



Annual Report
and Financial Statements
for the year ended 31 March 2019

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Overview of the Year

Bridge House Estates (BHE) is proud to safeguard and maintain five of London's bridges: from tourism to traffic, the bridges play a key role in establishing London as an iconic capital. As well as planning for their long-term maintenance, preservation and replacement, much current refurbishment is in train; from Blackfriars Bridge and its parapets, to re-waterproofing London Bridge and the whole southern approach of Southwark Bridge.

Safety - as ever - remains a key concern; the bridge team continue to work closely with the Metropolitan Police, the City of London Police and Transport for London to ensure they are meeting the requirements to keep the city safe, whether it be from terrorism, floods or natural disasters.

It has been a fantastic year for Tower Bridge – now approaching its 125th anniversary. One of London's most popular attractions, last year it enjoyed another outstanding year of tourism: resulting in a 10% rise on visitors and an increased turnover. This is due to a constantly evolving and innovative tourist and cultural offer, new merchandise, including locally produced and high-end ranges. The Bridge continues to attract more and more schools each year, and thanks to Autism Friendly events and improved access, we were able to welcome even more people with additional needs.

For the City Bridge Trust (CBT), BHE's charitable funding arm, the past year has been one of considerable uncertainty. Brexit negotiations dominated the Governmental agenda, without resolution. London's voluntary and community sector is at the frontline of this uncertainty, which is adversely affecting civil society organisations and the people they serve. This, combined with the impact of austerity and Local Government cuts, means charities are also seeing increased and more complex demands for their services.

In this climate it is essential that BHE and its historic endowment remain a stable anchor for Londoners, alleviating inequalities here in London through its social investment fund and distributing at least £20m each year through CBT.

In 2018/19 CBT's grant spend reached £21.9m, funding organisations working for a London where all individuals and communities can thrive. CBT's commitment to provide at least £80m over the next four years will provide London's charitable sector with a degree of certainty and security.

Whilst honouring the history and stability of BHE, considerable efforts have been made to keep the charity relevant to modern London. The Trustees' review of the charities governance and strategy is continuing to ensure BHE is a model of good practice. CBT have listened to the voices of the charities they fund and increased the duration of the funding it awards from three years to five to allow greater stability for our grantees, whilst also giving greater focus to core grants.

2018/19 was a year where climate change remained top of the news and political agenda. In particular the impact of poor air quality has become better understood. London is particularly affected, and it is estimated that at least 360 primary schools are in areas exceeding safe legal pollution levels. Thousands of Londoners die prematurely each year due to the poor air quality. CBT has therefore supported 13 charities in London to get greener through its Eco Audits programme and has introduced Care for the Environment as an overarching theme in its new Bridging Divides programme.

Another topical issue this year was knife-crime and gang violence in London. CBT funded several initiatives to tackle this, most notably an award to the Greater London Authority (GLA) towards the Mayor's £45 million Young Londoners Fund. This scheme is supporting a range of education, sport, cultural and other activities for young Londoners, helping them to fulfil their potential, and targets those at risk of getting caught up in crime. In addition, Youth Services infrastructure was supported, helping to protect these services and the organisations which deliver them.

We feel very proud of the support and stability that we continue to provide in this wonderful city, from our bridges, to underpinning the most vulnerable people through our charitable grants.

Origins of the charity

The origins of Bridge House Estates can be traced back to 1097 when William II, second son of William the Conqueror, raised a special tax to help repair London Bridge. By the end of the twelfth century, the shops and houses adorning Peter de Colechurch's new stone London Bridge were beginning to generate not only increased cross-river trade, but also increased taxes, rents and bequests. A significant fund began to accumulate, administered from a building on the south side of the bridge called Bridge House. Over succeeding centuries this fund has been administered by the City of London Corporation ('the City Corporation') as Trustee.

The Bridge House Estates mark has been the identifying emblem of the charity for many centuries. It is likely that the 'bridge mark' as we know it today was designed by William Leybourn, a famous seventeenth century surveyor. Leybourn is thought to have adapted a similar mark drawn against plots owned by Bridge House Estates on an earlier plan of St George's Fields, London.

The work of Bridge House Estates now reaches out across 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 – Tower Bridge, London Bridge, Southwark Bridge, Blackfriars Bridge and Millennium Bridge is the primary objective of the charity. They are gateways to the City of London and require sustained investment and expert care.

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

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

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

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

Tower Bridge - Designed by the Victorian architect Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry, Tower Bridge was opened in June 1894 after eight years of construction. It is a working bascule, suspension and girder bridge, constructed as a steel frame clad in stone and granite in Gothic style to complement the neighbouring Tower of London. Under the Corporation of London (Tower Bridge) Act 1885, the City Corporation is required to raise the Bridge to provide access to and egress from the Upper Pool of London for registered vessels with a mast or superstructure of 30 feet or more. The service is provided free of charge subject to 24 hours' notice and is available any time, day or night, 365 days per year. The City Corporation ensures that the Bridge, a designated Grade 1 listed building, is properly maintained and protected as part of the nation's heritage.

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

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

After the responsibilities relating to the bridges have been met, the charity can use any surplus income for the provision of transport for elderly and disabled people in Greater London and for other charitable purposes for the general benefit of the inhabitants of Greater London, further to a scheme agreed with the Charity Commission in 1995. This scheme enables the charity to work through its charitable funding arm, City Bridge Trust, for a fairer London through tackling disadvantage. CBT works collaboratively to meet the charity's ancillary objectives through three key areas of activity, namely:

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

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

Trustee's Annual Report

Structure and Governance

Governing Instruments

Bridge House Estates is a charity governed by various instruments which are listed below. In March 1994 it was registered with the Charity Commission.

Founders	By various bequests over the centuries
Governing Instruments	A Royal Charter of 24 May 1282
	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
	A supplemental Royal Charter of 26 November 1957
	The City of London (Various Powers) Act 1963, section 32
	The London Bridge Act 1967
	The City of London (Various Powers) Act 1979, section 19
	The Charities (Bridge House Estates) Order 1995 (S.I.1995/1047)
	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)

Governance Arrangements

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the trustee of Bridge House Estates. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and

management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from the 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The key committees which had responsibility for directly managing matters related to the charity during 2018/19 were as follows:

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

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

Finance Committee - responsible for controlling budgets, support costs and other central charges that affect the charity as a whole.

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

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

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

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

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision making process to be clear, transparent and publicly accountable.

Details of the membership of Committees of the City Corporation are available at www.cityoflondon.gov.uk

The trustee believes that good governance is fundamental to the success of the charity. The comprehensive review of governance, which commenced in 2017/18, is ongoing ensuring that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review.

Organisational structure and decision making process

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 63.

Each Member by virtue of their membership of the Court of Common Council, its relevant committees and sub-committees, has a duty to support the City Corporation in the proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

Induction and Training of Members

The City Corporation makes available to its Members, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of BHE. The City Corporation has the Investor in People accreditation which is an external validation of the approach to valuing and developing the skills of both Members and staff who may be involved in administering and managing the charity.

Objectives and activities

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

Public benefit statement

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

Consequently, the Trustee considers that Bridge House Estates operates to benefit the general public and satisfies the public benefit test.

Reference and administrative details

The administrative details of the charity are stated on page 63.

Achievements and Performance

The Bridges

This year, the bridges have continued to play host and neighbour to two major projects: The Illuminated River Project and the Thames Tideway Tunnel. Now with both on site, the team have been working very closely with the projects in order to ensure that the construction activities do not have any detrimental impact on our bridges from structural, functional and heritage perspectives.

