9.4	5.7	0.8	6.5
Tower Bridge tourism	3.5	0.8	4.3	5.2	1.0	6.2
Grants to voluntary organisations	57.4	1.2	58.6	33.0	0.7	33.7
	69.7	2.6	72.3	43.9	2.5	46.4

Within charitable expenditure, £28.7m is within restricted expenditure (2019/20: £0.2m). All other expenditure is unrestricted.

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

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

Grants to voluntary organisations - grants awarded in the name of City Bridge Trust, the grant making arm of the charity, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £54.7m (2019/20: £30.5m) and costs of administering the grants process of £3.0m (2019/20: £2.5m).

8. Grants awarded

During the year ended 31 March 2021, grants were awarded to institutions under the following programmes:

	2020/21 £m	2019/20 £m
Investing in Londoners:		
Core activities	–	0.4
Bridging Divides:		
Core activities	25.3	26.4
Strategic Initiatives	1.1	2.8
London Community Response Fund	28.3	–
Stepping Stones Fund	0.4	–
CBT 20th Anniversary Grants	0.1	1.1
Grants awarded	55.2	30.7
Grant adjustments and cancellations	(0.5)	(0.2)
Net grants awarded	54.7	30.5
Other grant related activities	2.7	2.5
	57.4	33.0

Grants were made to 1,617 organisations in the year (2019/20: 262), supporting 2,031 projects (2019/20: 277). The average amount of a grant equalled £27,171 (2019/20: £110,728). All grantees receiving funding must work for the benefit of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

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

Reconciliation of grants payable:

	2020/21 £m	2019/20 £m
Commitments at 1 April	43.3	33.9
Commitments made in the year	55.2	30.7
Grant adjustments and cancellations	(0.5)	(0.2)
Grants paid during the year	(51.4)	(21.1)
Commitments at 31 March	46.6	43.3

Outstanding grant commitments at 31 March 2021 are payable as follows:

	2020/21 £m	2019/20 £m
Within one year (note 19)	31.5	23.1
After more than one year (note 20)	15.1	20.2
Commitments at 31 March	46.6	43.3

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

9 Other costs: net total pension scheme costs

	2020/21 £m	2019/20 £m
Deficit at 1 April	(18.9)	(12.4)
Current service cost	(2.8)	(1.6)
Net interest	(0.5)	(0.4)
Employer contributions	1.0	0.9
Net total charge for the year	(2.3)	(1.1)
Actuarial (losses)/gains	(6.5)	0.8
Other gains/(losses)	–	(6.2)
	(6.5)	(5.4)
Deficit at 31 March	(27.7)	(18.9)

The net total pension costs charged in the Statement of Financial Activities represents 3% (2019/20: 3%) of the total charge in the City Corporation Pension Fund financial statements. This allocation is based on the split of the employee pension contribution across the funds managed by the City Corporation and is reviewed annually.

10. Net (expenditure)/income for the year

Net (expenditure)/income is stated after charging:

	2020/21 £	2019/20 £
Auditors' remuneration for the audit of the financial statements	78,000	70,000
Depreciation	313,492	328,479

10. Support costs

Support costs include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity on the basis of resources consumed by the respective activities as follows:

	Tourism	Investment property	Bridges	Grants	Governance	2020/21	2019/20
	£m	£m	£m	£m	£m	£m	£m
Department:							
Chamberlain	–	0.3	0.1	–	–	0.4	0.4
Comptroller & City Solicitor	–	0.1	–	0.1	–	0.2	0.1
Town Clerk	–	–	–	0.1	0.3	0.4	0.4
City Surveyor	–	2.3	–	0.2	–	2.5	2.5
Built Environment	–	–	0.1	–	–	0.1	0.1
Culture, Heritage & Libraries	0.2	–	–	–	–	0.2	0.3
Digital Services	0.3	0.1	0.1	0.2	–	0.7	0.6
Premises costs	0.1	–	0.1	0.2	–	0.4	0.3
Other	–	0.2	0.1	0.2	0.3	0.8	0.8
Sub-total	0.6	3.0	0.5	1.0	0.6	5.7	5.5
Reallocation of governance costs	0.2	0.1	0.1	0.2	(0.6)	–	–
Total support costs	0.8	3.1	0.6	1.2	–	5.7	5.5

All support costs are undertaken from unrestricted funds. Governance costs are allocated on the basis of FTE staff within each activity.

