



**CITY BRIDGE  
FOUNDATION**

Charity registration  
number: 1035628

# ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2023



**CITY  
OF  
LONDON**

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Front cover: Tower Bridge © Musa Bwanali  
Inside cover: Southwark Bridge © James Newton

## CHAIR'S STATEMENT

This has been a momentous year. Though the origins of City Bridge Foundation (CBF) can be traced back for over 900 years, it is our recent history, spanning one very particular lifetime, that brought to mind the big moments that this capital and its people have experienced.

The death of Her Majesty Queen Elizabeth II reminded us of that generation who came through the blitz, determined to build back better from the devastation of war by creating the NHS, public housing and education for all. It was all the more poignant given the challenges we now face, in the aftermath of the Covid pandemic, including a cost-of-living crisis and growing inequality.

The current London Bridge, completed in 1972, was opened by Queen Elizabeth II. Fifty years later London Bridge, and the other four CBF bridges, were lit in purple during ten days of national mourning for the late Queen, as a tribute to her service and an expression of appreciation for all those who serve our communities, in London and beyond.

This has been another year of significant change and progress for CBF. We have modernised the charity's governance powers through the granting of a Supplementary Royal Charter. We have also developed a new brand and working name: City Bridge Foundation (used throughout this report, in place of Bridge House

Estates and City Bridge Trust). Our bridges have seen major progress on refurbishment, an enhanced visitor attraction at Tower Bridge and increased visitor numbers. We have also launched several new funding initiatives to meet some of London's greatest needs.

The newly refurbished first span of Blackfriars Bridge was unveiled to the public for the first time in March. A meticulous restoration was carried out, blending modern paint systems and the traditional re-casting of bridge elements, combining both heritage and progress.

Tower Bridge's international, domestic and local visitor base surpassed pre-pandemic numbers, in an excellent recovery from the impact of Covid on the attraction. The bridge was also given the top-category Gold accreditation by Visit England Green Tourism and achieved an overall score of 92% for its annual Visit England quality assessment. Further plans are being developed to improve its offer even further, including greater access for those with particular needs.

An exciting long-term development plan for Tower Bridge started this year, aiming to grow the existing business while also considering areas for engaging new audiences. The plan will enable Tower Bridge to embody the strategic aims and values of the charity in all its activities.

Through sound investment and good governance, the City Bridge Foundation is able to award over £30 million in grants each year to charitable organisations across London and is committing an additional £200 million over three years to support London's charity sector. CBF is London's largest independent funder.

During the disruption of the Covid pandemic, the charity made rapid adjustments to its funding and ways of working. It has now re-opened its funding programmes, focusing on partnerships, collaboration and equity to maximise efficiency and extend reach.

Four new Alliance Partnerships are building on previous collaborations and maximising the benefits of working with other funders to increase the reach and impact of CBF's funding. This year saw significant funding awarded to Comic Relief's Global Majority Fund, Baring Foundation, Smallwood Trust and London Legal Support Trust.

City Bridge Foundation's Anchor Programme was co-designed with civil society organisations and will provide funding to organisations that support frontline groups, while Propel is a funder collaboration, enabling organisations to lead joint approaches to tackle some of London's biggest challenges.

The charity continues to role model high-impact philanthropy. It also funds other organisations that are focused on improving the quality and scale of giving funds, time, skills and assets.

It was an honour to host the Annual Conference of the Beacon Collaborative at the Guildhall in November. Over 150 delegates attended, including philanthropists and organisations active in supporting greater and more effective giving.

Convening organisations which share our ambition to create a more equitable London remained high on the agenda this year and in March we brought together more than 80 of our funded organisations to discuss solutions to systemic change, finding their voice, and staff burnout. After Covid, it is encouraging to see so many from London's civil society coming together in this way.

The charity undertook a collaborative process to create and launch a new website, which, as well as reflecting the wider work, makes it much easier to apply for grants and non-financial support.

The majority of CBF's revenue derives from its property and financial investments. Despite challenging economic circumstances, particularly inflationary pressures, CBF remains financially secure and is more than able to meet the needs of the bridges that it maintains and supports.

A new Investment Strategy Statement (ISS) has been developed. It establishes investment objectives in line with the charity's Bridging London strategy and will enable investments to be managed in a way that most benefits its charitable purposes and its vision for London. The process of bringing it into legal effect will take place in 2023/24.

CBF has made tremendous efforts in delivering its Bridging London Strategy. This has included modelling good governance, establishing a new Investment Committee and recruiting external co-opted members on to the Grants Committee. The aim is for these new members to improve the diversity of skills, knowledge and experience in our governance structures. The charity has also begun a cultural change programme, bringing together the different teams to build a 'one charity' culture. Significant progress was made to develop a new brand that expresses these unifying changes. We are excited to develop this work further in 2023/24 and build upon our history to achieve greater impact for London and Londoners.

Millennium Bridge



## ORIGINS OF THE CHARITY

City Bridge Foundation owes its existence to London Bridge. This dates back to 1122 when the charity's predecessors began raising funds to maintain the bridge's forerunners, opening the first stone bridge in 1209.

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

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

### The River Bridges

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

#### Millennium Bridge

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

#### London Bridge

- **1097:** King William II raises a tax to help repair London Bridge.
- **1209:** the first stone bridge is completed. Cross river trade, taxes, rents and bequests result in a fund administered from the Bridge House.
- **1831:** the stone bridge is replaced with a new bridge, designed by John Rennie the Elder.
- **1972:** just over 140 years later, the current bridge is completed and is opened by Queen Elizabeth II in 1973.
- **2023:** the 50th anniversary of the bridge from its opening.

#### Tower Bridge

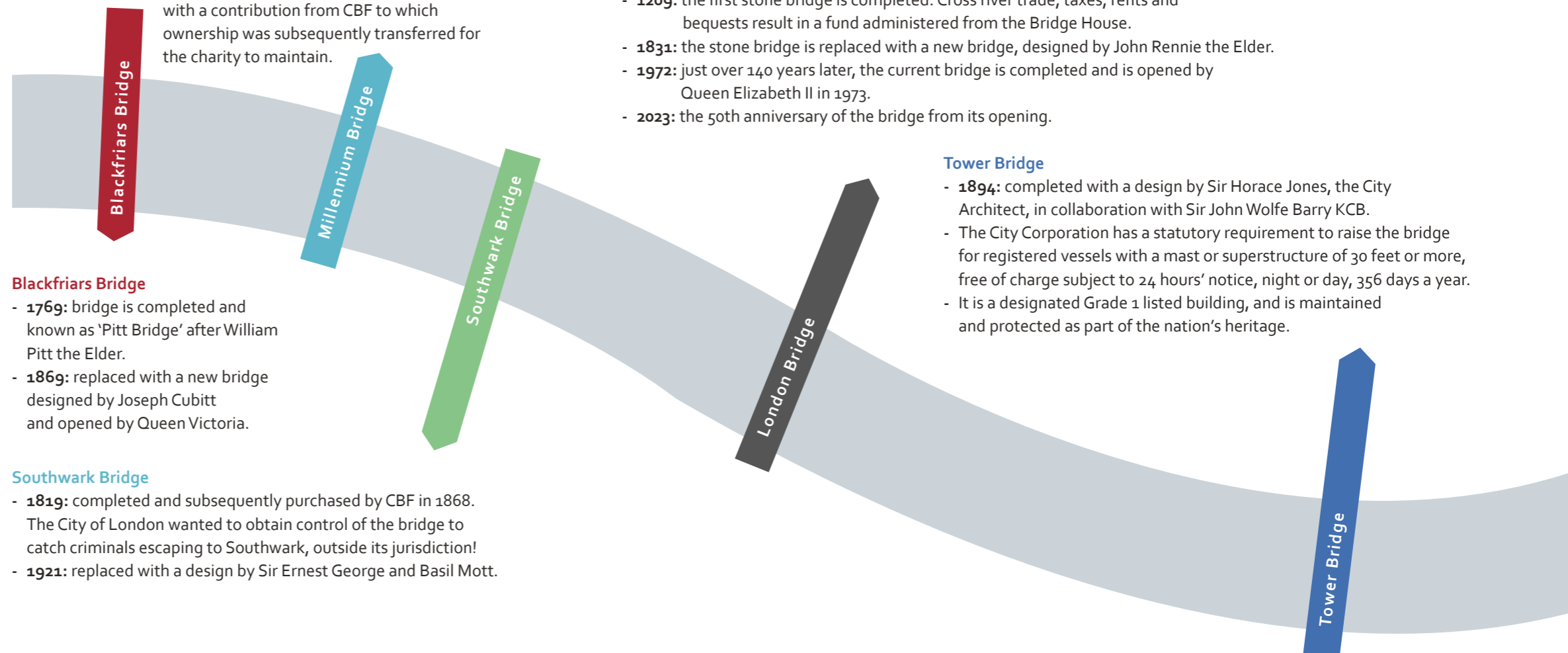
- **1894:** completed with a design by Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB.
- The City Corporation has a statutory requirement to raise the bridge for registered vessels with a mast or superstructure of 30 feet or more, free of charge subject to 24 hours' notice, night or day, 356 days a year.
- It is a designated Grade 1 listed building, and is maintained and protected as part of the nation's heritage.

#### Blackfriars Bridge

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

#### Southwark Bridge

- **1819:** completed and subsequently purchased by CBF in 1868. The City of London wanted to obtain control of the bridge to catch criminals escaping to Southwark, outside its jurisdiction!
- **1921:** replaced with a design by Sir Ernest George and Basil Mott.



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

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

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

Further information on the activities of CBF is available at [www.citybridgefoundation.org.uk](http://www.citybridgefoundation.org.uk)



# TRUSTEE'S ANNUAL REPORT

## Structure and Governance

### Governing Document

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

### Founders

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

### Governing Instruments

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

A supplemental Royal Charter of 26 November 1957 Private Acts of Parliament including:

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

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

Various Schemes and Orders made by the Charity Commission:

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

Ancient custom and practice.

In February 2023, His Majesty The King made an Order for the grant of a new Supplemental Royal Charter to The City Corporation as Trustee of CBF. The Charter was sealed and took legal effect on 01 June 2023.

### Governance Arrangements

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

The CBF Board is responsible for the management and control of the charity, in the discharge of the City Corporation's functions as Trustee, under the oversight of the Court. This governance arrangement provides a framework for effective decision-making and better demonstrates decisions that have been taken solely in the best interests of the charity. In considering ongoing and effective administration and governance, the CBF Board has established a sub-committee, the Funding Committee of the Board, to discharge operational functions in advancing the charity's ancillary object. As with the exercise of any delegated authority, CBF retains responsibility and accountability for all decisions taken by its Funding Committee, with ultimate responsibility and oversight for the City Corporation as Trustee of CBF remaining vested in the Court.

Membership of the CBF Board and the Funding Committee is drawn from the 125 elected Members of the Common Council together with external appointees.

In making appointments, the Court of Common Council will take into consideration any skills, knowledge and experience of the elected Members, and where relevant, external appointees. External appointments are made after a 'skills' audit. Members of the Court of Common Council are unpaid for support provided to CBF and are elected by the electorate of the City of London. The CBF Investment Committee was approved this year and will be established in 2023/24.

To support its responsibilities, the CBF Board resolved to proactively consult with, and seek the advice of, other Committees of the Court of Common Council. By doing so, it draws on their skills, knowledge and experience, to facilitate delivery of existing workstreams under the revised delegation arrangements, and to better inform the Board's decision-making on certain matters. The following Committees' advice were sought on matters as described below in the year 2022/23:

**Policy & Resources Committee** – in relation to any existing and on-going CBF projects which were previously within the purview of that Committee prior to the constitution of the CBF Board in April 2021. This assisted the Board in taking its decisions for the successful delivery of those projects, as appropriate.

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

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

Good governance is considered by the Trustee to be fundamental to the success of the charity. The comprehensive governance review that commenced in 2017/18 moved to an implementation stage in 2021/22 which continued throughout 2022/23. Appointments to the CBF executive leadership team were completed during the year, reporting to the CBF Board via the Managing Director and holding responsibility for the day-to-day operational management of the charity. Establishing the operation of this team across the charity has been a focus for the year under review. Appropriate consideration is being given to the practices recommended within the Charity Governance Code throughout the implementation stage of the review.

## Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee discharges its duties and functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference, setting out the scope of delegations from the Court of Common Council, alongside Standing Orders for conduct of meetings, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations). These City Corporation governance documents can be obtained via a request to the email address stated on page 65.