The work on the Thames Tideway Tunnel at Blackfriars Bridge has continued to expand over the last year as the project prepares for the arrival of the Tunnel Boring Machine from the west in 2020. Investigative and enabling tasks on site this year has involved working directly underneath Blackfriars Bridge in preparation for the construction of the new permanent foreshore structures to be installed in the coming years. The bridges team have been working extensively with the project to ensure Blackfriars Bridge is continually monitored and protected in all ways throughout this process.

The Illuminated River Project has now started on site with London Bridge, Southwark Bridge and the Millennium Bridge included in the first phase of the project. Once again, the team have been working closely with the contractors as they transform the appearance of this eclectic mix of modern and heritage structures with light. The quantity and complexity of the lighting equipment is far higher than has ever been placed on the bridges and so it has been essential to ensure that the structures can continue to work both functionally and aesthetically.

Work to start the refurbishment of Blackfriars Bridge, including the refurbishment of the parapets has continued to develop. However, the challenge of how to secure access to the bridge to carry out the work whilst other major projects are on site, has caused delay. The project is due to be tendered this summer with a flexible approach to ensure that the best solution for protecting the bridge is developed. Research is being undertaken to investigate the possible use of innovative paint technology to minimise the colour degradation from ultraviolet light across the bridge.

This year, the scheme to re-waterproof London Bridge and replace its end bearings has continued to develop. However, having waited for availability of road space following Network Rail's refurbishment of London Bridge station, the works have been subject to further delay caused by essential gas works planned in the City. These works will push this project back to the spring of 2020 so that appropriate diversion routes are available.

Extensive work was successfully completed to re-waterproof Park Street Bridge (part of the Southwark Bridge southern approach) and install new drainage to preserve the life of the structure. With lessons learned from the work carried out as part of this, and taking benefit from the delay to London Bridge, a wider project to re-waterproof the whole southern approach of Southwark Bridge is being progressed for the summer of 2019.

The bridges team have also continued to work with the Metropolitan Police to facilitate and require them to maintain the Hostile Vehicle Mitigation barriers, which were placed on the bridges following on from the 2017 terrorist attacks. This was especially essential on the Tower Bridge North Approach where the gullies became blocked

causing significant flooding during heavy rainfall. The team also participated in Transport for London's Threat and Vulnerability Assessments for our bridges along with Police and security advisors, and we await the output from these reviews.

Work was commissioned and undertaken during the year regarding the potential long-term replacement plans of the bridges, alongside consideration of ongoing maintenance requirements. This work has fed into consideration in the year of the designated reserves required for both replacement and maintenance of our bridges, as considered on pages 22 and 23 of this report.

Tourism at Tower Bridge

The iconic architecture and engineering of Tower Bridge are showcased to the public in the form of a paid visitor attraction within the historic structure, offering panoramic views from the high-level walkways of Wapping, Canary Wharf and Greenwich to the east of the City and central London skyline to the west. Steam machinery which originally powered the Bridge is preserved, curated and on display as a key element of the attraction, and in addition, glass flooring panels installed in 2014 continue to attract visitors, providing a unique aspect of the roadway, the river and the Bridge raising to allow the movement of river traffic directly beneath. Additional income generating activities for the charity include on site and online retail sales, venue hire charges, catering commissions and filming activities.

Tower Bridge experienced a record year in 2018/19, with numbers of visitors and turnover representing 10% and 6% respective increases on the previous year. The Bridge received excellent feedback within the tourism sector, achieving consistently positive reviews from visitors and a Trip Advisor ranking of 4th (as of April 2019) among all London visitor attractions.

The Bridge achieved a rating of Excellent (93%) in the annual assessment by Visit England as part of their Visitor Attraction Quality Assurance Scheme, and for an unprecedented second year in a row it was awarded a Visit England Gold Accolade, which recognises attractions "where the visitor experience is of the highest quality". Of 1,000 participating attractions, only 16 Gold Accolades were awarded in 2018, with only 2 of these located in the Capital.

The positive performance of the Bridge as an attraction in 2018/19 was attributable to the continuous development of the visitor offer, including improvements to its ticket office and particularly the growth of tourism retail, with income for the onsite gift shop having grown by 15% in comparison with the previous year. The Bridge's retail provision was recognised at the 2018 National Museums and Heritage Awards, achieving the title of 'Best Gift Shop with turnover exceeding £500,000'. Efforts were dedicated in 2018 to pursuing partnership commissioned publications, with positive results: an authoritative book was created in partnership with Thames & Hudson in light of the Bridge's upcoming 125th anniversary, and 'The Tower Bridge Cat' won the 2019 Association of Cultural Enterprise's Best Product Award in the category of 'Best Children's Publication'.

Following redevelopment of the Engine Rooms in 2017, the overhaul of all visitor content within the Bridge's towers in April represented the second phase of Tower Bridge's long-term interpretation development plan. Housed in the North and South towers, the new displays commemorate and celebrate the human stories and social heritage of the Bridge. Included in this new content were stories and images of the teams of divers who dug out the Bridge's foundations during its construction (these men earned up to £10 per minute in 1890) and insights into the lives of the engineers, architects and workmen who designed and built Tower Bridge.

A new identity for Tower Bridge as a visitor attraction launched in June 2018, which focused on its architectural and engineering heritage, in line with the new content which relays the Bridge's history through personal stories. This overhaul included a new logo, signage, marketing campaigns, uniforms, and also included the removal of the word 'Exhibition' from the attraction name, with the aim of making the visitor experience and the Bridge itself synonymous in terms of public perceptions. This has been well-received by visitors to date.

After retaining the Sandford Award for Heritage Education, the Tower Bridge formal learning programme continued to attract new and repeat school visits in 2018/19. The completion of a new accessible Learning Centre in the Bridge's south tower in March 2019 provides a modern and high-quality facility for visiting schools and community engagement organisations as the Bridge's learning provision continues to grow.

Autism Friendly events, involving opening the attraction earlier than usual, were well-attended and facilitated on a monthly basis throughout 2018/19. After a successful trial period, the Special Educational Needs and Disability offer at Tower Bridge has been further embedded with a tailored, multi-sensory guided tour for schools as well as an outreach workshop session delivered by the dedicated learning team. The Bridge also participated in national and local initiatives throughout the year, such as Engineering Open House Day and London History, leading to greater engagement with families and schools and increased general awareness through key national and London-based publications.

The cultural profile of Tower Bridge was also developed further in 2018/19 with its second Artist in Residence programme, including meaningful engagement with the Bridge's learning offer and local school groups. The initial stage of the residency saw the appointed data artist Imogen Piper focus on research, delving into the historical, cultural, geographical and physical entanglement of Tower Bridge within London and the world. From Bridge Lifts, to visitor numbers, vehicle crossings and pedestrians, Piper explored the data behind Tower Bridge to inform her final piece of art, on display to visitors in the Engine Rooms since November 2018.

Public-ticketed performances of a set of original musical compositions again took place over the penultimate weekend in September in the Bridge's Bascule Chamber space for the Totally Thames Festival. This year's creative offering included the work of disabled musicians and performers and special technologies were employed to enable this, given the naturally restrictive and inaccessible nature of the operational space. Positive feedback was received from ticket holders and a good level of publicity was achieved in mainstream, national and specialist media.

Tower Bridge maintained its profile in 2018/19 as a globally recognised symbol of London and a key part of the Capital's transport infrastructure. It was raised almost 700 times to allow Thames river vessels safe access to and egress from the Pool of London, positive progress was made with regard to illegal trader enforcement in association with the City Corporation's Department of Markets and Consumer Protection, and the Bridge's security planning, protocols and facilities were further developed throughout the year.