12. Details of staff costs

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

	2020/21 Number	2019/20 Number
Investment properties	11	12
Tower Bridge tourism	50	54
Repair & maintenance of bridges	29	32
Grants team	36	28
Administration	4	4
	130	130

In the previous year, FTE numbers did not include 4 staff who provide administrative support to the charity, alongside 1 member of the Grants team. The total stated was therefore 125.

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

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

	2020/21 £m	2019/20 £m
Salaries and wages	5.0	5.0
National Insurance costs	0.5	0.5
Employer's pension contributions	0.9	0.8
Total emoluments of employees	6.4	6.3

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

	2020/21	2019/20
£60,000 – £69,999	6.0	5.0
£70,000 – £79,999	2.0	3.0
£80,000 – £89,999	1.0	1.0
£90,000 – £99,999	1.0	1.0
£110,000 – £119,999	–	1.0
£120,000 – £129,999	1.0	–
	11.0	11.0

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

In addition, support staff are charged to the charity on the basis described within Note 11. The full-time equivalent number of support service staff charged is 61.1 (2019/20: 69.0).

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and senior officers employed by the City of London Corporation to manage the activities of the charity. These senior officers include the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor, City Surveyor and the Chief Grants Officer. These officers work on a number of the City Corporation's activities and their salaries and associated costs are allocated to the activities under its control, including Bridge House Estates, on the basis of employee time spent on the respective services, as stated within Note 11. Further details can be found within the Annual Report for City Fund.

The proportion of senior officer employment benefits, including employer pension contributions and employer national insurance contributions, allocated to the charity amounted to £259,000 in 2020/21 (2019/20: £255,000). No Members received any remuneration, with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2020/21 from the charity (2019/20: Nil).

13. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold improvements £m	Total £m
Cost				
At 1 April 2020	0.6	2.4	4.2	7.2
Additions	–	–	–	–
Disposals	–	–	–	–
At 31 March 2021	0.6	2.4	4.2	7.2
Depreciation				
At 1 April 2020	0.3	1.2	2.3	3.8
Charge for the year	0.1	0.1	0.1	0.3
Disposals	–	–	–	–
At 31 March 2021	0.4	1.3	2.4	4.1
Net book value				
At 31 March 2021	0.2	1.1	1.8	3.1
At 31 March 2020	0.3	1.2	1.9	3.4

13. Investment properties

	2021 £m	2020 £m
Market value at 1 April	854.9	739.3
Purchases and improvements	26.6	41.0
Book value of disposed assets	(14.8)	(4.5)
Total unrealised (losses)/gains*	(22.9)	79.1
Market value at 31 March	843.8	854.9

* Includes rent free adjustment of £3.7m (2019/20: £3.9m).

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

	2021 £m	2020 £m
Total unrealised (losses)/gains	(22.9)	79.1
Realised (losses)/gains on disposal	(0.5)	1.1
	(23.4)	80.2

A full valuation was performed as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards ("the Red Book"). This was undertaken by C&W(UK) LLP and Savills(UK) Ltd, chartered surveyors, acting as independent valuers. The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties and various indices. Reference to the uncertainty relating to the valuations as at the prior year-end is stated on pages 28 and 38 of this Report, noting that this no longer exists as at 31 March 2021.