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

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

## Induction and training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to perform their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of CBF, with an emphasis on involvement for those Members (and external appointees) actively working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members (and external appointees) are advised of these opportunities.

## Purposes and activities

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

## Public benefit statement

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

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

## Reference and administrative details

The administrative details of the charity are stated on pages 64 - 65.

Disability Sports Coach © Emmanuel Cole



Blackfriars Bridge renovation with new parapets and a rich colour scheme © Emmanuel Cole



## ACHIEVEMENTS AND PERFORMANCE

### The Bridges

City Bridge Foundation maintains and supports five of the main river bridges in central London: Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge. These vital thoroughfares cross the Thames into (or nearby) the City. The bridges are maintained by a specialist team, working closely with other stakeholders to ensure they continue to serve the capital, safely and securely now and into the future.

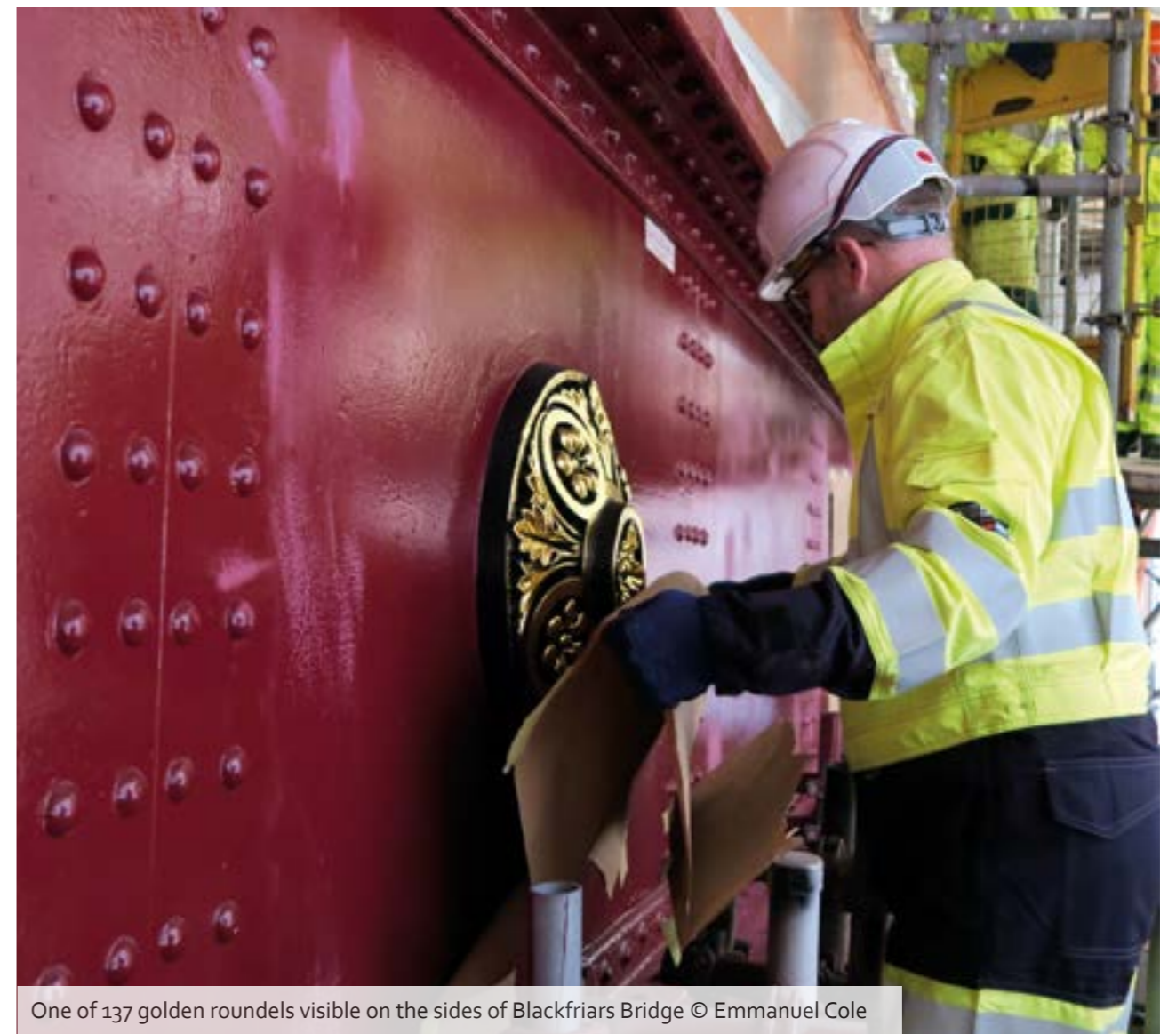
The refurbishment of Blackfriars Bridge has made significant progress this year. The first span of the bridge, with its newly restored parapets and rich paint scheme, was completed and unveiled to the public in March. This received positive media coverage, showcasing the history and unique details of the structure. Despite the scale of the work, the bridge has remained fully open to the public. Behind screens and below the paving slabs and road, an unseen workforce is busy on the Grade II-listed structure.

As part of the process, more than 2,000 cast-iron balusters, the small upright columns which line the bridge parapets, are being carefully disassembled and restored. Seemingly identical, there are nine different designs, a subtle Victorian design twist which is being

conserved. A new type of paint is also being trialled for the first time on a CBF river crossing. The paint is resistant to UV degradation, and it is expected that its vibrancy and protection of the structure will be retained for many years to come.

The waterproofing to the north and south approaches of Southwark Bridge was also replaced this year. This was a significant project, which required stripping back the existing surfacing, carrying out concrete repairs and replacing the surfacing and kerbs. This will reduce water ingress to the structure below, protecting and prolonging its lifespan. The project had to coordinate with a major adjacent development being carried out at the former Financial Times building.

For several years now, the engineering team have been working closely with the Tideway Tunnel Project (a massive new Super Sewer being constructed along the river that passes beneath all five CBF bridges). Work was completed this year by the Tideway Tunnel Project to mitigate the small amount of movement caused on Tower Bridge by the tunnelling activity. The movement was less than predicted but did cause the gap between the bascules to decrease. This was corrected to minimise the risk of any operational issues, particularly in hot weather as the bridge structure expands. The team will continue to work closely with the Tideway Tunnel project team to protect CBF assets.



One of 137 golden roundels visible on the sides of Blackfriars Bridge © Emmanuel Cole



Tower Bridge © Emmanuel Cole

## Tourism at Tower Bridge

For almost 130 years Tower Bridge has been the symbolic gateway to London. It is one of the capital’s most recognisable landmarks and a working bascule bridge. It is also an award-winning and popular, paid visitor attraction.

During 2022/23 business recovery continued at pace, resulting in record levels of income by the end of the year. The focus has been on bringing in local audiences and the gradual return of international visitors.

The Bridge’s international, domestic and local visitor base was 100% of pre-pandemic levels in December, with continued increases in the last quarter. Local audiences were attracted to Tower Bridge through its £1 community ticket. The Bridge welcomed almost 750,000 visitors and generated a record £7.6m in overall income, comprising admissions, events, filming and retail, with the latter exceeding £2m in turnover for the first time.

The venue hire business at Tower Bridge also continued to recover in 2022/23, with clients preferring smaller, ‘last minute’ events. The decrease in bookings for large events reflected across the industry, and Tower Bridge’s smaller event spaces proved attractive for prospective clients.

The positive business recovery resulted in development projects and improvements - previously put on hold during the pandemic - being restarted. This included the first stage of the West Walkway content overhaul, a new lighting system, access and inclusivity improvements and efforts to help meet the charity’s strategic aim for climate action. A review of the Bridge’s ticketing system took place, with the project for procuring and implementing a new system put on hold due to changes in the nature of visitor attractions admissions and ticketing technologies during the period of continued business recovery following the pandemic.

A key objective for 2022/23 was to seek Visit England’s Green Tourism accreditation. The initial informal assessment suggested entering the scheme at Bronze level. Following formal assessment however, Tower Bridge scored 85%, putting it into the top category of Gold. The assessor said, “85% is one of the highest scores that has been achieved on this assessment criteria and I think there are less than 10 businesses who have managed this so far. It really is an achievement to be proud of.”

	22/23	21/22*	20/21**	19/20
Visitor numbers to Tower Bridge	746,895	261,815	45,127	835,821
No. of pupils participating in education programme	3,721	2,604	1,429	4,344
Admissions Income	£4,373,918	£1,867,911	£320,625	£4,033,965
Retail Income	£2,161,087	£703,458	£147,512	£1,698,765
Venue Hire Income	£995,400	£529,502	£10,448	£931,116

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

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

Tower Bridge achieved an overall score of 92% for its annual Visit England quality assessment in June, with a particularly high score of 98% in the staff category. The Bridge also achieved a Visit England Welcome Accolade, relating to customer service and quality of experience.

The Mayor of London and the Alzheimer’s Society launched a scheme to make London the world’s first Dementia friendly city. This scheme has recognised Tower Bridge as a ‘Dementia Friendly Venue’. This offer will be further enhanced via a dedicated Tower Bridge Access and Inclusion group.

Regular Relaxed Early Openings proved very popular for those wanting to explore the Bridge in a tranquil atmosphere, including people living with neuro-diverse needs. Positive responses included this parent’s comment: “It was nice to be able to visit when there were

*less visitors so my son felt less anxious and could look around comfortably.”*

An exciting long-term development plan started in 2022/23 looking at the growth of the existing business at the Bridge (including learning, connecting communities, tourism, events and retail) while also considering areas for engaging with new audiences. The plan will enable Tower Bridge to embody the strategic aims and values of the charity in all activities.

Tower Bridge operated as a working bascule bridge with 24-hour security provision throughout 2022/23, fulfilling the trustee’s statutory obligation to raise the Bridge for river vessels. A number of operational projects were also completed, including a replacement and upgrade of the Bridge’s high voltage electrical supply and associated infrastructure.





## City Bridge Foundation' Funding and Philanthropic Activities

Since 1995, CBF has distributed surplus income that is not required for the long-term maintenance and support of the five bridges. As London's largest independent funder, CBF provides grants to hundreds of organisations every year, and works collaboratively with other funders and partners to maximise efficiency and extend reach. The funding is used to reduce inequality and grow stronger, more resilient and thriving communities for a London that serves everyone.

CBF completed the review of its pre-Covid open grant programmes. The majority of these were closed to applications during the pandemic to focus support on current grantees and transition funding to new organisations to get them through that difficult period. In June 2022, the Funding Committee approved the re-opening of the programmes to new applications. Open grant funding totalled £29.7m by the end of the financial year. CBF programmes were updated in response to lessons learned from the pandemic and to incorporate an improved focus on equity.

### Alliance Partnerships

This year CBF awarded four Alliance Partnerships: in which grants are made to associate funders for onward grant-making. Partners will have already conducted research and development into an area which is key to meeting CBF's mission and vision, or they have greater reach into the communities which CBF's funding aims to impact.

**Comic Relief:** CBF awarded £2m to the Global Majority Fund, a collaborative fund managed by Comic Relief. Over three years this funding will support infrastructure and grassroots organisations led by and for communities experiencing racial inequality, to address the needs of communities they support.

**Baring Foundation:** Awarded £1.5m to develop and deliver a programme to promote and develop the use of human rights-based approaches for London-based civil society organisations.

**Smallwood Trust:** CBF awarded £864k to support the London Women's Resilience Fund. The Fund will provide grants and support to two partnerships in Newham and Hackney, reaching 15-20 civil society organisations working with and for local women most vulnerable to poverty.

**London Legal Support Trust:** Awarded £6m to enhance the capital's legal advice sector, which provides access to legal support, advice and representation, irrespective of people's financial position. Onward grants will be made available through the Advice Skills Development Fund, delivered through the funder collaboration Propel.

### Anchor Programme

Following the Funding Committee's endorsement of a £20m allocation from the designated grants fund, work has continued on the Anchor Programme. The programme has been co-designed with civil society

organisations and will provide long-term, core funding to second-tier organisations that provide support to frontline groups. The aim is to achieve change for Londoners at a systemic level. CBF staff, advised by Civil Society organisations, processed Stage 1 expression of interest applications and 15 applicants were invited to submit Stage 2 applications.

### Grant-making policy

The Trustee has established CBF's grant-making policy to achieve the charity's ancillary purpose, as laid out on page 7, for the public benefit. CBF considers and funds a large number of organisations and makes awards through a wide programme of funding schemes. The majority of grant commitments are usually for revenue expenditure, awarded over 2-5 years.