Performance indicators for 2018/19

	Target 2018/19	Actual 2018/19	Actual 2017/18
Visitor numbers to Tower Bridge	820,000	862,696	785,315
Visitors to second part of the Exhibition: Engine Room	80%	72%	80%
No. of pupils participating in Education Programme	3,500	3,975	3,023
Visit England VAQAS Score	90%	93%	91%
	£	£	£
Admissions income	4,102,000	4,367,647	4,174,840
Retail income	1,179,000	1,498,267	1,305,981
Venue hire	858,000	916,478	945,706

Activities of City Bridge Trust

At the heart of Bridge House Estates lies its charitable commitment to improving the lives of Londoners: City Bridge Trust (CBT). CBT is proud to be London's biggest independent grant maker. As it sits right in the centre of the private, voluntary and government sectors, it has the distinctive vantage point of being able to convene, understand and serve the needs of all those working to create a thriving capital city, where no one gets left behind.

For almost 25 years, CBT has worked to reduce inequality and support London's communities. 2018 was an especially important year: a new strategy was launched – *Bridging Divides*. The creation of this exciting new strategy gave CBT and its partners the space to re-consider the increasingly complex social problems it tackles - how to approach them and how to use its power and partnerships to make positive change happen. *Bridging Divides* is pan-London and places increased focus on early interventions that tackle the root causes of poverty, inequality, need and disadvantage. CBT will continue to work collaboratively with partners across civil society, public and private sectors to deliver this ambitious strategy.

Since its inception in 1995, CBT has awarded more than 8,000 grants, totalling more than £400m. During the financial year 2018/19, CBT exceeded its annual £20m target, giving £21.9m across Greater London to 213 different projects, ranging from

tackling knife crime, to supporting the LGBTQ+ community and enabling employment opportunities for some of the capital's most marginalised people.

As well as grant-making, CBT will continue to use its unique convening power to develop London as a global hub for Philanthropy and Social Investment.

Strategic Initiatives

During 2018/19, nineteen strategic initiatives were funded totalling £3.1m. These initiatives add value to the grants portfolio by increasing CBT's learning and by contributing to the wider policy arena. They covered a wide range of issues, although throughout the year several common themes emerged.

Youth Services

Projects targeting children and young people were prioritised, reflecting the growing concern across London at the rise in youth violence and knife crime. Specific projects included:

- Two awards totalling £420,000 to the Federation of London Youth Clubs to help youth organisations improve services for young people in London;
- Greater London Authority were awarded £300,000 towards the costs of commissioning charitable organisations to provide sub-regional networking and multi-agency co-ordination of projects under the Young Londoners Fund;
- Centre for Youth Impact received £60,000 to support London-based youth organisations to measure their impact better;
- Partnership for Young London, an umbrella body that provides advice and support to other organisations receiving Young Londoners Fund grants, was awarded £180,000 to improve their impact.

More Than Just Funding

- As part of the Bridging Divides programme, CBT worked innovatively with our grantees to improve and develop their resilience in a climate of political and financial uncertainty. A total grant of £560,000 was awarded to the Cranfield Trust to continue its Strive programme, providing management consultancy support to around 420 organisations;
- Locality and Cranfield Trust were each provided with a grant of £150,000 to carry out a 'diagnosis' of grantees' needs and then connect them up with a suitable provider of support services.

Prisoners and Ex-Offenders

CBT funded several initiatives and projects supporting prisoners and ex-offenders. These included:

- Hosting a seminar aimed at funders to discuss how to support the most vulnerable in the criminal justice system, particularly women and young people;
- Women In Prison received £446,000 to cover the cost of a Programme Manager and 4 part-time Specialist Advocates across London;

- Prisoners Abroad received £233,300 towards their resettlement fund, supporting destitute British citizens returning to London after imprisonment overseas.

The Prince's Trust

A strategic 10-year partnership with The Prince's Trust entered its fourth year, following a successful review in 2017/18. This partnership continued to engage hundreds of young people across London in activities and programmes providing positive outcomes and increased opportunities. Projects include:

- Strengthening Education Support; and
- Developing Employment Opportunities.

Anniversary Programmes

Employability – Bridge to Work

Following the award of grants totalling £2.62m in 2017/18, this initiative, which supports young disabled Londoners into employment, has made significant progress in this past year. Reporting on the first 12 months of the project has shown that to date 82% of participants have experienced a positive outcome, with 28% progressing into paid employment; 41% going into further training or education; and 13% moving on to other programmes.

A full evaluation report on the first year of the Bridge to Work programme will be published in 2019/20.

Also agreed in 2017/18, an award of £1.24m to the Centre for Mental Health focuses on individuals who have experienced mental health issues and require specialist individual support, tailored to their diagnosis to enable them to re-enter the workplace. During the first full year of this project, working in two London Boroughs, the organisation reported that they were exceeding all targets, with over four times the expected number of people starting the programme. Of these, the target for the number of individuals who have moved into employment has been exceeded by 70%.

Infrastructure Support and The Way Ahead

In the context of scarce resources and uncertainty for many civil society organisations, CBT has continued to support The Way Ahead programme, which seeks to put Londoners at the very heart of how their services are delivered. CBT will work collaboratively with civil society, public sector bodies and funders to improve their infrastructure and ability to continue delivering their services.

To enable this, CBT established The Cornerstone Fund, to support the strategic development of the infrastructure underpinning London's civil society in partnership with other funders and key stakeholders. Following the allocation of £3m in 2017/18, a total of £990,995 was distributed during the year through a two-stage application process.

The first stage of funding was launched alongside the Bridging Divides programme, and invited applications from organisations wishing to work collaboratively to build

more resilient communities. A panel of aligned funders¹ reviewed the initial applications and recommended that eleven development grants be awarded – with CBT then going on to approve three of these to receive stage two grants: H4All, Race on the Agenda and British Refugee Council.

As part of the Cornerstone Fund Programme, our funding partners also awarded grants: John Lyons Charity to the London Village Network and the National Lottery Community Fund to HEAR Equality and Human Rights Network.

CBT was delighted that the Greater London Assembly awarded £175,000 to The Cornerstone Fund. This was in the spirit of collaboration, to help build our joint understanding of the challenges, opportunities and impact of these types of initiatives.

Responsive grant-making

Whilst around 20% of the grant-making budget is available for Strategic Initiatives as outlined above, most of the funds allocated are used for responsive grant-making to charitable organisations reaching the most disadvantaged people in London.

The new Bridging Divides programme has the following priority areas:

- Connecting the Capital;
- Positive Transitions; and
- Advice and Support.

Along with the above programmes, CBT also revised their funding criteria to include the provision of five-year grants, increased core funding for organisations, and small grants of up to £10,000 for groups with an income of less than £75,000 per year.

Following the opening of these programmes to applications in April 2018, the first grants were awarded in September 2018. This was because CBT prioritised those requests already received under its previous 'Investing in Londoners' programmes.

Grants awarded during the year included:

- Baobab Centre for Young Survivors in Exile was awarded £123,000 towards their specialist therapeutic mental health interventions for young asylum seekers and refugees in London;
- Beat, an eating disorder charity, received £254,600 for support to young Londoners. This helped them begin specialist treatment earlier, which is shown to improve the chances of successful recovery;
- Polka Children's Theatre was awarded £100,000 towards a £6.5m refurbishment project which will make this unique venue, in the London Borough of Merton, fully accessible for all visitors;
- Clink Charity, which aims to reduce re-offending by providing prisoners with training in catering, hospitality and horticulture, received a grant of £105,000. This award will fund a Support Worker based in High Down Prison, providing

¹ Comprising National Lottery Community Fund, Trust for London, John Lyons Charity, Greater London Authority and London Councils

additional advice and mentoring to help clients find and maintain long-term employment after they are released;

- Kalayaan, an organisation which supports vulnerable migrant domestic workers in London and campaigns for their rights, received £288,100. This award will pay for an Immigration Lawyer, allowing them to provide expert advice and information to their client group;
- Age UK Bexley was awarded £90,000 for its 'Men in Sheds' project for older men to socialise and learn new skills through creative woodwork workshops; and
- Women's Environmental Network Trust received £110,600 towards the cost of the Tower Hamlets Food Growing Network which brings together and promotes food growing projects in the borough.