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

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

15. Financial investments

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

	2021 £m	2020 £m
Long term investments	834.0	687.2
Short term investments:		
– short term deposits and money market funds	28.9	45.3
– short term investments in hands of fund managers	9.1	4.1
	38.0	49.4
Total market value at 31 March	872.0	736.6

Analysis of movement in financial investments

	2021 £m	2020 £m
Investments held by fund managers		
Market value 1 April	687.2	687.6
Additions to investments at cost	60.5	119.0
Disposals at market value	(92.4)	(103.4)
Gain/(loss) from change in fair value	178.7	(16.0)
Investments at 31 March	834.0	687.2
Cash investments		
Investments at 1 April	49.4	104.3
Movement in cash investments	(11.4)	(54.9)
Investments at 31 March	38.0	49.4
Total investments at 31 March	872.0	736.6

The geographical spread of investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2021 £m	Total at 31 March 2020 £m
Fixed interest	28.9	32.1	61.0	74.3
Index linked	22.2	22.8	45.0	47.8
Pooled units	120.9	505.4	626.3	509.7
Listed equities	23.0	30.8	53.8	26.8
Managed funds	9.1	–	9.1	4.0
Private equity	4.6	23.8	28.4	26.1
Infrastructure	–	48.4	48.4	47.9
	208.7	663.3	872.0	736.6

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

Investment powers

The Charity Commission Order dated 20 July 1998, the Trustee Act 1925 and the Trustee Act 2000 enable the Trustee to invest the property of the charity either:

- in the acquisition of any securities or property (real or personal) of any sort; or
- on deposit or loan whether in the UK or elsewhere.

16. Social Investment Fund

	Value as at 1 April 2020 £m	Drawn down £m	Repaid £m	Investment gain/(loss) £m	Value as at 31 March 2021 £m
Investment Fund	2.8	–	–	0.2	3.0
Loan	5.5	–	(4.2)	(0.1)	1.2
Bond	2.0	0.3	(0.1)	0.1	2.3
Property Fund	2.3	0.3	–	–	2.6
	12.6	0.6	(4.3)	(0.2)	9.1

The geographical spread of social investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2021 £m	Total at 31 March 2020 £m
Investment Fund	2.7	0.3	3.0	2.8
Loan	1.2	–	1.2	5.5
Bond	2.3	–	2.3	2.0
Property Fund	2.6	–	2.6	2.3
	8.8	0.3	9.1	12.6

At the year-end £2.6m (2019/20: £0.7m) had been committed but remained undrawn, with £0.8m (2019/20: £1.3m) approved but subject to agreement of terms, making a total promised of £12.5m (2019/20: £14.6m). Details of all investments placed are shown on the City Bridge Trust website www.citybridgetrust.org.uk.

17. Nature and extent of risks arising from Financial Instruments

In accordance with FRS102 11.48A (f), the charity has disclosed the nature and extent of those risks relating to its financial investments. The charity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund activities.

Credit risk – this is the potential risk that a counterparty will fail to meet its obligations in accordance with agreed terms, which principally arises from cash and cash equivalents, deposits with banks and with financial institutions. This risk is managed via the annual Treasury Management Strategy Statement which establishes that deposits are only made with eligible counterparties that meet a minimum standard of creditworthiness. The charity's creditworthiness policy uses information from the three main credit rating agencies supplemented by market information and other qualitative information. No credit limits were exceeded during the reporting period and the charity does not expect any losses from non-performance by any counterparty in relation to outstanding deposits.

The charity's maximum exposure to credit risk in relation to its investments in banks and money market funds cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution.

Liquidity risk – this is the risk that the charity may not have sufficient funds available to meet its payment obligations as they fall due. The charity has no borrowing exposure and has no plans to borrow to finance future expenditure. Operations are financed by realising investments as necessary to meet both current and future forecast cash requirements.

Market risk – this covers the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. Price risk is the risk of a decline in the value of a security or a portfolio. The charity minimises price risk through a strategy of diversification by holding a geographical spread of investments in the UK and overseas markets.

Potential market movements

31 March 2021

Asset type	% Change
Global equities – developed markets (incl UK)	18.7%
Global equities – emerging markets	28.6%
Absolute return fixed income	9.0%
Diversified growth funds	11.6%
Multi-asset credit	10.5%
Private equity	24.7%
Infrastructure	16.1%

The potential percentage allowance for changes in asset values are within a one-standard deviation tolerance. Taking these changes, the potential increase/decrease in the market prices of the fund's assets have been derived, and provide a range of possible net asset values which would be available to meet the fund's liabilities.