All applications are assessed via a robust process to ensure that proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match CBF's criteria. Approved funded organisations are required to report annually on the impact of their work. Information is collected in a uniform and systematic way, enabling analysis and feedback to take place. Benchmarking and performance data is collated from CBF's Impact & Learning reports, which support funded organisations to learn from their work and provide useful data for decision-making to CBF. Data is also collected from anonymous perception surveys of funded organisations, undertaken by an independent third party.

Details of how to apply for grants are available on [www.citybridgefoundation.org.uk](http://www.citybridgefoundation.org.uk)

### Diversity, transparency and accountability

The Foundation Practice Rating (FPR) is an initiative started by a group of charitable foundations, including CBF, in 2021. The FPR is led by Friends Provident Foundation and aims to improve UK charitable grant-making foundations' practices around diversity, transparency and accountability. CBF supported the FPR with an award of £15,000 in 2022/23.

The foundations funding the FPR are assessed and rated each year, along with other large grant-making foundations. On a rating scale of A to D, City Bridge Foundation scored A for transparency and accountability, and C for diversity, giving an overall score of B.

The FPR assessment is scored by independent testers and is based on information provided on foundations'

websites. Specific feedback on final scores is not given. The lower diversity score potentially relates to insufficient published data regarding the diversity of staff and board members.

CBF's forthcoming end-to-end review will address issues of equity, diversity and inclusion (EDI), ensuring EDI is embedded throughout the charity's processes. As employers, CBF and its trustee The City of London Corporation are values-based and welcome applications from all backgrounds and sectors.

CBF is also a signatory to the Open and Trusting Grant-making Initiative coordinated by the Institute for Voluntary Action Research (IVAR).

### Social investment

CBF's social investment fund remained closed to new proposals pending the approval of the Supplemental Royal Charter, with CBF continuing to manage the existing holdings.

### Impact and learning

CBF continued to deliver the five-year impact and learning strategy. This focussed on better gathering, analysis and sharing of data to improve funding and other philanthropic approaches. It also further developed CBF's learning ethos and embedded equity in all impact and learning activities.

The Impact and Learning team commissioned the Work Foundation to undertake independent research into disabled people's experiences of hybrid working during the pandemic. This was published as 'The changing workplace: enabling disability inclusive hybrid working'. The report includes practical advice for employers to ensure they create a truly disability-inclusive culture at work, and recommendations to the Government for policy changes to tackle the disability employment gap.

In March 2023, CBF held a Networking and Learning Day for more than 150 representatives of funded organisations at the Barbican Conservatory. The event provided an opportunity for attendees to focus on their organisations' strengths, explore challenges, and seek solutions. Attendees also met members of the funding team and learned more about the extensive, additional support CBF can offer to funded organisations.

Learning visits, which had been paused because of Covid-19, were refreshed and relaunched. The

programme aims to create an open and honest environment in which funder and funded organisations can both learn and benefit equally.

### Strategic Initiatives

In addition to its responsive grant-making, CBF also funds Strategic Initiatives. These are awarded for work which doesn't necessarily qualify for any of CBF responsive grant streams but which nevertheless meets the charity's vision and mission.

Strategic Initiatives also are only awarded for work which will have a strategic impact for Londoners and/or London's civil society.

**Baobab Foundation:** A grant of £200k was awarded towards the running costs and the development of the Baobab Foundation, with further funding of £2m for onwards grant-making. This grant was conditionally approved in 2021/22 but only formally committed in 2022/23. Baobab is the first funder dedicated explicitly to growing, supporting and strengthening groups and organisations led by and serving Black people and communities affected by racism and racial disparities in the UK. CBF had already supported Baobab with seed funding of £100,000 prior to this award.

**Action for Race Equality:** An award of £400,000 over three years was made to Action for Race Equality, towards the pan-funder Windrush Justice programme. CBF's funding is restricted to the onwards awarding of small grants, capacity building, and convening elements of work, with all monies restricted for the benefit of Londoners.

**London Funders:** CBF granted London Funders £695k for their convening and co-ordination role of the Propel funder collaboration. CBF is a founding collaborator of Propel and has allocated £30m to this ten-year, £100m initiative, with an emphasis on equity-led organisations.

The Propel fund launched in October 2022, inviting applications from organisations developing work to bring about systems change. In 2022/23 Propel awarded approximately £25m to 80 organisations, with CBF contributing £5.7m.

**Ascension Trust:** £167k was awarded to the Ascension Trust to support the Bridge Watch programme. The Bridge Watch Programme aims to provide a 'physical presence' of teams of volunteers who will 'patrol' the areas on and around the bridges of London, and who have a brief to engage with anybody indicating intent to enter the water.

### Cost of living

CBF awarded the London Community Foundation £1m over five months for onward grant-making through the Together for London Winter appeal, supporting those Londoners most impacted by the cost-of-living crisis.

CBF also distributed £1.2m of funding uplifts to more than 350 current grant-holders. These one-off, unrestricted grants were provided to help offset the impact of inflation, with charities encouraged to use the funding in ways that best meets their needs.

### Beyond funding: non-financial support

CBF is in the privileged position of being able to provide more than financial support to those it works with. Through a network of partners, CBF's Bridge Programme offers free guidance and training to funded organisations, covering issues such as organisational development, governance, fundraising, and business planning.

The support that CBF provides will continue to evolve in response to the needs of the charity's partners in civil society. CBF is striving to strike the right balance between the helpful provision of support, training and other resources whilst being mindful of the pressures of time and capacity that are faced by many civil society organisations.

CBF hosted the Annual Conference of the Beacon Collaborative at the Guildhall in November 2022, welcoming over 150 delegates including philanthropists, and organisations which are actively supporting increased quality and scale of giving from High-Net-Worth Individuals. CBF announced its £30m funding contribution to the ten-year Propel initiative at the conference.

An important aspect of CBF's non-financial support for charities involves the utilisation of its unique asset base, such as Tower Bridge, alongside other opportunities available through its trustee, The City of London Corporation.

In March 2022, CBF hosted an event for SafeLives at the Old Bailey on why we need a trauma-informed approach to domestic abuse in the family and criminal courts. In December 2022, CBF arranged a special viewing at the Barbican of *Someone's Daughter, Someone's Son*, a new film about street homelessness from award-winning director Lorna Tucker. Made in partnership with The Big Issue, the film raises awareness of homelessness issues. CBF aims to expand on its philanthropic offer, in partnership with City Corporation.



The Albany Garden in Deptford © Emmanuel Cole



## CBF Investments

CBF's Investment Strategy Statement (ISS) provides the framework for managing the charity's investment portfolio and incorporates the objectives approved within the overarching strategy for CBF, *Bridging London 2020 – 2045*. This reflects the radical Climate Action Strategy adopted in 2020 by The City Corporation for both the organisation itself and as Trustee for CBF.

The charity had undertaken a review of its ISS, and a new ISS was approved by the Trustee of the charity in April 2023, which came into legal effect following the sealing of the Supplemental Royal Charter in June. The new ISS establishes investment objectives in line with the charity's Bridging London strategy and sets out the guiding principles for its investments.

### Investment policy

The purpose of the ISS applicable during 2022/23 has been to ensure that the charity maintains consistent funding for its primary purpose, meeting the needs of the five Thames Bridges, with surplus investment income being appropriately managed to support the ancillary purpose in line with CBF's latest approved charitable

funding strategy. The ISS covers the investment of the charity's permanent endowment fund – both now and in the future, and unrestricted income fund. It encompasses property, financial and social investments.

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

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

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

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

The Trustee is committed to being a responsible investor of the charity's funds and the long-term steward of the assets in which it chooses to invest those funds. It expects this approach to protect and enhance the value of the charity's assets over the long term. The Trustee is aware that the charity's mission or its credibility may be undermined if it invests in businesses whose activities

undermine the charity's values and charitable purposes. The Trustee recognises it is consistent with its fiduciary duties and duty in investing charity property to manage Environmental, Social and Governance (ESG) issues that may be financially material. As a long-term investor, CBF recognises that it should manage ESG risks that can be both long-term and short-term in nature. In addition, the Trustee seeks to identify investment opportunities for CBF aligned with the charity's long-term purposes. As a signatory to the Principles for Responsible Investment (PRI), the Trustee has also agreed to incorporate the six core principles of PRI into the charity's investment analysis and decision-making processes. The Trustee is also committed to align the charity's financial investment portfolio with the goals of the Paris Agreement on climate change (2015). It is further committed to being net zero across CBF's value chain, working closely with other aspects of The City Corporation's business to deliver the joint Climate Action Strategy adopted for CBF and by The City Corporation for itself, with a long-stop deadline of net zero by 2040.

The performance of the charity's investments during the year is discussed on pages 20 - 23 and set out in Notes 13 - 15.

## Property Investments

CBF has a property investment portfolio comprised of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents 87% of the permanent endowment funds of the charity. There are now 62 assets (2021/22: 66 assets) within the portfolio of which 55% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio but are valued externally.

The underlying value of the property portfolio, as disclosed in the balance sheet, decreased by £47m (5.3%) to £841.1m at 31 March 2023. The fall in values across the CBF property investment portfolio mainly reflects the economic background of increasing interest rates and high inflation. As interest rates increased throughout the financial year, there was a sharp decrease in property investment transactional activity in the market. Property values have dropped as valuation yields increased.

The ISS set the objectives for this portfolio for 2022/23. This was to maximise rental income and to outperform the MSCI Benchmark for total returns on an annualised

5-year basis, for Greater London Properties (including owner occupied). The portfolio outperformed the MSCI benchmark across all reported periods. The performance of the property portfolio is shown in the table below:

	31 March 2023	31 March 2022
Capital Value*	£841.1m	£888.1m
Gross Rental Income **	£25.1m	£26.2m
5-year annualised Total Return	5.22%	8.55%
Benchmark 5-year annualised Total Return	1.71%	6.28%
MSCI Universe (All UK Property) 5-year annualised Total Return	1.32%	2.14%

\* Inclusive of lease smoothing adjustment

\*\* Inclusive of service charge income

#### Review of activities from 2022/23:

- Completed a ground lease restructure of Adelaide House, a Grade II Listed Building. This released a £4.6m premium and facilitated a major refurbishment of this asset to provide Grade A office space, targeting BREEAM Excellent and Energy Performance Certificate (EPC) A ratings.
- The freehold sale of tertiary parade category retail assets in Lewisham for £3.1m.
- Between April 2022 and March 2023 £0.5m per annum of additional new lettings was achieved.
- Completed the major refurbishment of 120 Cannon Street in October 2022 and started lettings. An EPC rating of B was secured for this office building as well as BREEAM Excellent.
- There have been issues/delays with major ground lease transactions during the year due to the state of the commercial property market in London. This has meant that anticipated significant capital receipts did not materialise.

## Financial Investments

The CBF financial investment portfolio primarily represents the unrestricted income funds of the charity, although currently around 13% of the portfolio forms part of the permanent endowment fund. The aim of the portfolio, as set out in the Investment Policy on page 20, is to seek an absolute return over the long term to provide for increases in annual expenditure whilst preserving its capital base in real terms, which is currently set at CPI + 4%.

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

	31 March 2023	31 March 2022
Financial Investments Portfolio Value*	£838.6m	£888.0m
One year total return	-0.24%	6.6%
Absolute return target	14.11%	11.0%
Asset Allocation Benchmark	6.43%	11.4%

\* The Portfolio Value includes £819.7m long term investments (£879.5m as of 31 March 2022) plus £18.9m short term investments with fund managers (£8.5m as of 31 March 2022).

It has been the worst year in global financial markets since the 2008 financial crisis. Increases in inflation and commodity prices, changing interest rate expectations, and the ongoing Russian/Ukrainian war created a challenging investment environment. Global equities posted deep negative returns, as a result of high inflation, with the action of central banks to combat it alongside fears of a global recession, dominating the markets.

September's mini-budget led to a sharp rise in gilt yields with sterling reaching a 37-year low against the US dollar. The UK Government's subsequent renewed talk of fiscal discipline was well received by markets. Gilt yields fell and sterling rallied. Market conditions improved and equities benefitted from most international currencies strengthening against the dollar.

Equity markets returns were positive in January 2023, with falling energy prices and China's continued post-covid reopening. However, high inflation and



Staff day at the Barbican © Musa Bwanali

continued tightness in labour markets increased fears of recession, resulting in most global equity markets falling in February. Despite the impact of the banking crisis in the US & Europe in March, overall equity growth remained robust during the final quarter.