Social Investment

The Social Investment Fund represents the designation of £21.4m from the charity's unrestricted income funds, which are to be invested for a financial return as part of the charity's balanced investment portfolio, but focuses solely on markets that achieve social impact.

Since its inception in 2012 the Social Investment Fund has committed a total of £18m and achieved a return of 4.3% (gross) on invested capital. During the year, the Fund bought retail charity bonds from Golden Lane Housing (£0.45m), to enable people with learning disabilities to live independently and provided a bridging loan to Dartington Hall Trust (£3m) to support the charity with development plans. These brought the total funds invested at the end of 2018/19 to £13.2m with a further £2.1m either committed but not yet placed or subject to agreement of terms.

During 2018/19, two investments were refinanced, a five-year fixed rate bond to Greenwich Leisure Limited to continue Olympic legacy work and other projects consistent with its social aims; and a £0.5m fixed rate loan to HCT Group, to increase transport opportunities to disabled people or in poverty.

In 2018/19 CBT held the fifth round of the "Stepping Stones Fund", an award-winning social investment readiness facility. This programme, which continues to be delivered in partnership with UBS, is open to charitable organisations, social enterprises and not-for-profit companies working in Greater London. Twelve grants totalling £429,240 were awarded to organisations tackling a range of social issues, including homelessness, elderly social care and unemployment. These latest awards brought the total number of Stepping Stones grants to 77, with a value of over £3.2 million. CBT and UBS have re-opened Stepping Stones to new applicants on a rolling basis from April 2019.

In recognition that a gap exists between the programme and the size of investments available from the charity's Social Investment Fund, CBT launched a follow-on loan scheme for Stepping Stones grantees in partnership with the Clothworkers' Foundation and UBS.

Philanthropy

Over the centuries, philanthropy has played a major part in City life, with the very existence of Bridge House Estates partly originating from Londoners donating money

to “God and the Bridge”. Today, millions of pounds are raised and distributed each year by City businesses, the Livery Companies and the Mayoralty. However, there remains a huge potential for additional giving within the City and London in general whether through the giving of money, time, skills or assets.

CBT and its Trustee, the City Corporation, therefore jointly appointed a Philanthropy Director in 2017 to develop a cross cutting strategy for CBT and the City Corporation. The strategy was approved in the summer of 2018 and is focused on ensuring that individuals and communities, especially those experiencing marginalisation, thrive as a result of higher impact and higher value philanthropy. An implementation plan was approved in February 2019.

Whilst the consultation for and development of the strategy and implementation plan have been underway, CBT has played an active role in promoting high impact and high value philanthropy through sponsoring the launch of the Centre for London’s strategic review of giving in London: ‘More, better, together’, engaging with the Global Donors Forum’s first London conference and, together with the City Corporation and consultants Corporate Citizenship, supporting the development of research into the levels of giving by financial and professional service firms. Work is also underway to scope the potential of developing a physical space with a working title of ‘Philanthropy House’ in which to co-locate organisations specialising in philanthropy and social investment.

Property Investment

Bridge House Estates has an income driven investment property fund which is held within its permanent endowment fund, comprising of assets located primarily in the City of London and the London Borough of Southwark with one building in the West End and a small estate in Lewisham. The fund is predominately comprised of offices, with the majority of the remainder of the properties being a mix of office and retail uses within each building. There are 72 assets within the fund of which some 40% are ground leases. Due to their unique nature, including properties beneath or adjacent to the bridges, 12 of these assets are not benchmarked alongside the rest of the portfolio, however these are externally valued annually.

The objectives, as stated within the Investment Policy on page 24, are to maximise rental income and to outperform the MSCI Benchmark (Greater London Properties including owner occupied) total return on an annualised 5-year basis. The rental income has been maximised in accordance with the business plans for each asset and the property fund outperformed the relevant benchmarks on an annual basis (13.1 % versus MSCI benchmark of 5.6% and MSCI universe of 3.6%) and on an annualised 5-year basis as detailed below. The underlying value of the property portfolio decreased by £27.0m (3.5%) to £739.3m following the sale of a long lease of 1-5 London Wall Buildings for £97.125m in December 2018. This receipt is included within the total return figures. The performance of the fund is depicted in the table below:

	31 March 2019	31 March 2018
Capital Value	£739.3m	£766.3m
Gross Rental Income	£31.5m	£31.8m
5-year annualised Total Return	14.7%	15.4%
Benchmark 5-year annualised Total Return	11.4%	13.9%
MSCI Universe (All UK Property) 5-year annualised Total Return	9.1%	11.1%

Within the portfolio the key achievements during the year were as follows:

- The sale of a long lease of 1-5 London Wall Buildings for £97.125m, including a gain of £13.7m, with proceeds to fund future acquisitions and refurbishment projects;
- Planning permission for the refurbishment of Candlewick House, Cannon Street;
- Completion of joint sale agreement with Transport for London and London Borough of Southwark to allow marketing of a long lease of Colechurch House, SE1;
- Terms agreed for re-gear of the head lease of 160 Blackfriars Road to allow for an office and hotel development (subject to planning permission);
- 32,000 sq ft of new lettings have completed at a total rent of £770,000 per annum;
- 17 rent reviews have completed totalling an annual rent uplift of £990,500 per annum.

Plans for future periods

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

The Bridges - over the coming year, both the Thames Tideway Tunnel and the Illuminated River projects will continue to develop and interface directly with the bridges. The bridges team will continue to work closely with both projects to provide technical approval and ensure that the assets are protected. With the launch of the first phase of the Illuminated River Project due in the summer of 2019, there will be a focus on London, Southwark and Millennium bridges.

The inquest into the London Bridge terror attack will take place during 2019. As owner and maintainer of the bridge, we are an Interested Party, statements have been prepared and staff have been called as witnesses.

We will also be commissioning the next contract for our Consultant Engineer for the Inspection of the bridges and the provision of engineering advice, which is again proposed as a six-year commission to reflect the inspection cycle of the bridges.

Tower Bridge Tourism - plans for the coming year for the tourism activities at Tower Bridge include:

- Celebrate Tower Bridge's 125th Anniversary with a year-long activities, events and publicity programme;
- Complete the final stage of the Interpretation Plan in overhauling the visitor experience in the Walkways;
- Implement the second phase of the Bridge's new commercial identity and seek comprehensive feedback and evaluation;
- Positively develop the Bridge's cultural profile via Artist in Residence and Bascule Chamber programmes;
- Revisit the potential for secure entrance/exit facility at the South Tower.

Activities of City Bridge Trust - over the next 12 months CBT will continue to implement its Bridging Divides strategy. This will include developing its Funder Plus offer to grantees, making best use of all of its assets as a funder, including networks, knowledge and links to public and private sector, and further work on learning and impact.

CBT will launch a second Call for Ideas around Responding to the Resilience Risk. This responds directly to the growing need to develop the resilience of frontline workers in the voluntary sector.

Following a governance review, CBT will appoint two Co-opted Members to its committee, ensuring that it has the broad range of skills and experience necessary to deliver its mission of reducing inequality across London.

The Social Investment Fund will explore refining its investment strategy to allow for closer alignment with CBT's grant-making focus. The Stepping Stones Fund will also be relaunched as a continuous rolling programme.