Asset type	Value	Change	Value	Value
	£m	%	on increase £m	on decrease £m
Global equities – developed markets (incl UK)	351.0	18.7%	416.6	285.4
Global equities – emerging markets	27.3	28.6%	35.1	19.5
Absolute return fixed income	32.2	9.0%	35.1	29.3
Diversified growth funds	271.9	11.6%	303.4	240.4
Multi-asset credit	83.9	10.5%	92.7	75.1
Private equity	28.4	24.7%	35.4	21.4
Infrastructure	48.4	16.1%	56.2	40.6
Total	843.1		974.6	711.6
UK Cash	28.9		28.9	28.9
Total financial investments	872.0		1,003.5	740.5

The percentage change for equities includes a grouping of listed and private equities and the equity funds categorised elsewhere as pooled unit trusts. The percentage change for bonds includes a grouping of government and corporate fixed interest securities. Separate consideration of the individual asset types is not available.

Currency risk – this risk exists when a financial transaction or asset/liability is denominated in a currency other than that of the base currency of the charity. Movements in exchange rates may cause a foreign currency investment value to either decrease or increase when the investment is sold and converted back into the base currency. The charity's day-to-day cash balances are deposited solely in sterling-denominated financial instruments but the charity's long-term financial investments are subject to movements in foreign exchange movements. Currency risk is a risk which is difficult to predict. In light of this and given that investment via pooled funds makes implementing a currency hedging programme operationally complex, the charity does not hedge its currency exposure. As a long-term investor, the charity can tolerate short term fluctuations in currency prices.

The following table shows the illustrative effect on the charity's asset values that would result from movements in exchange rates.

Currency Baskets	Value	Change	Value	Value
	£m	%	on increase £m	on decrease £m
GBP	433.0	0.00%	433.0	433.0
EUR	223.7	2.35%	229.0	218.4
USD	86.4	1.56%	87.7	85.1
Other	128.9	2.22%	131.8	126.0
Total financial investments	872.0		881.5	862.5

18. Debtors

	2021 £m	2020 £m
Trade debtors	5.0	2.3
Rental debtors	2.6	2.9
Prepayments & accrued income	4.1	6.4
	11.7	11.6

Debtors include £3.7m balances which are due after more than one year (2019/20: £3.9m).

Creditors – amounts falling due within one year

	2021 £m	2020 £m
Grants payable (note 8)	31.5	23.1
Trade creditors	1.2	1.9
Accruals	2.2	1.6
Deferred income	6.2	6.3
Rent deposits	3.3	4.9
Other creditors	0.4	0.1
	44.8	37.9

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

	2021 £m	2020 £m
Deferred income analysis within creditors:		
Balance at 1 April	6.3	5.8
Amounts released to income	(6.4)	(5.8)
Amounts deferred in the year	6.3	6.3
Balance at 31 March	6.2	6.3

29. Creditors – amounts due after more than one year

	2021 £m	2020 £m
Grants payable (note 8)	15.1	20.2
Deferred income	11.9	11.9
Other creditors	1.8	1.8
	28.8	33.9

	2021 £m	2020 £m
Deferred income – due after more than one year:		
Balance at 1 April	11.9	10.3
Amounts transferred to less than one year	(1.7)	(0.1)
Amounts deferred in the year	1.7	1.7
Balance at 31 March	11.9	11.9

Deferred income relates to lease premiums that will be released over periods of up to 164 years.

20. Pensions

City of London Corporation defined benefit pension scheme

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

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

Accounting for the defined benefit scheme under IAS19

The full actuarial valuation of the defined benefit scheme was updated to 31 March 2021 by an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with the City Fund requirements, rather than under FRS102, with no material differences between the two accounting standards identified.