It is very difficult for the CBF portfolio to outpace high inflation over the short term and under these challenging investment conditions, the charity's financial investments reflected an annual return of -0.24% in the year to 31 March 2023. Events described above are a reminder of the risks inherent in investing. To address this, the charity sets a diversified asset allocation strategy, to alleviate the volatile episodes in financial markets. However, it should be noted that the charity aims to meet its investment targets over the long term, where performance continues to be positive.

The charity's Climate Action Strategy (CAS) includes the Financial Investments workstream with a net zero target of 2040, with interim emission reduction targets of 24% by 2025 and 55% by 2030. During 2022/23 engagement meetings were held with all Fund Managers to gain insight into their approach to climate change, along with social and governance factors. In addition, a CAS dashboard was launched in 2022, demonstrating the progress of this in relation to Financial Investments and other work streams. We will continue to monitor the Fund Managers to ensure that the transition to net-zero remains on target.

#### Social Investments

CBF holds £8.9m (2021/22: £8.6m) of unrestricted income funds as social investments. The activities and performance of the social investment fund is stated on page 18 alongside the section on CBF's philanthropic and funding activities.

## Plans for future periods

A number of major themes will be the focus of CBF's plans for the coming year. These include enhancing the governance of the charity in accordance with the new Supplemental Royal Charter, continuing the refurbishment of Blackfriars Bridge, establishing a long-term business plan for Tower Bridge, preparing a review of the way charitable funding is undertaken and implementing a new Investment Strategy Statement.

These plans will ensure CBF is a modern and progressive charity that continues its vital role of bridging and connecting London – both physically via its five bridges, and through supporting causes at the heart of London's communities.

In September 2023 a new brand and working name was launched, representing all aspects of the charity's work. The new name, City Bridge Foundation, was submitted to, and approved by the Court of Common Council. The new brand was launched internally and then externally in the Autumn of 2023.

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

**The Bridges:** Deck work is being planned for the Millennium Bridge. This work will improve the alignment of the deck, reduce noise and help to protect the structure from future corrosion.

Further sections of the Blackfriars Bridge Refurbishment project will also be unveiled, rejuvenating the aesthetics of the bridge as well as protecting the heritage structure.

Despite concerns raised by CBF regarding Transport for London's (TfL) proposal to make the Experimental Traffic Order (ETO) at London Bridge permanent, TfL will recommend it goes ahead. In order to prevent any adverse effects of the ETO, particularly by Heavy Goods Vehicles being diverted to Tower Bridge, the Engineering Team has instructed work to be done in advance. This will require a full road closure for Tower Bridge over the August Bank Holiday Weekend to undertake structural replacement and strengthening to the back of the Bascules at the Pawl Supports.

**Tower Bridge Tourism:** The focus will be on establishing an ambitious Long Term Business Development Plan, Audience Development Plan and Estate Strategy for Tower Bridge. Green Tourism and Accessibility will be further developed, in pursuit of CBF's aims for Climate Action and Equity, Diversity and Inclusion.

A programme of major projects and improvement works for the Bridge will be progressed. A new ticketing, bookings, point of sale and back of house system will be put in place, as a business-critical development project, with emphasis on 'here to stay' practices implemented following the pandemic. There will also be a redesign, re-tender and commissioning of the successful sole events management arrangement.

### Activities of City Bridge Foundation:

Over the course of 2023/24, we will be looking closely at how we can make the application process easier and more accessible, improve and strengthen the relationships we have with the organisations we fund, and learn more from the work we support. This 'end-to-end' review will have implications for our future direction as a funder, and how we distribute charitable funding through our open programmes in the years ahead.

## Investments

A new Investment Strategy Statement (ISS) was developed, to be approved by the Trustee of the charity in April 2023, and come into legal effect following the sealing of the Supplemental Royal Charter in June. The new charter will provide the power to take a total return approach to the investment of the permanent endowment fund and will be adopted in 2023. This will enable the Trustee to decide how much capital growth and income to spend each year, subject to specific duties which apply. The new ISS establishes objectives and guiding principles for investments in line with the charity's *Bridging London* strategy. These will ensure that investments are managed in accordance with the Trustee's duties, and in a way that most benefits its charitable purposes and its overall vision for a better-connected London. An implementation plan will be developed by the Investment Committee during the year, starting with a review of the allocation of investment assets held. There will also be recruitment of external co-opted Members onto the Investment Committee.

### Property Investments:

A focus for the year ahead will be to meet the requirements of the new ISS, working closely with the Investment Committee of City Bridge Foundation Board in this connection.

The major refurbishments of 30 New Bridge Street and 84 Moorgate are continuing, targeting a minimum EPC of B and BREEAM ratings of Excellent, while reducing carbon emissions.

The impacts of high inflation and delays on these projects continue to be felt. They will require close management and will need capital to be raised from the property investment portfolio to meet the expenditure.

A rolling programme of refurbishing vacant office floors continues, both to improve specification and to bring EPC ratings to a minimum of B.

Work on a tenant-occupied industrial unit is underway to achieve an EPC B rating. The upgrade will be completed this year.

Letting the vacant space at 120 Cannon Street and a pre let of 30 New Bridge Street is a priority.

### Financial Investments:

The CBF Investment Committee will manage the charity's financial investment portfolio in line with the overall objectives which have been set out within the new ISS. Throughout 2023/24 it will monitor the performance of the financial investments, managing the performance of appointed investment managers whilst supporting changes that result from the implementation of the new impactful focussed ISS. Supporting plans to achieve the ambitious climate action strategy of CBF will continue to be a key focus.



Networking and Learning Day for funded organisations at the Barbican © Matt Chung

## FINANCIAL REVIEW

### Overview of financial performance

Over the year, the charity made significant progress in the refurbishment of its bridges, awarded a record high amount in grants alongside seeing substantial recovery in Tower Bridge tourism income. This was against a backdrop of a changing economic environment with high interest rates, cost of living challenges and continued uncertainties within investment markets. The charity remains financially resilient and will continue to have sufficient funds available to meet its primary objective - the support and maintenance of its five Thames bridges - alongside its ancillary purpose of charitable funding for the general benefit of the inhabitants of Greater London.

Other income of £0.4m includes fees receivable by the charity for undertaking administrative duties on behalf of other organisations and bridges film and licences income for granting access to third parties to the bridges.

### Expenditure

Total expenditure for 2022/23 was £103.7m, an increase of £37.1m on the previous year. Expenditure on supporting and maintaining the bridges increased in the year by £8.2m to £18.0m, with the refurbishment of Blackfriars Bridge continuing alongside a project on the Southwark Bridge Approach Spans. Other cyclical improvement works took place for all five bridges. At Tower Bridge, in light of the additional income, a range of activity-related spend proposals were approved including projects that were deferred during the pandemic. The increase in expenditure is also due to the increased cost of goods sold by the gift shop following higher demand. The overall increase in charitable activities expenditure was attributable to the increase in funding activities with a record high in grant commitments made in the year, totalling £65.3m (including linked operational spend), an increase of £30.8m. This increase reflects the commitments that are being made from the additional £200m that was approved from surplus income in March 2020.

Expenditure on raising funds decreased to £12m (2021/22: £15.3m). This was driven by fees relating to the management of the charity's financial investments being based on the market value of assets under management, which decreased over the year. Property investment expenditure reduced due to lower than anticipated business rates costs as properties were let faster than expected. There was also a reduction in staff costs following the previous disposal of a property that required onsite management.

### Overall performance

Activities by the charity over the year resulted in an overall deficit of £68.4m (2021/22: £32.5m), prior to movements on investments held. Total losses of £60.9m were reported as at 31 March 2023, compared to gains of £104.5m for the previous year. Financial investments performance declined resulting in a small gain of £1.8m (2021/22: £62.4m). This was due to a challenging environment characterised by inflationary pressures, changing interest rate expectations, and the ongoing Russian/Ukrainian war. There was a loss on property investments of £62.5m (2021/22: £42.3m gain). This resulted from the property market experiencing downward pressures with reduced market activity amidst

### Income

Total income for 2022/23 was £35.3m, an increase of £1.2m on the previous year (£34.1m).

Tower Bridge tourism continued its post-pandemic recovery in 2022/23, progressing much faster than predicted. The income derived from visitor admissions, retail and events at Tower Bridge increased to £7.6m from the previous year's £3.1m. The increase in visitor numbers can be attributed to the return of international tourists to London along with Tower Bridge's continuing popularity with a domestic audience. The cost-of-living crisis had been expected to impact visitor numbers and overall income; however, this has not yet materialised possibly because, compared to many other tourist attractions in London, Tower Bridge has a more accessible price point.

Investment income, from the property portfolio and the financial investment holdings of the charity, totalled £27.2m, a reduction of £3.2m compared to previous year. Within this total, property rental income reduced due to voids and properties undergoing refurbishment. The reduction in financial investments income was driven by lower private equity distributions compared to previous year.

The remainder of the charity's investment income comes from interest earned from treasury deposits and social investments held, at £0.1m (2021/22: £0.3m).

higher interest rates. Further details on the performance of investments is stated on pages 21 -23.

There was an unrealised loss of £0.2m on the social investment fund (2021/22: loss of £0.2m).

### Funds held

Total funds held by the charity as at 31 March 2023, decreased by £109.0m to £1,613.4m (2022: £1,722.4m). This reduction was driven by the investment losses noted above, alongside planned additional expenditure on grant-making. Within total funds, £969.2m represent the permanent endowment funds (2021/22: £1,030.1m) which are held in perpetuity to generate income for the future activities of the charity. All income arising from the endowment fund is accounted for within unrestricted funds. Such income enables the charity to meet its primary purpose of maintaining and supporting the five river bridges across the Thames, with the remaining surplus income available to undertake the funding activities of the charity.

Restricted funds held as at year-end was nil (2022: £0.5m). Details of these are stated on page 59.

The unrestricted income funds of the charity include both the general fund (free reserves) and a number of designated funds. As at 31 March 2023, these funds totalled £644.2m (2022: £691.8m) being net of £4.3m held to cover the pension deficit (2022: £22.8m).

From the charity's unrestricted income funds, it has set aside or designated funds for specific purposes. At year-end, these designated funds totalled £489.0m (2022: £494.8m). £31m of surplus income for the year was transferred to the grant-making designated fund bringing the total held at year-end to £179.9m (2022: £210.3m). Following approval by the Trustee, £21.7m was released from the social investment fund to the general fund, bringing the social investment designated fund balance to nil. Following the granting of the Supplement Royal Charter, a new designated fund is being considered. £11.6m was transferred into the bridges repair fund in order to meet future maintenance costs of the five bridges. A further £51.4m was transferred into the bridges replacement fund, giving a total of £242.6m (2022: £191.2m) held as at year-end to fund future rebuild costs.

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

### Reserves policy

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

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

The free reserves of the charity are held to cover working capital needs and a provision for unplanned urgent activities. In 2022/23, following review, the target level of free reserves was maintained at £35m. Alongside this, an additional £55m is held (giving a total of £90m) reflecting growth uncertainties across the forecast period. This amount is subject to annual review.

The charity intends to adopt a total return basis for its permanent endowment fund – this power being within the new Supplemental Royal Charter (page 20). With this approach, the charity's Trustee decides each year how much of the total return within the permanent endowment fund can be released to income for spending against the objectives and how much is retained for investment.

Reserve levels held as at 31 March 2023 are set out in Note 21. The charity holds free reserves of £155.2m (2022: £197m), which is £65.2m above the current policy. The Trustee remains cautious of the impacts of the ongoing uncertain economic climate on its investment portfolio. Noting the potential risk of future realised losses and increases in property construction costs, it continues to review the level of reserves held.

### Remuneration policy

The charity's key management personnel, as defined within Note 11 to the financial statements, are employees of The City Corporation and, alongside all other staff, their pay is reviewed annually. Salary costs

incurred by the Trustee in administering the charity are re-charged to CBF. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised during the year.

The Managing Director's post is evaluated and assessed independently against the external market allowing the post to be allocated a salary range which incorporates market factors as well as their relevance to the charity. The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established by The City Corporation to actively promote equity, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan. This also includes addressing The City Corporation's gender pay gap.

### Fundraising

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

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or

third parties. The day-to-day management of all income generation is undertaken by the CBF team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2021/22: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities, including those designed to protect vulnerable people.

### Principal risks and uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the Executive Leadership Team and the City Bridge Foundation Board ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. Following a review workshop in June 2022, a revised Principal Risk Register was prepared for the charity, which has been reviewed and adopted by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks. Furthermore, throughout 2022/23, a review of the charity's Risk Management Protocol was undertaken to ensure it remained fit for purpose and reflected governance changes. Alongside this, work has been undertaken to develop operational risk registers for the charity's bridge activities (including a specific risk register for Tower Bridge) and for its funding activities.