In the year ahead, in order to implement the Philanthropy Strategy, we will analyse our current philanthropy data and practices to better understand what we are currently doing and what we could do better. We will understand much more about the resourcing, networks and expertise required to maximise our philanthropic potential and develop a plan to achieve this longer term. We will forge a range of strategic partnerships with key actors on the global philanthropic stage and have plans in place to maximise our collective potential to raise awareness of, and drive up engagement with, high impact and/or high value philanthropy in London, the UK and internationally.

Property investments - key activities planned within the investment property fund for 2019/20 include:

- Maximise the price achieved from the sale of a long lease of Colechurch House, SE1;
- Complete the acquisition of head leaseholds and any new investments where opportunities arise, utilising proceeds received from 1-5 London Wall Buildings, with a view to increasing income across the portfolio;
- Progress the refurbishment of Candlewick House, Cannon Street now planning permission has been achieved;
- Complete the lease to WeWork of Electra House and progress the refurbishment of Tower Chambers, both located on Moorgate.

Financial Review

Overview of financial performance

Income

In 2018/19, the charity's total income for the year was £43.1m, an overall increase of £0.5m against the previous year (£42.6m).

The income derived from the various activities at Tower Bridge reached record levels in 2018/19. The continuous development of the charity's visitor attraction, including the retail and events offer, has seen income from charitable activities increase to £6.8m (2017/18: £6.5m).

Investment income is driven by the rental income earned from the property portfolio, which is currently all held within the endowment fund. For 2018/19, property income totalled £31.5m an increase of £0.3m against the previous year (2017/18: £31.8m). This strong performance was supported by the inclusion of further collections of backdated rents. The majority of the financial investment holdings of the charity continue to be held on a pooled basis, with the income equivalent forming part of the movement in the value of assets held within the balance sheet. Income arising from financial investments held on a non-pooled basis is reported within the statement of financial activities at £2.8m for the year (2017/18: £3.9m). The balance of investment income includes earnings from the charity's social investment fund, together with interest received on money market deposit balances held.

Grant income of £0.2m was received in the year, restricted towards specific programmes administered by City Bridge Trust (2017/18: £nil).

Other income includes fees received by CBT to undertake grant administrative duties on behalf of other organisations. Within the current year a one-off amount was received relating to access to land owned by the charity, explaining the increase in this income area to £1m (2017/18: £0.2m).

Expenditure

Total expenditure for the year was £53.1m, being just £0.2m below the prior year total but with a different split between activities. All expenditure is unrestricted with the exception of £0.6m (2017/18: £0.3m) of costs attributable to the maintenance of the capital value of the endowment.

Within the above total, expenditure on raising funds increased by 2.9% to £21.5m (2017/18: £20.9m). This amount covers the costs of managing the charity's investment property portfolio plus the fees attributable to the financial investments held, alongside expenditure relating to the Tower Bridge tourism operations.

Charitable activities expenditure in the year totalled £30.7m (2017/18: £31.7m). £6.6m was spent on maintaining the five Thames Bridges in the year, an increase of £1.0m compared to the previous year. Much of the focus has been on working towards several projects due to take place over the coming months, which will incur higher levels of spend. Grant-making activities and related spend totalled £24.1m (2017/18: £26.1m), with spend now including grant commitments made under the new Bridging

Divides funding policy, adopted from April 2018. The reduction in new grant commitments of £2.5m to £21.9m (2017/18: £24.4m) reflects the one-off 20th Anniversary grants that were awarded in the previous year, now being actively managed by the team. The increase in the costs of administering grant-related activity includes the introduction of a new team structure within the year, alongside embedding the charity's philanthropy activities.

Other expenditure covers the net costs of the pension scheme for the staff of the City Corporation that work on behalf of the charity, with costs increasing following a ruling by the Court of Appeal on public sector pension schemes, as disclosed in Note 21.

Overall Performance

The above activity levels in the year resulted in an overall operating deficit of £10.0m (2017/18: £10.7m deficit), prior to gains on investments. However strong performances have been delivered by both the property and financial investment portfolios, adding a further £108.7m to the assets of the charity.

Property investments held reported gains of £69.6m (2017/18: £53.6m), including a realised gain of £13.7m following disposals in the year. The long leasehold disposal of 1-5 London Wall Buildings in the year has resulted in an increase in short term financial investments held, as the charity progresses plans to reinvest the proceeds within the property portfolio. Financial investments achieved gains of £39.1m (2017/18: £10.8m). The social investment fund delivered a small unrealised loss of £0.1m (2017/18: £0.1m gain).

Under its delegated responsibility from the City Corporation as Trustee, the Financial Investment Board, as a sub-committee of the Investment Committee, set an absolute return target of CPI (Consumer Prices Index) plus 4% for the non-property investments, being 6.0% for 2018/19 (2017/18: target based on RPI +4%, being 7.3%). The fund achieved an overall return of 5.6% in the year (2017/18: 1.8%). Over the past three years and five years respectively, the fund has achieved an overall return of 7.7% and 6.6% per annum. This performance consists of both capital gains and in-year earnings retained across the various holdings, resulting in the overall gain in the year of £39.1m reported above.

During the year the charity completed the transition of £60.7m of financial investment assets from the Standard Life Global Absolute Return Strategy Fund to the Multi Asset Credit Fund, managed by CQS, alongside £50.0m of assets from the Wellington Global Value Equity Fund to the Baillie Gifford Global Alpha Growth Fund. Both transitions were undertaken to support the Charity's investment objectives.

Funds held

The charity's total funds held increased by £98.9m or 7.1% to £1,494.7m as at 31 March 2019 (2017/18: £1,395.8m). Within the total funds held, £907.5m (2017/18: £831.6m) represent permanent endowment funds which are 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. The permanent endowment is held to enable the charity to generate income to meet its primary objective of

maintaining and supporting the five river bridges across the Thames, with the remaining surplus income available to undertake the activities of City Bridge Trust.

Unrestricted income funds held include the general fund and a number of designated funds. The total unrestricted income fund was £587.0m as at 31 March 2019 (2018: £564.2m), net of £12.4m held to cover the pension deficit (2018: £11.8m).

The charity's designated funds consist of unrestricted income funds which the Trustee has chosen to set aside for specific purposes. Such designations are not legally binding and the Trustee can decide to "undesignate" these funds at any time. Designations as at 31 March 2019 totalled £183.5m (2018: £189.8m). £19.7m was transferred to the bridges repair fund in the year to meet the future maintenance costs of its five bridges, with £34.0m now set aside to cover costs planned over the next 5 years (2017/18: £19.9m). The increase provides for the expected higher costs of major projects planned for Blackfriars Bridge over the next few years. However the balance held within the bridges replacement fund was reduced by £18.9m to £104.6m (2017/18: £123.5m) in line with detailed analysis undertaken, as explained below. Detail of all designated funds, including their purpose, is set out within Note 23 to the financial statements.

A restricted fund of £0.2m (2017/18: nil) was held at year-end, being a contribution to specific programmes undertaken by CBT.

Reserves Policy

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

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

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

Reserve levels held as at 31 March 2019 are set out in Note 23. The charity holds free reserves of £403.5m (2018: £374.4m). Whilst the charity has undertaken modelling to consider the future costs of potential replacement of the five bridges, further analysis

continues to be required in relation to this complex area, with a focus on the appropriate timing. Alongside this analysis, consideration is being given as to whether the permanent endowment fund holds sufficient funds to enable the charity to undertake future activities at levels determined to meet its objectives. The creation of a designated 'income generation fund' will be considered during 2019/20. As a result of the above facts, following the reconstitution of the endowment fund in 2017/18, the trustee is continuing to consider a suitable level of free reserves to maintain on an ongoing basis.