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

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2021/22 is £965,000 (2020/21 actual: £914,000). This figure is calculated pro-rata to total contributions that will be payable by the City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

a) Major assumptions by the actuary

Financial

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

Assumptions as at:	2021 % p.a.	2020 % p.a.	2019 % p.a.	2018 % p.a.
RPI increases	3.2	2.7	3.4	3.3
CPI increases	2.9	1.9	2.4	2.3
Salary increases	3.9	2.9	3.9	3.8
Pension increases	2.9	1.9	2.4	2.3
Discount rate	2.0	2.4	2.4	2.6

Life expectancy

The demographic assumptions used are consistent with those used for the most recent Fund valuation (31 March 2019), except for the post-retirement mortality assumptions which have been updated in light of the coronavirus pandemic. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		2021	2020
Age 65 retiring today	Males	21.6	21.8
	Females	24.3	24.4
Retiring in 20 years	Males	22.9	23.2
	Females	25.7	25.8

Sensitivity analysis

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

Sensitivity analysis

	Change to assumptions %	Impact on liabilities	
		Increase £m	Decrease £m
Salary increases	+/- 0.1	0.1	(0.1)
Life expectancy	+/- 0.1	2.9	(2.7)
Discount rate	+/- 0.1	(1.3)	1.3

b) Amounts included in the balance sheet

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

	2021 £m	2020 £m	2019 £m
Fair value of assets (bid value)	35.6	28.3	19.4
Fair value of liabilities	63.3	47.2	31.8
Net liability in balance sheet	27.7	18.9	12.4

The net pension fund liability represents 3% (2019/20: 3%) of the total net balance sheet liability in the City Corporation Pension Fund financial statements.

c) Amounts included in the statement of financial activities

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

	2021 £m	2020 £m
Current service cost	2.4	1.6
Past service cost	0.3	–
Settlements and curtailments	0.1	–
Interest cost	0.5	0.4
Contributions	(1.0)	(0.9)
Total expense	2.3	1.1

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2019/20: 3%) of the total charge in the City Corporation Pension Fund financial statements.

d) Asset allocation

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

Employer asset share - bid value	2021		2020	
	£m	% p.a.	£m	% p.a.
Equity investments	21.4	59	16.8	60
Cash	0.2	2	0.5	2
Infrastructure	4.1	12	3.5	12
Absolute return portfolio	9.9	27	7.5	26
Total assets	35.6	100	28.3	100

The charity's share of pension scheme assets at 31 March 2021 represents 3% (2019/20: 3%) of the total pension scheme assets of the City Corporation Pension Fund.

e) Movement in the present value of scheme liabilities

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

	2021 £m	2020 £m
(Deficit) at beginning of the year	(47.2)	(31.8)
Current service cost	(2.4)	(1.6)
Interest cost	(0.9)	(1.1)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in demographic assumptions	0.5	0.3
Actuarial (losses)/gains arising from changes in financial assumptions	(14.5)	4.5
Other actuarial gains/(losses)	0.6	(2.4)
Other (losses)/gains	–	(16.0)
Past service cost, including curtailments	(0.3)	–
Liabilities extinguished on settlements	(0.2)	0.1
Benefits paid	1.4	1.1
Contributions from scheme participants	(0.3)	(0.3)
(Deficit) at the end of the year	(63.3)	(47.2)

The charity's share of the closing value of the pension scheme liabilities represents 3% (2019/20: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

f) Movement in the scheme net liability

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

	2021 £m	2020 £m
(Deficit) at beginning of the year	(18.9)	(12.4)
Current service cost	(2.8)	(1.6)
Net interest	(0.5)	(0.4)
Employer contributions	1.0	0.9
Actuarial (losses)/gains	(6.3)	0.8
Other (losses)	(0.2)	(6.2)
(Deficit) at the end of the year	(27.7)	(18.9)

g) Movement in the present value of scheme assets

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

	2021 £m	2020 £m
As at 1 April	28.3	19.4
Interest on assets	0.7	0.5
Remeasurement gains/(losses):		
Return on assets less interest	6.9	(1.6)
Other gains	–	9.7
Contributions by employer including unfunded	1.0	0.9
Contributions by scheme participants	0.3	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.4)	(1.1)
Settlement prices received	0.1	–
Closing value of scheme assets	35.6	28.3

h) Projected pension expense for the year to 31 March 2022

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

	Year to 31/03/2022 £m	Year to 31/03/2021 £m
Service cost	2.4	1.5
Interest cost	0.5	0.4
Total expense	2.9	1.9
Employer contribution	1.0	0.9