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

RISKS	Actions to manage risks
<p><b>Structural damage to Bridges/ Maintenance of the Bridges</b> Major structural damage to one of the bridges may cause it to become non-operational, or ineffective, incomplete or faulty maintenance of bridges and associated infrastructure.</p>	<p>The City Surveyor's Department and Department of the Environment within The City Corporation work together (for the charity and in the discharge of The City Corporation's separate statutory and regulatory functions), alongside other bodies and stakeholders, to manage ongoing actions associated with this risk which includes potential structural damage as a result of issues such as a substantial vessel strike or through acts of terrorism. A 50-year maintenance plan is in place to manage on-going works. Significant work has taken place in 2022/23 to consider and evaluate security measures on the Bridges, including the upgrading of CCTV facilities on the Bridges as part of the Secure City Programme.</p>
<p><b>Reputation Management</b> A range of incidents both within and outside the direct control of the Trustee, may adversely impact upon the charity's operations, activities, and reputation.</p>	<p>Better internal early warning systems are now in place for the notification of emerging/ potential crisis. In 2022/23 work was undertaken to develop a new brand for the charity – the refreshed brand (which will launch in 2023/24) will provide an opportunity to better promote the charity's activities.</p> <p>Staff have developed a communications crisis response plan, although have not yet had to initiate this. Staff continue to discuss potential reputational risks on the horizon and operate a proactive strategic communications approach that positively promotes the charity's activities.</p>
<p><b>Insufficient investment returns</b> Insufficient returns from investment activities available to meet the charity's purposes, strategies and objectives due to uncertain investment environment, notably with high inflation and other factors continuing to drive higher costs related to investment property projects.</p>	<p>In 2022/23, a new Investment Strategy Statement was developed to set clear objectives and targets for the charity's investments. Ongoing reviews of forecasts, reserve levels and liquidity needs are undertaken regularly by the CBF Finance Team. The charity's internal and external investment managers are held to account and performance is monitored.</p>
<p><b>Failure to deliver CBF's strategy and organisational change</b> Lack of support for CBF's strategic vision; insufficient capacity and resources to deliver strategy; poor communication/ collaboration within and between teams; lack of cohesive business plan to deliver strategic aims; lack of engagement from The City Corporation in implementing strategic decisions for organisational change within The City Corporation as they affect CBF.</p>	<p>Deliver a detailed implementation plan for the charity's overarching strategy, Bridging London, and review the charity's policies and plans on a regular basis to ensure the charity has an effective strategic framework in place to measure its impact. A series of staff engagement opportunities were delivered in 2022/23 to promote collaboration amongst teams and help build a one-charity culture, helping to gain support for CBF's vision. Continued engagement with City Corporation departments to share information and plans on CBF's strategy and organisational change programmes.</p>

RISKS	Actions to manage risks
<p><b>Safeguarding</b> Safeguarding requirements not embedded into all of the charity's activities, including lack of regular and effective safeguarding training for the Board and for all relevant staff; insufficient monitoring of safeguarding issues across operational delivery of strategies furthering the primary and ancillary objects.</p>	<p>A new staff Safeguarding Group has been established and meets regularly to review any safeguarding issues and to identify improvements to CBF's internal operational processes. A new bespoke Safeguarding Policy for the charity was implemented in 2022/23. Training opportunities for staff continue to be identified and rolled out accordingly. Enhanced reporting to the CBF Board on safeguarding measures implemented.</p>
<p><b>Lack of diversity of skills, knowledge and experience within the charity</b> Risk that CBF does not have personnel (staff and Board members) with the appropriate diversity of skills, knowledge and lived experience that is reflective of the charity's beneficiaries.</p>	<p>Embed Equity, Diversity and Inclusion (EDI) principles and practices into the charity's work. Establish a new pan-charity EDI Steering Group to identify areas for improvement across the charity. Undertake regular skills audit on the CBF Board and seek to recruit external co-opted Members to support with the mix of skills and experience.</p>

### Going concern

The Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern and the financial statements of CBF have been prepared on that basis. In making this assessment, the Trustee has considered the charity's financial position, the value of investment assets held, future income and investment return levels, expenditure requirements and the liquidity of the charity taking into account the ongoing impact of the cost-of-living crisis, inflationary pressures and changing economic environment.

The Trustee is satisfied that the charity could absorb significant changes in investment value with no impact on its ability to continue as a going concern. The charity's funds reduced by £109.0m in the year to 31 March 2023, with sufficient funds available in liquid assets to satisfy cashflow needs.

A rolling annual review of the charity's detailed forecast financial position over a 3-year period is carried out, alongside 10-year modelling of funds held to confirm

that sufficient returns will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding. The primary purpose of the charity is to meet the needs of the charity's five Thames bridges, ensuring that adequate funds have been set aside to cover both their short and long-term needs. The Trustee continues to be satisfied that it will have the necessary resources to meet these needs. The ancillary purpose of CBF is undertaken only where surplus income is available after responsibilities relating to the Bridges have been met, as stated on page 7, and the charity continues to be able to fund both its responsibilities for the Bridges and its ancillary purpose. However, should it be required, this method of operation provides flexibility to the charity when approving future plans. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.



## TRUSTEE RESPONSIBILITIES

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

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

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

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

In so far as the Trustee is aware:

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

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

Adopted and signed for on behalf of the Trustee.

Dr Giles Shilson



Chairman of CBF Board  
Guildhall, London

Paul Martinelli



Deputy Chairman of CBF Board

26 January 2024

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

### Opinion

We have audited the financial statements of City Bridge Foundation ('the charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

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

## Responsibilities of trustees

As explained more fully in the trustee's responsibilities statement set out on page 32, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

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

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

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

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

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

## Use of our report

This report is made solely to the charity's trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP  
Statutory Auditor  
London, UK

30 January 2024

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

# STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2023

# BALANCE SHEET

As at 31 March 2023

	NOTES	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	2022/23 Total Funds £m	2021/22 Total Funds £m Restated
<b>Income and Endowments from:</b>						
Voluntary income	2	–	0.1	–	0.1	0.2
Charitable activities	3	7.6	–	–	7.6	3.1
Investments	4	27.2	–	–	27.2	30.4
Other income	5	0.4	–	–	0.4	0.4
<b>Total Income</b>		<b>35.2</b>	<b>0.1</b>	<b>–</b>	<b>35.3</b>	<b>34.1</b>
<b>Expenditure on:</b>						
Raising funds	6	11.6	–	0.4	12.0	15.3
<b>Charitable activities</b>						
Repair and maintenance of bridges		18.0	–	–	18.0	9.8
Tower Bridge tourism		6.6	–	–	6.6	4.7
Charitable funding		64.7	0.6	–	65.3	34.5
<b>Total charitable activities</b>	7	<b>89.3</b>	<b>0.6</b>	<b>–</b>	<b>89.9</b>	<b>49.0</b>
<b>Other</b>						
Net pension scheme costs	19	1.8	–	–	1.8	2.3
<b>Total Expenditure</b>		<b>102.7</b>	<b>0.6</b>	<b>0.4</b>	<b>103.7</b>	<b>66.6</b>
<b>Net (expenditure) before (losses)/gains on investments</b>		<b>(67.5)</b>	<b>(0.5)</b>	<b>(0.4)</b>	<b>(68.4)</b>	<b>(32.5)</b>
Net (losses)/gains on property investments	13	–	–	(62.5)	(62.5)	42.3
Net (losses)/gains on financial investments	14	(0.2)	–	2.0	1.8	62.4
Net (losses) on social investments	15	(0.2)	–	–	(0.2)	(0.2)
<b>Total (losses)/gains on Investments</b>		<b>(0.4)</b>	<b>–</b>	<b>(60.5)</b>	<b>(60.9)</b>	<b>104.5</b>
<b>Net (expenditure)/income/after (losses)/gains on investments</b>		<b>(67.9)</b>	<b>(0.5)</b>	<b>(60.9)</b>	<b>(129.3)</b>	<b>72.0</b>
<b>Other recognised gains:</b>						
Actuarial gains on defined benefit pension scheme	19	20.3	–	–	20.3	7.1
<b>Net movement in funds</b>		<b>(47.6)</b>	<b>(0.5)</b>	<b>(60.9)</b>	<b>(109.0)</b>	<b>79.1</b>
<b>Reconciliation of funds:</b>						
Fund balances brought forward at 1 April 2022		691.8	0.5	1,030.1	1,722.4	1,643.3
<b>Total funds carried forward</b>	21	<b>644.2</b>	<b>0.0</b>	<b>969.2</b>	<b>1,613.4</b>	<b>1,722.4</b>
<b>Total funds carried forward</b>	23	<b>660.0</b>	<b>3.8</b>	<b>979.5</b>	<b>1,643.2</b>	<b>1,536.4</b>

All of the above results are derived from continuing activities.

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

2021/22 has been restated following the March 2022 pensions triennial funding valuation. Further details of this are stated in note 19.

The notes on pages 39 to 63 form part of these financial statements.

	Notes	2023 Total £m	2022 Total £m Restated
<b>Fixed assets:</b>			
Tangible assets	12	3.0	3.1
Investment properties	13	841.1	888.1
Financial investments	14	819.7	879.5
Social investment fund	15	8.9	8.6
<b>Total fixed assets</b>		<b>1,672.7</b>	<b>1,779.3</b>
<b>Current assets</b>			
Stock		0.3	0.2
Debtors	16	14.8	11.3
Short term investments and deposits	14	35.7	26.9
Cash at bank and in hand		7.6	4.1
<b>Total current assets</b>		<b>58.4</b>	<b>42.5</b>
<b>Creditors: Amounts falling due within one year</b>	17	<b>(67.6)</b>	<b>(47.4)</b>
<b>Net current (liabilities)</b>		<b>(9.2)</b>	<b>(4.9)</b>
<b>Total assets less current liabilities</b>		<b>1,663.5</b>	<b>1,774.4</b>
Creditors: Amounts falling due after more than one year	18	(45.8)	(29.2)
<b>Net assets excluding pension scheme liability</b>		<b>1,617.7</b>	<b>1,745.2</b>
<b>Defined benefit pension scheme liability</b>	19	<b>(4.3)</b>	<b>(22.8)</b>
<b>Total net assets</b>	20	<b>1,613.4</b>	<b>1,722.4</b>
<b>The funds of the charity:</b>			
Permanent endowment funds		969.2	1,030.1
Restricted funds		–	0.5
Designated funds		489.0	494.8
General funds		155.2	197.0
<b>Total funds</b>	21	<b>1,613.4</b>	<b>1,722.4</b>

The notes on pages 39 to 63 form part of these financial statements

Approved and signed on behalf of the Trustee



**Caroline Al-Beyerty**

Chamberlain of London and Chief Financial Officer

26 January 2024

# STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

# NOTES TO THE FINANCIAL STATEMENTS

	Notes	2022/23	2021/22
		Total	Total
		£m	£m
<b>Cash flows from operating activities:</b>			
<b>Net cash (used in) operating activities</b>	22	(60.3)	(56.7)
<b>Cash flows from investing activities:</b>			
Dividends, interests and rents from investments		27.2	30.0
Additions to short term deposits		(89.8)	(58.2)
Proceeds from sale of short term deposits		81.0	69.3
Sale of investment property		7.9	24.7
Purchases and improvements of property		(23.4)	(26.7)
Additions to tangible fixed assets		(0.2)	–
Additions to Social Investments		(0.9)	(1.0)
Social Investments repayments		0.4	1.3
Additions to financial investments		(208.3)	(136.1)
Proceeds from sale of financial investments		269.9	153.0
<b>Net cash provided by investing activities</b>		63.8	56.3
<b>Increase/(decrease) in cash in the year</b>		3.5	(0.4)
<b>Change in cash and cash equivalents in the reporting period</b>		3.5	(0.4)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		4.1	4.5
<b>Cash and cash equivalents at the end of the year</b>	23	7.6	4.1

## 1. Accounting policies

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

### a. Basis of preparation

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

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

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

### b. Going concern

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

In assessing the appropriateness of the going concern basis, the Trustee has considered the charity's financial position, the value of investment assets held, future income and investment return levels, expenditure requirements and the liquidity of the charity, taking into account the ongoing impact of the cost-of-living crisis, inflationary pressures and the changing economic environment. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. Accordingly, as further stated on page 32, the Trustee has a reasonable expectation that the charity will continue as a going concern for at least 12 months from the date of signing this report and has adopted this basis for the preparation of the financial statements.