Investment Policy

The charity's financial 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 policy. The Order enables the charity 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 policy is to seek an absolute return over the long term in order to provide for real increases in annual expenditure, whilst preserving the charity's capital base in real terms. Investments are made by the charity's appointed fund managers in accordance with the above policy. The charity considers proactive engagement, via its fund managers, with the companies in which it invests to be the most effective means of understanding and influencing the social, environmental and governance policies of those companies. It expects investment managers to take steps to ensure that these factors are adequately addressed in the selection, retention and realisation of investments as far as such factors may affect investment performance. The City Corporation is committed to being a responsible investor and the long term steward of the assets in which it invests. The City Corporation has developed a Responsible Investment Policy which applies to the charity. During 2018/19, the City Corporation finalised its Statement of Commitment to the UK Stewardship Code and became a signatory to the Principles for Responsible Investment. Consideration is being given as to how the Trustee's general investment policies might have application to the charity.

Full details of the charity's Investment Policy are set out in the City Corporation's Investment Strategy Statement which is available from the Chamberlain of London, at the email address on page 63.

The performance of the charity's financial investments during the year is discussed on page 22 and set out in Note 15.

The property investments of the charity are managed within an approved Estates' strategy, which is reviewed in depth on a three-yearly basis. The strategic objectives of the property fund are to:

- Maintain and maximise rental income; and
- To outperform the MSCI Benchmark (Greater London properties including owner occupied) total return on an annualised 5-year basis.

The performance of the fund during 2018/19 is set out on page 19 and within Note 14.

Grant-making Policy

The charity has established its grant making policy to achieve its ancillary objects, as laid out on page 5, for the public benefit. In the name of The City Bridge Trust, its charitable funding arm, BHE considers and funds a large number of grantees and makes awards through a wide programme of funding schemes. The majority of grants are for revenue expenditure, awarded over 2–5 years.

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

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

Remuneration Policy

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

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

Fundraising

Charities subject to the audit requirements of the Charities Act 2011 are required to include a statement in their annual report relating to fundraising activities. The charity is aware of these requirements and, as it does not undertake fundraising activity, has nothing to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

Principal Risks and Uncertainties

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

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

Risk	Actions to manage risks
<p>Appropriate returns from investment activities are not achieved to enable the charity to maintain its asset value and support its charitable activities.</p>	<p>Property investments The property portfolio is managed within an approved Estates' strategy, which is reviewed on a three-yearly basis. KPIs are in place to monitor and drive rental income, with a working group in place to review cyclical maintenance costs to ensure effectiveness.</p> <p>Financial investments Risk is reduced through the use of a range of fund managers implementing different investment mandates. The Financial Investment Board continually monitors individual fund manager performance. As a result, during the year two underperforming managers were replaced. Although BHE is a long term investor, the Trustee acts decisively where it believes a fund manager is unable to recover from poor performance.</p>
<p>The outcome of Brexit negotiations has an adverse impact on the charity's income streams, on procurement and supply chains and on the recruitment and retention of staff.</p>	<p>A close watching brief continues to be kept on the implications of events as they unfold, with risks being identified, assessed, mitigated and recorded.</p> <p>The risk of a reduction to property income is low in the short term with tenants tied to rental values in long lease agreements.</p> <p>Financial investments are mainly invested in pooled global securities and therefore have limited exposure to any potential deterioration or volatility in the FTSE Index.</p>
<p>Structural damage to one of the bridges may cause it to become non-operational.</p>	<p>The City Surveyor's Department and Department of the Built Environment within the City Corporation work together, alongside other statutory bodies, to manage ongoing actions associated with this risk which includes potential structural damage as a result of issues such as a substantial vessel strike or through acts of terrorism. Possible impacts from the Thames Tideway tunnelling continue to be monitored. A 50-year maintenance plan is in place to manage on-going works.</p>
<p>Grant funding not used for its intended purpose.</p>	<p>Rigorous grants management and monitoring systems are in place which would pick up if a grant was being used for a different purpose. Grantees may also receive an unannounced visit during the life of their grant.</p>

Trustee responsibilities

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

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

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

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

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.

Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee

Guildhall, London

Jamie Ingham Clark FCA, Deputy
Deputy Chairman of Finance
Committee

September 2019

Independent Auditor's Report to the Trustee of Bridge House Estates

Opinion

We have audited the financial statements of Bridge House Estates ("the charity") for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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 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 related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Trustee

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act[s] 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London

September 2019

BDO 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.

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

Report of the Audit Review Panel to the Right Honourable the Lord Mayor, Aldermen and Livery of the several Companies of the City of London in Common Hall assembled

We, whose names are hereunto subscribed, the Audit Review Panel of the Chamberlain's and Bridgemasters' Accounts, elected by the Livery of London in Common Hall assembled on 25 June 2015, 24 June 2016, 26 June 2017 and 25 June 2018 pursuant to Act 11, George 1, Cap. 18, an Act for regulating elections within the City of London, etc., do report as follows:-

We have reviewed the processes adopted by BDO LLP for the audit of the Bridge House Estates for the period from 1 April 2018 to 31 March 2019.

In our view the audit of the Financial Statements has been conducted in accordance with auditing procedures as stated on pages 28 to 30.

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

P. Dossett

A. Francis

P. Watts

Dated: September 2019

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

Statement of Financial Activities

For the year ended 31 March 2019

	Notes	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	2018/19 Total Funds £m	2017/18 Total Funds £m
Income and Endowments from:						
Voluntary income	2	-	0.2	-	0.2	-
Charitable activities	3	6.8	-	-	6.8	6.5
Investments	4	35.1	-	-	35.1	35.9
Other income	5	1.0	-	-	1.0	0.2
Total Income		42.9	0.2	-	43.1	42.6
Expenditure on:						
Raising funds	6	20.9	-	0.6	21.5	20.9
Charitable activities						
Repair and maintenance of bridges		6.6	-	-	6.6	5.6
Grants to voluntary organisations		24.1	-	-	24.1	26.1
Total charitable activities	7	30.7	-	-	30.7	31.7
Other						
Net pension scheme costs	9	0.9	-	-	0.9	0.7
Total Expenditure		52.5	-	0.6	53.1	53.3
Net Expenditure		(9.6)	0.2	(0.6)	(10.0)	(10.7)
Net gains on property investments	14	-	-	69.6	69.6	53.6
Net gains on financial investments	15	32.2	-	6.9	39.1	10.8
Net (losses)/gains on social investments	16	(0.1)	-	-	(0.1)	0.1
Total Gains on Investments		32.1	-	76.5	108.6	64.5
Net Income after gains/(losses) on investments		22.5	0.2	75.9	98.6	53.8
Other recognised gains:						
Actuarial gains on defined benefit pension scheme	9	0.3	-	-	0.3	0.8
Net movement in funds		22.8	0.2	75.9	98.9	54.6
Reconciliation of funds:						
Fund balances brought forward at 1 April 2018		564.2	-	831.6	1,395.8	1,341.2
Total funds carried forward	22	587.0	0.2	907.5	1,494.7	1,395.8

All of the above results are derived from continuing activities.