22. Analysis of net assets between funds

As at 31 March 2021	Unrestricted Income Funds		Restricted Funds	Endowment Funds	Total at 31 March 2021 £m	Total at 31 March 2020 £m
	General Funds £m	Designated Funds £m	Restricted Funds £m	Endowment Funds £m		
Fixed assets – Investment properties	–	–	–	843.8	843.8	854.9
Fixed assets – Financial investments	291.3	436.5	–	106.2	834.0	687.2
Other fixed assets	3.1	9.1	–	–	12.2	16.0
Current assets & liabilities	(23.6)	–	3.8	29.5	9.7	31.1
Long-term liabilities	(28.8)	–	–	–	(28.8)	(33.9)
Pension liability	(27.7)	–	–	–	(27.7)	(18.9)
	214.3	445.6	3.8	979.5	1,643.2	1,536.4

As at 31 March 2020	Unrestricted Income Funds		Restricted Funds	Endowment Funds	Total at 31 March 2020 £m	Total at 31 March 2019 £m
	General Funds £m	Designated Funds £m	Restricted Funds £m	Endowment Funds £m		
Fixed assets – Investment properties	–	–	–	854.9	854.9	739.3
Fixed assets – Financial investments	171.9	428.1	–	87.2	687.2	687.6
Other fixed assets	3.4	12.6	–	–	16.0	16.9
Current assets & liabilities	(13.8)	–	2.8	42.1	31.1	87.4
Long-term liabilities	(33.9)	–	–	–	(33.9)	(24.1)
Pension liability	(18.9)	–	–	–	(18.9)	(12.4)
	108.7	440.7	2.8	984.2	1,536.4	1,494.7

23 Movement in funds

As at 31 March 2021	Total as at 1 April 2020	Income	Expenditure	Gains & Losses	Transfers	Total as at 31 March 2021
	£m	£m	£m	£m	£m	£m
Endowment Funds	984.2	–	(0.4)	(4.3)	–	979.5
Total Endowment Funds	984.2	–	(0.4)	(4.3)	–	979.5
London Communities Response Fund	2.8	15.0	(28.7)	–	14.3	3.4
Other restricted Funds	–	0.4	–	–	–	0.4
Total Restricted Funds	2.8	15.4	(28.7)	–	14.3	3.8
General Funds	127.6	31.6	(23.0)	159.6	(53.8)	242.0
Pension Reserve	(18.9)	–	(2.3)	(6.5)	–	(27.7)
Total General Funds	108.7	31.6	(25.3)	153.1	(53.8)	214.3
Property Dilapidations	0.4	–	–	–	–	0.4
Bridges Repairs	41.7	–	(8.8)	–	15.2	48.1
Bridges Replacement	158.5	–	–	–	10.2	168.7
Grant-making	219.2	–	(26.4)	–	14.1	206.9
Social Investment Fund	20.9	0.4	–	0.2	–	21.5
Total Designated Funds	440.7	0.4	(35.2)	0.2	39.5	445.6
Total Unrestricted Income Funds	549.4	32.0	(60.5)	153.3	(14.3)	659.9
Total Funds	1,536.4	47.4	(89.6)	149.0	–	1,643.2