### c. Critical accounting judgements and assumptions

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

#### i. Valuation of investment properties

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

Valuations are prepared in accordance with "RICS Valuation – Global Standards (incorporating International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, (the "RICS Red

Book”). The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security of income. Where lease premia or costs relating to rent free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

Property markets are functioning but there is reduced transaction activity and the sentiment of purchasers and vendors across the market has been impacted. There remains evidence of wide bid spreads, price renegotiations and transactions taking longer to complete which all add to the market dynamics. The valuation methods adopted for the 62 properties held by the charity take into account appropriate comparable market evidence and indices against the backdrop of a changing economic outlook. The valuers did not identify any assumptions that provided a material impact on a single or sub-group of properties held that were relevant to the judgements applied as at 31 March 2023.

#### ii. Investment property disposals

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

#### iii. Valuation of financial investments

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

#### iv. Valuation of social investments

Unquoted social investments are in some cases internally valued, and management is required to make certain judgemental assumptions. Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social

investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

#### v. Defined benefit pension scheme

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

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

#### vi. Allocation of support costs

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

#### d. Income and expenditure

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

(see policy g below) and financial investments and income on money market deposits held.

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

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

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

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

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

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

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

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

Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. Where the payment is planned to be more than 12 months after the reporting date of the charity’s accounts, the charity reviews the present value of future payments and considers whether the effective financing cost is material to the charity’s reporting. If so, the financing charge is disclosed in the SOFA. Otherwise, the unadjusted value of the grant awarded is shown within creditors. In 2022/23 the charity does not consider the effective financing cost of future payments as material, and no adjustment has been made.

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

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

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

#### e. Foreign currencies

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

#### f. Pension costs

##### Defined benefit scheme

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

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

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

#### g. Operating leases – City Bridge Foundation as the lessor

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

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

#### h. Taxation

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

#### i. Fixed assets

##### Tangible fixed assets

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

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

Land is not depreciated.

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

##### Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e., they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2023 was £1,143.5m (2022: £1,034.2m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1 (d).

##### Investment properties

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

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

##### Financial investments

###### i. Quoted investments

Quoted investments comprise publicly quoted, listed securities including shares, bonds and units. Quoted investments are stated at fair value at the balance sheet date. The basis of fair value for quoted investments is equivalent to the market value,

using the bid price. Asset sales and purchases are recognised at the date of trade.

###### ii. Unquoted investments

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

###### iii. Cash held by fund managers

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

##### Social investment

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

##### j. Stocks

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

##### k. Cash

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

#### I. Financial assets and liabilities

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

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

##### m. Funds' structure

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

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

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

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

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

## 2. Income from voluntary activities

	RESTRICTED INCOME FUNDS 2022/23 £M	RESTRICTED INCOME FUNDS 2021/22 £M
Grant income	0.1	0.2
	0.1	0.2

## 3. Income from charitable activities

	UNRESTRICTED INCOME FUNDS 2022/23 £M	UNRESTRICTED INCOME FUNDS 2021/22 £M
Tower Bridge tourism fees and charges	7.6	3.1
	7.6	3.1

## 4. Income from investments

	UNRESTRICTED INCOME FUNDS £M	TOTAL FUNDS 2022/23 £M	UNRESTRICTED INCOME FUNDS £M	TOTAL FUNDS 2021/22 £M
Investment property	24.9	24.9	26.2	26.2
Financial investments	2.2	2.2	3.9	3.9
Interest receivable	0.1	0.1	0.3	0.3
<b>Total Investment income</b>	<b>27.2</b>	<b>27.2</b>	30.4	30.4

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

## 5. Other income

	UNRESTRICTED INCOME FUNDS 2022/23 £M	UNRESTRICTED INCOME FUNDS 2021/22 £M
Other income	0.4	0.2
Government grants	–	0.2
	0.4	0.4

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

## 6. Expenditure on raising funds

	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2022/23 £M	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2021/22 £M
Investment property expenses	4.4	2.5	6.9	5.8	2.6	8.4
Financial investment expenses	4.9	0.2	5.1	6.7	0.2	6.9
	9.3	2.7	12.0	12.5	2.8	15.3

Of the total expenditure on raising funds, £11.6m (2021/22: £14.9m) relates to the unrestricted income fund and £0.4m (2021/22: £0.4m) to the endowment fund.

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

**Financial investment expenses** – fees paid to fund managers.

## 7. Expenditure on charitable activities

	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2022/23 £M	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2021/22 £M
Repair and maintenance of bridges	17.0	1.0	18.0	9.0	0.8	9.8
Tower Bridge tourism	6.0	0.6	6.6	3.9	0.8	4.7
Charitable funding	63.4	1.9	65.3	33.3	1.2	34.5
	86.4	3.5	89.9	46.2	2.8	49.0

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

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

**Charitable funding** – grants awarded by CBF, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £60m (2021/22: £29.8m) and costs of administering the grants process of £3.4m (2021/22: £3.5m).

## 8. Charitable funding

During the year ended 31 March 2023, grants were awarded to institutions under the following programmes:

	2022/23 £M	2021/22 £M
<b>Bridging Divides:</b>		
Core Activities	34.6	13.0
Strategic Initiatives	19.7	14.2
London Community Response Fund	–	2.9
Stepping Stones Fund	0.2	0.2
Propel	5.7	–
<b>Charitable Funding</b>	<b>60.2</b>	<b>30.3</b>
Charitable funding adjustments and cancellations	(0.2)	(0.5)
<b>Net charitable funding</b>	<b>60.0</b>	<b>29.8</b>
Other charitable funding related activities	3.4	3.5
	<b>63.4</b>	<b>33.3</b>

Grants were made to 665 organisations in the year (2021/22: 251), supporting 733 projects (2021/22: 278). The average amount of grant equalled £82k (2021/22: £109k). The decrease in the average size of grant and increase in the number of funded organisations in the year was due to the award of 352 Inflationary Pressure Payments to support existing grantees with increased costs, which are shown as additional grants. Excluding Inflationary Pressure Payments, the average grant size increased to £158k, an increase on the average 21/22 grant size due to a number of programmes where significant large grants were awarded, including the new Propel collaborative fund with several £1m+ grants, and notable Alliance Partnership awards (as part of Strategic Initiatives), including one £6m grant.

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

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

### Reconciliation of grants payable:

	2022/23 £M	2021/22 £M
Commitments at 1 April	48.1	46.6
Commitments made in the year	60.2	30.3
Charitable funding adjustments and cancellations	(0.2)	(0.5)
Charitable funding paid during the year	(27.4)	(28.3)
<b>Commitments at 31 March</b>	<b>80.7</b>	<b>48.1</b>

Outstanding grant commitments at 31 March 2023 are payable as follows:

	2022/23 £M	2021/22 £M
Within one year (note 19)	48.6	32.6
After more than one year (note 20)	32.1	15.5
<b>Commitments at 31 March</b>	<b>80.7</b>	<b>48.1</b>

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

## 9. Net income for the year

Net income is stated after charging:

	2022/23 £	2021/22 £
Auditors' remuneration for the audit of the financial statements	89,050	75,000
Additional fees incurred for the audit of 2020/21 financial statements	–	9,000
Depreciation	298,492	262,873

The 2022/23 audit fee has increased as a result of inflationary pressures and the introduction of ISA (International Standards on Auditing) 315 (revised).

## 10. Support costs

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

	TOURISM £M	INVESTMENT PROPERTY £M	FINANCIAL INVESTMENTS £M	BRIDGES £M	GRANTS £M	GOVERNANCE £M	2022/23 £M	2021/22 £M
Department:								
Chamberlain	0.1	0.3	0.1	0.1	–	–	0.6	0.5
Comptroller & City Solicitor	–	0.1	–	–	–	–	0.1	0.3
Town Clerk	0.1	–	–	–	0.2	0.2	0.5	0.5
City Surveyor	–	1.9	–	0.2	–	–	2.1	2.2
Environment	–	–	–	0.1	–	–	0.1	0.1
Culture, Heritage & Libraries	–	–	–	–	–	–	–	0.1
Digital services	0.2	–	–	0.1	0.2	–	0.5	0.4
Premises costs	–	–	–	0.1	0.2	–	0.3	0.4
CBF Central costs	0.1	0.1	0.1	0.3	1.1	–	1.7	0.8
Other	0.1	0.1	–	–	–	0.1	0.3	0.3
Sub-total	0.6	2.5	0.2	0.9	1.7	0.3	6.2	5.6
Reallocation of governance costs	–	–	–	0.1	0.2	(0.3)	–	–
<b>Total Support costs</b>	<b>0.6</b>	<b>2.5</b>	<b>0.2</b>	<b>1.0</b>	<b>1.9</b>	<b>–</b>	<b>6.2</b>	<b>5.6</b>

All support costs are undertaken from unrestricted funds. Governance costs are allocated on the basis of FTE staff within each activity. Costs for management and administration support services provided directly to the charity are included in CBF Central costs.



## 11. Details of staff costs

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

	2022/23 Number	2021/22 Number
Investments	6	9
Tower Bridge tourism	51	49
Repair & maintenance of bridges	24	31
Funding	35	31
Enabling services	13	11
	<b>129</b>	<b>131</b>

Enabling services (previously named Administration) includes staff providing direct support and management to the charity in communications, governance and strategy, finance and human resources. In 2021/22, 3 FTE have been reanalysed from Funding to Enabling services.

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

In addition, support staff are charged to the charity on the basis described within Note 10. The full-time equivalent number of support service staff charged is 51.9 (2021/22: 56.7).

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

	2022/23 £m	2021/22 £m
Salaries and wages	6.2	5.5
National Insurance costs	0.7	0.6
Employer's pension contributions	1.2	1.0
Total emoluments of employees	<b>8.1</b>	<b>7.1</b>

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

	2022/23	2021/22
£60,000 - £69,999	6	7
£70,000 - £79,999	4	2
£90,000 - £99,999	4	2
£120,000 - £129,999	–	1
£130,000 - £139,999	1	–
	<b>15</b>	<b>12</b>

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

## Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of The City of London Corporation, acting collectively for The City Corporation in its capacity as the Trustee, senior officers employed by The City Corporation and key members of the CBF leadership team. The senior officers of The City Corporation include the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor, and the City Surveyor. These officers work on a number of The City Corporation's activities and their salaries and associated costs are allocated to the activities under its control, including CBF on the basis of employee time spent on the respective services, as stated within Note 11. Further details on this can be found within the Annual Report for City Fund. The CBF executive leadership team comprising the Managing Director, Finance Director, Chief Operating Officer, Associate Director of CBF, replaced by the Chief Funding Director in January 2023, Philanthropy Director and Director of Communications and Engagement are included within key management personnel.

Total employment benefits, including employer pension contributions and employer national insurance contributions for key management personnel in 2022/23 was £927k (2021/22: £351k). This reflects a full year for this team in 2022/23 (2021/22: 3 months).

The highest paid role is the Managing Director of CBF, with total employment benefits, including employer pension contributions and employer national insurance contributions in 2022/23 being £183k (2021/22: £173k).

No Members received any remuneration for time spent on CBF matters with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2022/23 from the charity (2021/22: Nil).

## 12. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold Improvements £m	Total £m
<b>Cost</b>				
At 1 April 2022	0.7	2.5	4.3	7.5
Additions	0.1	0.1	–	0.2
Disposals	–	–	–	–
At 31 March 2023	<b>0.8</b>	<b>2.6</b>	<b>4.3</b>	<b>7.7</b>
<b>Depreciation</b>				
At 1 April 2022	0.5	1.4	2.5	4.4
Charge for the year	0.1	0.1	0.1	0.3
Disposals	–	–	–	–
At 31 March 2023	<b>0.6</b>	<b>1.5</b>	<b>2.6</b>	<b>4.7</b>
<b>Net book value</b>				
At 31 March 2023	<b>0.2</b>	<b>1.1</b>	<b>1.7</b>	<b>3.0</b>
At 31 March 2022	0.2	1.1	1.8	3.1

### 13. Investment properties

	2023 £m	2022 £m
Market value at 1 April	888.1	843.8
Purchases and improvements	23.4	26.7
Book value of disposed assets	(0.9)	(17.4)
Total unrealised (losses)/gains*	(69.5)	35.0
<b>Market value at 31 March</b>	<b>841.1</b>	888.1

\* Includes rent free adjustment of £4.5m (2021/22: £4.4m).