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

The notes on pages 35 to 62 form part of these financial statements

Balance Sheet

As at 31 March 2019

	Notes	2019 Total £m	2018 Total £m
Fixed assets:			
Tangible assets	13	3.7	3.7
Investment properties	14	739.3	766.3
Financial investments	15	687.6	645.4
Social Investment Fund	16	13.2	8.5
Total fixed assets		1,443.8	1,423.9
Current assets			
Stock		0.2	0.2
Debtors	18	12.0	15.1
Short term investments and deposits	15	104.3	25.4
Cash at bank and in hand		5.5	0.7
Total current assets		122.0	41.4
Creditors: Amounts falling due within one year	19	(34.6)	(35.7)
Net current assets		87.4	5.7
Total assets less current liabilities		1,531.2	1,429.6
Creditors: Amounts falling due after more than one year	20	(24.1)	(22.0)
Net assets excluding pension scheme liability		1,507.1	1,407.6
Defined benefit pension scheme liability	21	(12.4)	(11.8)
Total net assets		1,494.7	1,395.8
The Funds of the charity:			
Permanent endowment funds		907.5	831.6
Restricted funds		0.2	-
Unrestricted income funds		587.0	564.2
Total funds	22	1,494.7	1,395.8

The notes on pages 35 to 62 form part of these financial statements

Approved and signed on behalf of the Trustee

Dr Peter Kane

Chamberlain of London

2019

Statement of Cash Flows

For the year ended 31 March 2019

	Notes	2018/19 Total £m	2017/18 Restated Total £m
Cash flows from operating activities:			
Net cash generated from/(used in) operating activities	24	(8.2)	(10.6)
Cash flows from investing activities:			
Interest and income from financial investments		3.5	3.9
Cash added to short term deposits		(78.9)	(13.2)
Purchase of tangible fixed assets		(0.3)	(0.2)
Sale of investment property		97.4	2.0
Purchase of property		(0.8)	(14.9)
(Proceeds)/additions from/to social investments		(4.8)	0.3
Additions to financial investments		(194.2)	(51.8)
Proceeds from sale of financial investments		191.1	84.4
Net cash (used in)/provided by investing activities		13.0	10.5
Increase/(decrease) in cash in the year		4.8	(0.1)
Change in cash and cash equivalents in the reporting period		4.8	(0.1)
Cash and cash equivalents at the beginning of the reporting period		0.7	0.8
Cash and cash equivalents at the end of the year		5.5	0.7

Notes to the Financial Statements

1. Accounting policies

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

a. Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, 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 Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities Act 2011.

b. Going concern

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

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 processes

Some of the charity's investment assets are measured at market value for financial reporting purposes. The charity applies judgement in approving the appropriate values for inclusion, using qualified professionals in such decisions. Unquoted social investments are in some cases internally valued, and management is required to make certain judgemental assumptions.

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. Defined benefit pension scheme

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

d. Income and expenditure

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

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds', 'expenditure on charitable activities' and 'other expenditure'. Expenditure on raising funds comprises those related to the operation of the Tower Bridge tourist attraction, alongside 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 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 2018/19 the charity does not consider the effective financing cost of future payments as material, and no adjustment has been made.

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

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, technology,

legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 11.

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

e. Foreign currencies

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

f. Pension costs

Defined benefit scheme

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

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

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

The assets of the scheme are held separately from those in the charity, and are invested by independent fund managers appointed by the Trustee. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality

corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the balance sheet.

Barnett Waddingham LLP, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2016, using the projected unit method. The actuary will carry out the next triennial actuarial assessment of the scheme as at 31 March 2019 during 2019/20, which will set contributions for the period from 1 April 2019 to 31 March 2022.

g. Operating leases – Bridge House Estates as the lessor

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

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 SORP2015. 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 2019 was £929m (2018: £857m).

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort 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 with over 20 years to run.

Financial Investments

i. Quoted Investments

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

ii. Unquoted Investments

Unquoted investments are valued at a valuation advised by the fund managers.

Social investments

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

j. Stocks

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

k. Financial assets and liabilities

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

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

l. Funds structure

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

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

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

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

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

2. Income from voluntary activities

	Restricted Income Funds £m	Total 2018/19 £m	Restricted Income Funds £m	Total 2017/18 £m
Grant income	0.2	0.2	-	-
	0.2	0.2	-	-

3. Income from charitable activities

	Unrestricted Income Funds £m	Total 2018/19 £m	Unrestricted Income Funds £m	Total 2017/18 £m
Tower Bridge tourism fees and charges	6.8	6.8	6.5	6.5
	6.8	6.8	6.5	6.5

4. Income from investments

	Unrestricted Income Funds £m	Total 2018/19 £m	Unrestricted Income Funds £m	Total 2017/18 £m
Investment property	31.5	31.5	31.8	31.8
Financial investments	2.8	2.8	3.9	3.9
Interest receivable	0.8	0.8	0.2	0.2
Total Investment income	35.1	35.1	35.9	35.9

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

5. Other income

	Unrestricted Income Funds £m	Total 2018/19 £m	Unrestricted Income Funds £m	Total 2017/18 £m
Other income	1.0	1.0	0.2	0.2
	1.0	1.0	0.2	0.2

6. Expenditure on raising funds

	Direct costs £m	Support costs £m	Total 2018/19 £m	Direct costs £m	Support costs £m	Total 2017/18 £m
Tourism expenses	5.5	0.9	6.4	4.6	0.9	5.5
Investment property expenses	6.7	3.5	10.2	6.8	3.0	9.8
Financial investment expenses	4.9	-	4.9	5.6	-	5.6
	17.1	4.4	21.5	17.0	3.9	20.9

Of the total expenditure on raising funds £20.9m (2017/18: £20.6m) relates to the unrestricted income fund and £0.6m (2017/18: £0.3m) to the endowment fund.

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

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	Support costs	Total 2018/19	Direct costs	Support costs	Total 2017/18
	£m	£m	£m	£m	£m	£m
Repair and maintenance of bridges	5.6	1.0	6.6	4.8	0.8	5.6
Grants to voluntary organisations	23.4	0.7	24.1	25.6	0.5	26.1
	29.0	1.7	30.7	30.4	1.3	31.7

Repair and maintenance of bridges

Staff costs, repairs and maintenance, insurance, equipment and materials costs relating to the Thames river bridges maintained by the charity.

Grants to voluntary organisations

Grants awarded in the name of the City Bridge Trust, the grant making arm of the charity, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £21.3m (2017/18: £23.8m) and costs of administering the grants process of £2.1m (2017/18: £1.8m).

All expenditure on charitable activities is unrestricted.

8. Grants awarded

During the year ended 31 March 2019, grants were awarded to institutions under the following programmes:

	2018/19	2017/18
	£m	£m
Investing in Londoners	8.2	12.7
Bridging Divides	9.2	-
Strategic Initiatives	3.1	6.4
Stepping Stones Fund	0.4	0.6
CBT 20th Anniversary Grants	1.0	4.7
Grants awarded	21.9	24.4
Grant adjustments and cancellations	(0.6)	(0.6)
Net grants awarded	21.3	23.8
Other grant related activities	2.1	1.8
	23.4	25.6

Grants were made to 200 organisations in the year (2017/18: 210), supporting 213 projects (2017/18: 227). The average amount of a grant equalled £102,962 (2017/18: £107,807). All grantees receiving funding must work for the benefit of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

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

Reconciliation of grants payable:

	2018/19 £m	2017/18 £m
Commitments at 1 April	31.9	27.6
Commitments made in the year	21.9	24.4
Grant adjustments and cancellations	(0.6)	(0.6)
Grants paid during the year	(19.3)	(19.5)
Commitments at 31 March	33.9	31.9

Outstanding grant commitments at 31 March 2019 are payable as follows:

	2018/19 £m	2017/18 £m
Within one year (note 19)	20.1	20.3
After more than one year (note 20)	13.8	11.6
Commitments at 31 March	33.9	31.9

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

9. Other costs: net total pension scheme costs

	2018/19 £m	2017/18 £m
Deficit at 1 April	(11.8)	(11.9)
Current service cost	(1.2)	(0.9)
Net interest	(0.3)	(0.3)
Employer contributions	0.6	0.5
Net total charge for the year	(0.9)	(0.7)
Actuarial gains	0.3	0.8
Deficit at 31 March	(12.4)	(11.8)

The net total pension costs charged in the Statement of Financial Activities represents 2% (2017/18: 2%) of the total charge in the City Corporation Pension Fund financial statements. This allocation is based on the split of the employee pension contribution across the funds managed by the City Corporation and is reviewed annually.