As at 31 March 2020	Total as at 1 April 2019	Income	Expenditure	Gains & losses	Transfers	Total as at 31 March 2020
	£m	£m	£m	£m	£m	£m
Endowment Funds	907.5	–	(0.6)	77.3	–	984.2
Total Endowment Funds	907.5	–	(0.6)	77.3	–	984.2
London Community Response Fund	–	1.8	–	–	1.0	2.8
Other Restricted Funds	0.2	–	(0.2)	–	–	–
Total Restricted Funds	0.2	1.8	(0.2)	–	1.0	2.8
General Funds	415.9	44.3	(23.9)	(13.1)	(295.6)	127.6
Pension Reserve	(12.4)	–	(1.1)	(5.4)	–	(18.9)
Total General Funds	403.5	44.3	(25.0)	(18.5)	(295.6)	108.7
Property Dilapidations	0.6	0.1	(0.3)	–	–	0.4
Service Charges	0.5	–	(0.5)	–	–	–
Bridges Repairs	34.0	–	(5.7)	–	13.4	41.7
Bridges Replacement	104.6	–	–	–	53.9	158.5
Grant-making	22.4	–	(30.5)	–	227.3	219.2
Social Investment Fund	21.4	0.4	–	(0.9)	–	20.9
Total Designated Funds	183.5	0.5	(37.0)	(0.9)	294.6	440.7
Total Unrestricted Income Funds	587.0	44.8	(62.0)	(19.4)	(1.0)	549.4
Total Funds	1,494.7	46.6	(62.8)	57.9	–	1,536.4

Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. Any income arising from this capital is accounted for within unrestricted funds. Further detail of the origins of this fund is stated on page 4.

Purposes of restricted funds

London Community Response Fund (LCRF) – established in response to the Covid-19 health pandemic to establish a collective response with other funders to support London's civil society in furtherance of the Bridge House Estates funding policy, 'Bridging Divides' (£3.4m held).

Other Restricted Funds are the Cornerstone Fund and the Responding to the Resilience Risk Fund:

The Cornerstone Fund is a funder collaboration that aims to bring about systemic change in how civil society organisations access and receive support and which tackles structural inequalities in order to grow stronger, more resilient communities (£0.2m held).

Responding to the Resilience Risk Fund – is a strategic initiative to investigate how to support staff resilience (£0.2m held).

Purposes of designated funds

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

Property Dilapidations	represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
Service Charges	represents service charges received from tenants to enable major cyclical works to be financed.
Bridges Repairs	represents funds required to maintain the bridges for the next 5 years.
Bridges Replacement	represents funds set aside to fund the future rebuild of the bridges. This is based on the annually calculated present value of estimated future costs, adjusted for increases in construction costs.
Grant-making	represents surplus income which has been designated for future grant-making activities in the name of City Bridge Trust.
Social Investment Fund	to finance investments that generate a financial return, alongside an associated social return, consistent with the agreed investment policy.

The charity also maintains a Pension Reserve Fund, representing the net liability owed.

Transfers between funds

A transfer of £14.3m (2019/20: £1m) was made in the year from the grant-making designated fund to the LCRF restricted fund to support the response to the Covid-19 pandemic.

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

24. Note to the statement of cash flows

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

	2020/21 £m	2019/20 Restated £m
Net income for the reporting period (as per the statement of financial activities)	113.3	47.1
Adjustments for:		
Interest and income from investments	(30.2)	(37.1)
Depreciation charges	0.3	0.3
(Gains)/losses on financial investments	(178.7)	16.0
Losses/(gains) on property investments	23.4	(80.4)
(Gains)/losses on social investments	(0.2)	0.9
(Increase) in stock	–	(0.1)
(Increase)/decrease in debtors	(0.1)	0.4
Increase in creditors falling due within one year	6.9	3.3
(Decrease)/increase in long term creditors	(5.1)	9.8
Net pension scheme costs	2.3	1.1
Net cash (used in) operating activities	(68.1)	(38.5)

Some prior year figures in the Cash Flow Statement have been re-categorised. This is to reflect property rental income within cashflows from investing activities rather than within cashflows from operating activities as this better reflects the nature of these activities in the context of the organisation. This re-categorisation has had no impact on the cash and cash equivalent balance for the 2019/20 year.

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

	Total as at 1 April 2020 £m	Cash Flows £m	Total as at 31 March 2021 £m
Cash and cash equivalents			
Cash	7.7	(3.2)	4.5
Total	7.7	(3.2)	4.5

Other non-cash changes are detailed in note 24.

26. Commitments

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

	2021 £m	2020 £m
Capital works authorised	3.9	10.2
Investment properties	–	2.8
	3.9	13.0

The capital works relate to a major refurbishment of an investment property which is expected to be completed in 2021.

27. Related parties

The City Corporation is the sole Trustee of the charity, as described on page 6. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in Note 11.