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

	2023 £m	2022 £m
Total unrealised (losses)/gains	(69.5)	35.0
Realised gains on disposal	7.0	7.3
	(62.5)	42.3

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

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

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

### 14. Financial investments

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

	2023 £m	2022 £m
Long term investments	819.7	879.5
Short term investments:		
– short term deposits and money market funds	16.8	18.4
– short term investments in hands of fund managers	18.9	8.5
	35.7	26.9
<b>Total market value at 31 March</b>	<b>855.4</b>	906.4

	2023 £m	2022 £m
<b>Long term investments held by fund managers</b>		
Market value 1 April	879.5	834.0
Additions to investments at cost	208.3	136.1
Disposals at market value	(269.9)	(153.0)
Gain from change in fair value	1.8	62.4
<b>Long term investments at 31 March</b>	<b>819.7</b>	879.5

	2023 £m	2022 £m
<b>Cash investments</b>		
Investment at 1 April	26.9	38.0
Additions to investments at cost	89.8	58.2
Disposals at market value	(81.0)	(69.3)
<b>Investments at 31 March</b>	<b>35.7</b>	26.9
<b>Total investments at 31 March</b>	<b>855.4</b>	906.4

At the year-end £4.5m (2021/22: £nil) had been committed in private equity investments and yet to be paid out by the charity. During the year £40m was withdrawn from fund managers to support the operational activities of the charity (£nil: 2021/22).

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

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2023 £m	Total at 31 March 2022 £m
Fixed Interest	22.1	56.6	78.7	60.1
Index Linked	24.2	6.9	31.1	46.3
Pooled units	124.0	494.9	618.9	654.7
Listed equities	8.5	19.4	27.9	58.4
Managed funds	18.9	–	18.9	8.5
Private equity	4.0	17.7	21.7	25.5
Infrastructure	–	58.2	58.2	52.9
	201.7	653.7	855.4	906.4

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

## 15. Social Investment Fund

	Value as at 1 April 2022 £m	Drawn down £m	Repaid £m	Investment (loss)/gain £m	Value as at 31 March 2023 £m
Investment Fund	3.3	–	–	(0.2)	3.1
Loan	1.0	–	(0.4)	0.1	0.7
Bond	1.4	–	–	(0.1)	1.3
Property Fund	2.9	0.9	–	–	3.8
	8.6	0.9	(0.4)	(0.2)	8.9

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

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2023 £m	Total at 31 March 2022 £m
Investment Fund	2.9	0.2	3.1	3.3
Loan	0.7	–	0.7	1.0
Bond	1.3	–	1.3	1.4
Property Fund	3.8	–	3.8	2.9
	8.7	0.2	8.9	8.6

At the year-end, £0.5m (2021/22: £1.3m) had been committed but remained undrawn, making a total promised of £9.4m (2021/22: £9.9m). Details of all investments placed are shown on the City Bridge Foundation website [www.citybridgefoundation.org.uk](http://www.citybridgefoundation.org.uk).

## 16. Debtors

	2023 £m	2022 £m
<b>Debtors – amounts due in less than one year</b>		
Trade debtors	0.4	0.5
Rental debtors	2.9	2.6
Prepayments & accrued income	6.5	3.5
Sundry debtors	0.5	0.3
	10.3	6.9
	2023 £m	2022 £m
<b>Debtors – amounts due in more than one year</b>		
Rental debtors	4.5	4.4
	4.5	4.4
<b>Total debtors</b>	14.8	11.3

## 17. Creditors – amounts falling due within one year

	2023 £m	2022 £m
Grants payable (note 8)	48.6	32.6
Trade creditors	3.1	1.6
Accruals	6.8	3.9
Deferred income	6.1	6.0
Rent deposits	3.1	3.0
Other creditors	–	0.3
	67.7	47.4

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

	2023 £m	2022 £m
<b>Deferred income analysis within creditors:</b>		
Balance at 1 April	6.0	6.2
Amounts released to income	(5.7)	(6.2)
Amounts deferred in the year	5.8	6.0
Balance at 31 March	6.1	6.0

## 18. Creditors – amounts due after more than one year

	2023 £m	2022 £m
Grants payable (note 8)	32.1	15.5
Deferred income	11.8	11.9
Other creditors	1.8	1.8
	45.7	29.2
	2023 £m	2022 £m
<b>Deferred income – due after more than one year:</b>		
Balance at 1 April	11.9	11.9
Amounts transferred to less than one year	(1.7)	(1.6)
Amounts deferred in the year	1.6	1.6
Balance at 31 March	11.8	11.9

Deferred income relates to lease premiums that will be released over periods of up to 162 years.

## 19. Pensions

### City of London Corporation defined benefit pension scheme

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

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

### Accounting for the defined benefit scheme under IAS19

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

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

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2022/23 is £969,000 (2021/22 actual: £965,000). This figure is calculated pro-rata to total contributions that will be payable by The City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

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

### Restatement

The 2021/22 position has been restated to incorporate the results of the March 2022 funding valuation which were not available at the time the annual report was approved. The table below sets out the restated figures for 2021/22 with these reflected within the analysis within this note.

	2022/23 £m	2021/22 £m Revised	2021/22 £m Original
Deficit at 1 April	(22.8)	(27.6)	(27.7)
Current service cost	(2.1)	(2.6)	(2.5)
Past service cost	(0.1)	(0.3)	(0.3)
Net interest	(0.6)	(0.6)	(0.6)
Employer contributions	1.0	1.2	1.1
	(1.8)	(2.3)	(2.3)
Return on plan assets	(1.2)	1.9	1.7
Actuarial gains/(losses) arising from changes in demographic assumptions	–	1.5	–
Actuarial gains/(losses) arising from changes in financial assumptions	21.5	3.7	3.3
<b>Deficit at 31 March</b>	<b>(4.3)</b>	<b>(22.8)</b>	<b>(25.0)</b>

## a) Major assumptions by the actuary

### Financial

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

Assumptions as at:	2023 % p.a.	2022 % p.a. Restated	2021 % p.a.	2020 % p.a.
CPI increases	2.9	3.3	2.9	1.9
Salary increases	3.9	4.2	3.9	2.9
Pension increases	2.9	3.2	2.9	1.9
Discount rate	4.8	2.6	2.0	2.4

### Life expectancy

The demographic assumptions used are consistent with those used for the most recent Fund valuation (31 March 2022), except for the post-retirement mortality assumptions which have been updated in light of the coronavirus pandemic. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		2023	2022
Age 65 retiring today	Males	21.1	21.0
	Females	23.5	23.5
Retiring in 20 years	Males	22.3	22.3
	Females	25.0	24.9

### Sensitivity analysis

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

Sensitivity analysis	Change to assumptions %	Impact on liabilities	
		Increase £m	Decrease £m
Salary increases	+/- 0.1	0.0	0.2
Life expectancy	+/- 0.1	1.7	0.0
Discount rate	+/- 0.1	(0.7)	(3.0)

## b) Amounts included in the balance sheet

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

	2023 £m	2022 £m	2021 £m
Fair value of assets (bid value)	37.9	38.2	35.7
Fair value of liabilities	42.2	61.0	63.3
<b>Net liability in balance sheet</b>	<b>4.3</b>	<b>22.8</b>	<b>27.6</b>

The net pension fund liability represents 3% (2021/2022: 3%) of the total net balance sheet liability in The City Corporation Pension Fund financial statements.

### c) Amounts included in the statement of financial activities

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

	2023 £m	2022 £m
Current service cost	2.1	2.5
Past service cost	0.1	0.3
Settlements and curtailments	–	–
Interest cost	0.6	0.6
Contributions	(1.0)	(1.1)
<b>Total expense</b>	<b>1.8</b>	<b>2.3</b>

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2021/22: 3%) of the total charge in The City Corporation Pension Fund financial statements.

### d) Asset allocation

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

Employer asset share - bid value	2023		2022	
	£m	% p.a.	£m	% p.a.
Equity investments	22.2	59	22.6	60
Cash	0.3	1	0.5	1
Infrastructure	5.1	13	4.7	12
Absolute return portfolio	10.3	27	10.4	27
<b>Total assets</b>	<b>37.9</b>	<b>100</b>	<b>38.2</b>	<b>100</b>

The charity's share of pension scheme assets at 31 March 2023 represents 3% (2021/22: 3%) of the total pension scheme assets of The City Corporation Pension Fund.

### e) Movement in the present value of scheme liabilities

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

	2023 £m	2022 £m
<b>(Deficit) at beginning of the year</b>	<b>(61.0)</b>	<b>(63.3)</b>
Current service cost	(2.1)	(2.6)
Interest cost	(1.6)	(1.2)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in demographic assumptions	–	1.5
Actuarial gains arising from changes in financial assumptions	26.4	3.8
Other actuarial (losses)	(5.0)	–
Past service cost, including curtailments	(0.1)	(0.3)
Liabilities extinguished on settlements	–	–
Benefits paid	1.5	1.4
Contributions from scheme participants	(0.3)	(0.3)
<b>(Deficit) at the end of the year</b>	<b>(42.2)</b>	<b>(61.0)</b>

The charity's share of the closing value of the pension scheme liabilities represents 3% (2021/22: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

### f) Movement in the scheme net liability

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

	2023 £m	2022 £m Restated
<b>(Deficit) at beginning of the year</b>	<b>(22.8)</b>	<b>(27.6)</b>
Current service cost	(2.1)	(2.6)
Net interest	(0.6)	(0.6)
Employer contributions	1.0	1.2
Past service cost	(0.1)	(0.3)
Actuarial gains/(losses)	20.3	7.1
Other (losses)	–	–
<b>(Deficit) at the end of the year</b>	<b>(4.3)</b>	<b>(22.8)</b>

### g) Movement in the present value of scheme assets

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

	2023 £m	2022 £m Restated
<b>As at 1 April</b>	<b>38.2</b>	<b>35.7</b>
Interest on assets	1.0	0.7
Remeasurement gains/(losses):		
Return on assets less interest	(1.2)	1.9
Contributions by employer including unfunded	1.1	1.1
Contributions by scheme participants	0.3	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.5)	(1.5)
Settlement prices received	–	–
<b>Closing value of scheme assets</b>	<b>37.9</b>	<b>38.2</b>

### h) Projected pension expense for the year to 31 March 2024

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

	Year to 31/03/2024 £m	Year to 31/03/2023 £m	Year to 31/03/2022 £m
Service cost	0.8	–	2.4
Interest cost	0.2	0.6	0.5
<b>Total expense</b>	<b>1.0</b>	<b>0.6</b>	<b>2.9</b>
<b>Employer contribution</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

## 20. Analysis of net assets between funds

As at 31 March 2023	Unrestricted Income Funds		Restricted Funds		Endowment Funds	Total at 31 March 2023	Total at 31 March 2022
	General Funds	Designated Funds	Restricted Funds	Endowment Funds			
	£m	£m	£m	£m	£m	£m	£m Restated
Fixed assets – Investment properties	–	–	–	841.1		841.1	888.1
Fixed assets – Financial investments	213.7	489.0	–	117.0		819.7	879.5
Other fixed assets	11.9	–	–	–		11.9	11.7
Current assets & liabilities	(20.3)	–	–	11.1		(9.2)	(4.9)
Long-term liabilities	(45.8)	–	–	–		(45.8)	(29.2)
Pension liability	(4.3)	–	–	–		(4.3)	(22.8)
	155.2	489.0	0.0	969.2		1,613.4	1,722.4

As at 31 March 2022	Unrestricted Income Funds		Restricted Funds		Endowment Funds	Total at 31 March 2022	Total at 31 March 2021
	General Funds	Designated Funds	Restricted Funds	Endowment Funds			
	£m	£m	£m	£m	£m	£m	£m Restated
Fixed assets – Investment properties	–	–	–	888.1		888.1	843.8
Fixed assets – Financial investments	278.4	486.2	–	114.9		879.5	834.0
Other fixed assets	3.1	8.6	–	–		11.7	12.2
Current assets & liabilities	(32.5)	–	0.5	27.1		(4.9)	9.7
Long-term liabilities	(29.2)	–	–	–		(29.2)	(28.8)
Pension liability	(22.8)	–	–	–		(22.8)	(27.7)
	197.0	494.8	0.5	1,030.1		1,722.4	1,643.2