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

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

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2020/21 £000	2019/20 £000	Detail of transaction
London Funders (LF)	An Officer of the City Corporation is a Trustee of LF	180 (250)	300 (338)	LF received grant funding from CBT
		3 (–)	3 (–)	The charity paid a membership fee to LF
Trust for London (TL)	The City Corporation nominates four Members to TL	570 (200)	400 (770)	TL received grant funding from CBT
		200 (–)	– (–)	CBT received grant as contribution to Cornerstone Fund
		410 (24)	294 (12)	TL paid rent, service charges & insurance
Blind in Business (BiB)	A Member of the City Corporation is a Trustee of BiB	93 (–)	– (32)	BiB received grant funding from CBT
Partnership for Young London (PYL)	A Member of the City Corporation is a Trustee of PYL	157 (60)	138 (203)	PYL received grant funding from CBT
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of the City Corporation are Trustees of CF, alongside the husband of a Member	40 (55)	95 (95)	CF received grant funding from CBT
Heart of the City (HoTC)	An Officer of the City Corporation was a Trustee of HoTC during the year. Three Members of City Corporation are Council Members of HoTC	95 (214)	– (309)	HoTC received grant funding from CBT
Thames Festival Trust (TFT)	A Member represents CoL on TFT	– (–)	32 (–)	TFT paid for services provided at Tower Bridge
Guild of Freeman of the City of London (GF)	A Member is a Director of GF	21 (3)	22 (–)	GF paid rent, service charges & insurance to the Charity



Related party	Connected party	2020/21 £000	2019/20 £000	Detail of transaction
The Court of the City University (CCU)	Four Members represent the City Corporation on CCU	– (–)	2 (–)	The Charity paid a membership fee to CCU
Lord Mayor's Show Ltd (LM)	Six Members are Directors of LM. An Officer of the City Corporation is a Director of LM	– (–)	7 (–)	The Charity paid an entrance fee
Museum of London Archaeology (MOLA)	Two Members are Directors/ Trustees of MOLA	10 (41)	82 (51)	MOLA received grant funding from CBT

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

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

There were no related party transactions with City Fund for 20/21 (19/20: nil).

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

City's Cash holds a lease with BHE for the rental of a property. Rental income of £24k was received in the year (2019/20: £23.6k). The balance owed to BHE at year end was nil (19/20: £2.8k).

28. Subsequent events

In June 2021, a supplier was appointed for the repaint and refurbishment of Blackfriars Bridge, a project with a total budgeted cost of £12m. The repaint and refurbishment will improve the aesthetics of the bridge and will also protect the fabric of the structure to increase its longevity. The full refurbishment programme is expected to start in late summer and be completed by 2024.

REFERENCE AND ADMINISTRATION DETAILS

Bridge House Estates

Registered charity number 1035628

The grant-making and other charitable activity of the charity operates under the name City Bridge Trust.

Principal office

Guildhall, London, EC2P 2EJ

Trustee

The Mayor and Commonalty & Citizens of the City of London

BHE Board members: (appointed 15 April 2021)

Deputy Dr Giles Shilson (Chair) Deputy Jamie Ingham Clark

Dhruv Patel OBE (Deputy Chair) Paul Martinelli

Henry Colthurst John Petrie OBE

Alderman Professor Emma Edhem Judith Pleasance

Alderman Alison Gowman Deputy Henry Pollard

Senior management:

Chief Executive John Barradell OBE – The Town Clerk and Chief Executive of the City of London Corporation

Managing Director David Farnsworth (from 16/04/2021) – previously Chief Grants Officer and Director of City Bridge Trust

Chief Financial Officer Peter Kane (to 30/04/2021); Caroline Al-Beyerty (from 01/05/2021) - The Chamberlain of the City of London Corporation

Solicitor Michael Cogher – The Comptroller and City Solicitor of the City of London Corporation

Surveyor Paul Wilkinson – City Surveyor

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

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

Financial investment advisors

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

Contact for Bridge House Estates, to request copies of governance documents – BHE@cityoflondon.gov.uk



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