## 21. Movement in funds

As at 31 March 2023	Total as at 1 April 2022	Income	Expenditure	Gains & Losses	Transfers	Total as at 31 March 2023
	£m Restated	£m	£m	£m	£m	£m
<b>Endowment Funds</b>	<b>1,030.1</b>	<b>–</b>	<b>(0.4)</b>	<b>(60.5)</b>	<b>–</b>	<b>969.2</b>
London Communities Response Fund	0.3	–	(0.3)	–	–	–
Other Restricted Funds	0.2	0.1	(0.3)	–	–	–
<b>Total Restricted Funds</b>	<b>0.5</b>	<b>0.1</b>	<b>(0.6)</b>	<b>–</b>	<b>–</b>	<b>–</b>
General Funds	219.8	34.7	(22.5)	(0.2)	(72.3)	159.5
Pension Reserve	(22.8)	–	(1.8)	20.3	–	(4.3)
<b>Total General Funds</b>	<b>197.0</b>	<b>34.7</b>	<b>(24.3)</b>	<b>20.1</b>	<b>(72.3)</b>	<b>155.2</b>
Property Dilapidations	0.4	0.3	–	–	–	0.7
Climate Action	15.0	–	–	–	–	15.0
Bridges Repairs	56.2	–	(17.0)	–	11.6	50.8
Bridges Replacement	191.2	–	–	–	51.4	242.6
Grant-making	210.3	–	(61.4)	–	31.0	179.9
Social Investment Fund	21.7	0.2	–	(0.2)	(21.7)	–
<b>Total Designated Funds</b>	<b>494.8</b>	<b>0.5</b>	<b>(78.4)</b>	<b>(0.2)</b>	<b>72.3</b>	<b>489.0</b>
<b>Total Unrestricted Income Funds</b>	<b>691.8</b>	<b>35.2</b>	<b>(102.7)</b>	<b>19.9</b>	<b>–</b>	<b>644.2</b>
<b>Total Funds</b>	<b>1,722.4</b>	<b>35.3</b>	<b>(103.7)</b>	<b>(40.6)</b>	<b>–</b>	<b>1,613.4</b>

As at 31 March 2022	Total as at 1 April 2021	Income	Expenditure	Gains & Losses	Transfers	Total as at 31 March 2022
	£m	£m	£m	£m	£m	£m Restated
Endowment Funds	979.5	–	(0.4)	51.0	–	1,030.1
<b>Endowment Funds</b>	<b>979.5</b>	<b>–</b>	<b>(0.4)</b>	<b>51.0</b>	<b>–</b>	<b>1,030.1</b>
London Community Response Fund	3.4	–	(3.1)	–	–	0.3
Other Restricted Funds	0.4	0.2	(0.4)	–	–	0.2
<b>Total Restricted Funds</b>	<b>3.8</b>	<b>0.2</b>	<b>(3.5)</b>	<b>–</b>	<b>–</b>	<b>0.5</b>
General Funds	242.0	33.5	(23.5)	53.7	(85.9)	219.8
Pension Reserve	(27.6)	–	(2.3)	7.1	–	(22.8)
<b>Total General Funds</b>	<b>214.4</b>	<b>33.5</b>	<b>(25.8)</b>	<b>60.8</b>	<b>(85.9)</b>	<b>197.0</b>
Property Dilapidations	0.4	–	–	–	–	0.4
Climate Action	–	–	–	–	15.0	15.0
Bridges Repairs	48.1	–	(9.0)	–	17.1	56.2
Bridges Replacement	168.7	–	–	–	22.5	191.2
Grant-making	206.9	–	(27.9)	–	31.3	210.3
Social Investment Fund	21.5	0.4	–	(0.2)	–	21.7
<b>Total Designated Funds</b>	<b>445.6</b>	<b>0.4</b>	<b>(36.9)</b>	<b>(0.2)</b>	<b>85.9</b>	<b>494.8</b>
<b>Total Unrestricted Income Funds</b>	<b>660.0</b>	<b>33.9</b>	<b>(62.7)</b>	<b>60.6</b>	<b>–</b>	<b>691.8</b>
<b>Total Funds</b>	<b>1,643.3</b>	<b>34.1</b>	<b>(66.6)</b>	<b>111.6</b>	<b>–</b>	<b>1,722.4</b>

### Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. Any income arising from this capital is accounted for within unrestricted funds. Further detail of the origins of this fund is stated on page 6.

### Purposes of restricted funds

London Community Response Fund (LCRF) – established in response to the Covid-19 health pandemic to establish a collective response with other funders to support London’s civil society in furtherance of the CBF funding policy, ‘Bridging Divides’. This was fully utilised in 2022/23.

Other Restricted Funds included:

The Cornerstone Fund – a funder collaboration that aims to bring about systemic change in how civil society organisations access and receive support and which tackles structural inequalities in order to grow stronger, more resilient communities. This fund was fully utilised in 2022/23.

### Purposes of designated funds

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

Property Dilapidations	represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
Climate Action	represents funds set aside to further progress and potentially accelerate delivery of the Charity’s Climate Action Strategy.
Bridges Repairs	represents funds required to maintain the bridges for the next 5 years.
Bridges Replacement	represents funds set aside to fund the future rebuild of the bridges. This is based on the annually calculated present value of estimated future costs, adjusted for increases in construction costs.
Grant-making	represents surplus income which has been designated for future grant-making activities in the name of CBF.
Social Investment Fund	the Trustee approved the release of this designated fund during 2022/23: Following the granting of the Supplement Royal Charter, a new designated fund is being considered.

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

### Transfers between funds

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

All funds from the Social Investment Fund were transferred back into unrestricted general funds, with amounts invested in social investment holdings not considered part of free reserves due to their illiquid nature.

## 22. Note to the statement of cash flows

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

	2022/23 £m	2021/22 £m
<b>Net (expenditure)/income for the reporting period (as per the statement of financial activities)</b>	<b>(129.3)</b>	72.0
Adjustments for:		
Interest and income from investments	(27.2)	(30.4)
Depreciation charges	0.3	0.3
(Gains) on financial investments	(1.8)	(62.4)
Losses/(gains) on property investments	62.5	(42.3)
Losses on social investments	0.2	0.2
(Increase)/decrease in stock	(0.1)	0.1
(Increase)/decrease in debtors	(3.5)	0.5
Increase in creditors falling due within one year	20.2	2.7
Increase in long term creditors	16.6	0.3
Net pension scheme costs	1.8	2.3
<b>Net cash (used in) operating activities</b>	<b>(60.3)</b>	(56.7)

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

	Total as at 1 April 2022 £m	Cash Flows £m	Total as at 31 March 2023 £m
<b>Cash and cash equivalents</b>			
Cash	4.1	3.5	7.6
<b>Total</b>	<b>4.1</b>	<b>3.5</b>	<b>7.6</b>

Other non-cash changes are detailed in Note 22.

## 24. Operating Leases

Minimum lease payments receivable under operating leases:

	31 March 2023 £m	31 March 2022 £m
Not later than one year	22	23
Later than one year and not later than five years	80	77
Later than five years	1,096	1,073
<b>Total</b>	<b>1,198</b>	<b>1,173</b>

## 25. Commitments

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

	2023 £m	2022 £m
Works to bridges	6.8	14.6
Investment properties	10.2	26.3
<b>Total</b>	<b>17.0</b>	<b>40.9</b>

## 26. Related Parties

The City Corporation is the sole Trustee of the charity, as described on page 8. The City Corporation provides various services to the charity, the costs of which are recharged. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in Note 10.

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

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

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

Related party	Connected party	2022/23 £000	2021/22 £000	Detail of transaction
London Funders (LF)	An Officer of The City Corporation is a Trustee of LF	796 (781)	300 (400)	LF received grant funding from CBF
		4 (-)	3 (-)	The charity paid a membership fee to LF
Trust for London (TL)	The City Corporation nominates three Members to TL	25 (3,945)	4,375 (4,475)	TL received grant funding from CBF
		100 (-)	200 (-)	CBF received grant as contribution to Cornerstone fund
		264 (-)	216 (132)	TL paid rent, service charges & insurance
Partnership for Young London (PYL)	A Member of The City Corporation is a Trustee of PYL	373 (318)	27 (-)	PYL received grant funding from CBF
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of The City Corporation are Trustees of CF	269 (390)	225 (225)	CF received grant funding from CBF
Heart of the City (HoTC)	An Officer and a Member of The City Corporation are Trustees of HoTC	- (24)	- (119)	HoTC received grant funding from CBF
Guild of Freemen of the City of London (GF)	A Member is a Director of GF	- (-)	20 (-)	GF paid rent, service charges & insurance to the Charity
Augmentum Capital Limited (AC)	A Member of The City Corporation is a Director of AC Ltd	131 (-)	12 (-)	AC paid rent, service charges & insurance to the Charity

Related party	Connected party	2022/23 £000	2021/22 £000	Detail of transaction
CBRE Global Investors (CBRE)	A Member of the City Corporation is an employee of CBRE	4,169 (328)	259 (3)	CBRE provided various advisory services on the Charity's investment properties.
WSP Group plc (WSP)	A Member is a Consultant at WSP	23 (-)	19 (19)	WSP provided consultancy services to the Charity

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

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

During the year CBF contributed £52k towards Corporate IT projects and £138k towards the 'Secure City' project, relating to CCTV and telecommunications (2021/22: £255k). The balance owed to City Fund at year end was nil (2021/22: nil).

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

City's Cash holds a lease with CBF for the rental of a property. Rental income of £24k was received in the year (2021/22: £24k). The balance owed to CBF year end was nil (2021/22: nil). At the year-end, City's Cash held a cash balance of nil (2021/22: £303k), relating to rental receipts on behalf of the Charity.

## 27. Subsequent events

The Supplemental Royal Charter was placed before the Privy Council meeting in February 2023 and His Majesty the King, upon the advice of his Privy Council, made an Order granting the Supplemental Charter to The City Corporation as trustee in respect of CBF. The Great Seal was affixed in June 2023, at which time the Charter became legally effective.

As a result of this Charter, the Charity was granted the power to adopt the total return approach to investment for the permanent endowment, a decision taken with effect from the date of the Great Seal being affixed. In adopting the total return approach, the Trustee identified the initial value of the trust for investment as £188.1m as at the date of valuation (March 1994). An additional irreversible transfer of £152.2m to the trust for investment was approved by the Trustee at the date of adoption, to reflect increases in the real value of this amount up to March 2022.

The remainder of the permanent endowment is the unapplied total return, which can be accessed by the Trustee to spend on the charity's objects. The unapplied total return is to be used to provide for future requirements for bridge replacement, and hence in June 2023, the unrestricted designated fund for bridge replacement was released.



# REFERENCE AND ADMINISTRATION DETAILS



## City Bridge Foundation

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

### Principal office:

Guildhall, London, EC2P 2EJ

### Trustee:

The Mayor and Commonalty & Citizens of the City of London

### CBF Board members:

Deputy Dr Giles Shilson (Chair)

Paul Martinelli (Deputy Chair from 27/04/2022)

Deputy Henry Colthurst

Colonel Simon Duckworth, OBE DL (from 21/04/2022)

Alderman Professor Emma Edhem

Alderman & Sheriff Alison Gowman (from 15/04/2021, Interim Deputy Chair to 27/04/2022)

John Griffiths (from 27/04/2023)

Deborah Oliver (from 27/04/2023)

Judith Pleasance (to 27/04/2023)

Deputy Henry Pollard (to 27/04/2023)

Deputy Nighat Qureishi (from 21/04/2022)

Deputy James Thomson (from 21/04/2022)

### City Corporation – Senior officers:

Chief Executive John Barradell OBE – The Town Clerk and Chief Executive of the City of London Corporation (to 31/12/2022)

Michael Cogher – Acting Town Clerk and Chief Executive of the City of London Corporation (from 01/01/2023 to 05/02/2023)

Ian Thomas – The Town Clerk and Chief Executive of the City of London Corporation (from 06/02/2023)

Chief Financial Officer Caroline Al-Beyerty – The Chamberlain of The City of London Corporation

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

Surveyor Paul Wilkinson – City Surveyor

### CBF Executive Leadership team:

Managing Director	David Farnsworth OBE
Finance Director	Karen Atkinson
Chief Operating Officer	Simon Latham
CBF Associate Director	Dinah Cox OBE (to 19/01/2023)
Chief Funding Director	Sacha Rose Smith (from 09/01/2023)
Philanthropy Director	Fiona Rawes MBE
Director of Communications and Engagement	Catherine Mahoney

### Auditors

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

### Bankers

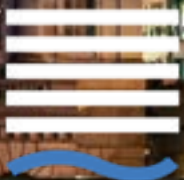
Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

### Financial investment advisors

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

Contact for City Bridge Foundation, to request copies of governance documents – [CBF@cityoflondon.gov.uk](mailto:CBF@cityoflondon.gov.uk)

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# CITY BRIDGE FOUNDATION

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