10. Net income for the year

Net income is stated after charging:

	2018/19 £	2017/18 £
Auditors' remuneration for the audit of the financial statements	37,280	38,240
Additional fees incurred in 18/19 for the audit of the 17/18 financial statements	17,000	-
Depreciation	281,303	302,956

11. Support Costs

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

	Tourism £m	Investment Property £m	Bridges £m	Grants £m	Governance £m	2018/19 £m	2017/18 £m
Department:							
Chamberlain	-	0.3	0.1	-	-	0.4	0.4
Comptroller & City Solicitor	-	0.4	0.2	0.1	-	0.7	0.3
Town Clerk	-	-	-	0.1	0.3	0.4	0.4
City Surveyor	-	2.4	0.2	-	-	2.6	2.3
Built Environment	-	-	0.1	-	-	0.1	0.1
Culture, Heritage & Libraries	0.2	-	-	-	-	0.2	0.3
Public Relations	-	-	-	-	-	-	-
Digital Services	0.3	0.1	0.1	0.1	-	0.6	0.7
Premises costs	0.1	-	0.1	0.1	-	0.3	0.2
Other	0.1	0.2	-	0.2	0.3	0.8	0.5
Sub-total	0.7	3.4	0.8	0.6	0.6	6.1	5.2
Reallocation of governance costs	0.2	0.1	0.2	0.1	(0.6)	-	-
Total Support costs	0.9	3.5	1.0	0.7	-	6.1	5.2

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

12. Details of staff costs

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

	2018/19	2017/18
Investment properties	16	18
Tower Bridge tourism	54	53
Repair & maintenance of bridges	30	28
Grants team	22	20
	122	119

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

	2018/19 £m	2017/18 £m
Salaries and wages	4.5	4.0
National Insurance costs	0.4	0.4
Employer's pension contributions	0.8	0.8
Total emoluments of employees	5.7	5.2
Agency staff	0.7	0.4
Total emoluments	6.4	5.6

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

	2018/19	2017/18
£60,000 - £69,999	5.0	4.0
£70,000 - £79,999	1.0	1.0
£80,000 - £89,999	2.0	-
£100,000 - £109,999	-	1.0
£110,000 - £119,999	1.0	-
	9.0	6.0

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

In addition, support staff are charged to the charity on the basis described within Note 11. The full-time equivalent number of support service staff charged is 72 (2017/18: 67.0).

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives for 2016-20. This also includes addressing the City Corporation's gender pay gap.

Remuneration of Key Management Personnel

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

The proportion of senior officer employment benefits, including employer pension contributions, allocated to the charity amounted to £229,000 in 2018/19 (2017/18: £200,000). No Members received any remuneration, with directly incurred expenses reimbursed, if claimed. Expenses totalling £119 were claimed in 2018/19 from the charity (2017/18: nil).

13. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold Improvements £m	Total £m
Cost				
At 1 April 2018	0.7	2.2	4.2	7.1
Additions	0.1	0.2	-	0.3
Disposals	(0.2)	-	-	(0.2)
At 31 March 2019	0.6	2.4	4.2	7.2
Depreciation				
At 1 April 2018	0.3	1.0	2.1	3.4
Charge for the year	0.1	0.1	0.1	0.3
Disposals	(0.2)	-	-	(0.2)
At 31 March 2019	0.2	1.1	2.2	3.5
Net book value				
At 31 March 2019	0.4	1.3	2.0	3.7
At 31 March 2018	0.4	1.2	2.1	3.7

14. Investment Properties

	2019	2018
	£m	£m
Market value at 1 April	766.3	702.2
Purchases	0.8	14.9
Book value of disposed assets	(83.7)	(2.0)
Total unrealised gains*	55.9	51.2
Market value at 31 March	739.3	766.3

* Includes rent free adjustment of £3.9m (2017/18: £2.7m).

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

	2019	2018
	£m	£m
Total unrealised gains	55.9	51.2
Realised gain on disposal	13.7	2.4
	69.6	53.6

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

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

15. Financial Investments

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

	2019	2018
	£m	£m
Long term investments	687.6	645.4
Short term investments:		
- short term deposits and money market funds	95.0	5.0
- short term investments in hands of fund managers	9.3	20.4
	104.3	25.4
Total market value at 31 March	791.9	670.8

Analysis of movement in financial investments

	2019	2018 Restated
	£m	£m
Investments held by fund managers		
Market value 1 April	645.4	667.3
Additions to investments at cost	194.2	51.8
Disposals at market value	(191.1)	(84.4)
Gain from change in fair value	39.1	10.7
Investments at 31 March	687.6	645.4
Cash investments		
Investments at 1 April	25.4	12.2
Cash held as short-term deposits and as part of long-term portfolio	78.9	13.2
Investments at 31 March	104.3	25.4
Total investments at 31 March	791.9	670.8

The increase in short-term deposits held as at 31 March 2019 is as a result of the sale of a property in the year for £97.1m, with proceeds awaiting re-investment.

The movements within 2017/18 has been restated due to previously incorrect analysis between additions and disposals. Cash held by fund managers is now disclosed within cash investments.

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

	Held in the UK	Held outside the UK	Total at 31 March 2019	Total at 31 March 2018
	£m	£m	£m	£m
Fixed Interest	95.0	40.9	135.9	33.6
Index Linked	25.3	10.7	36.0	43.7
Pooled units	103.6	390.3	493.9	460.8
Listed equities	13.3	31.4	44.7	45.7
Managed funds	9.3	-	9.3	20.4
Private equity	3.9	22.3	26.2	22.0
Infrastructure	-	45.9	45.9	44.6
	250.4	541.5	791.9	670.8

Investment powers

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

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

16. Social Investment Fund

	Value as at 01 April 2018 £m	Drawn down £m	Repaid £m	Investment gain/(loss) £m	Value as at 31 March 2019 £m
Investment Fund	2.8	-	-	-	2.8
Loan	1.8	5.3	(0.6)	-	6.5
Bond	1.9	0.6	(0.5)	(0.1)	1.9
Property Fund	2.0	-	-	-	2.0
	8.5	5.9	(1.1)	(0.1)	13.2

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

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2019 £m	Total at 31 March 2018 £m
Investment Fund	2.5	0.3	2.8	2.8
Loan	6.5	-	6.5	1.8
Bond	1.9	-	1.9	1.9
Property Fund	2.0	-	2.0	2.0
	12.9	0.3	13.2	8.5

At the year-end £0.1m (2017/18: £2.8m) had been committed but remained undrawn, with £2.0m (2017/18: £0.5m) approved but subject to agreement of terms, making a total promised of £15.3m (2017/18: £11.8m). Details of all investments placed are shown on the City Bridge Trust website www.citybridgetrust.org.uk.

17. Nature and extent of risks arising from Financial Instruments

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

Credit Risk - this is the potential risk that a counterparty will fail to meet its obligations in accordance with agreed terms. This principally arises from cash and cash equivalents, deposits with banks and with financial institutions. Deposits are not made with banks and financial institutions unless they are rated independently with a minimum score of Long term A, Short term F1. The Trust also invests in Money Market Funds, which are subject to a minimum credit rating of AAA/mmff. The lending list is reviewed on a regular basis using advice from credit rating agencies, treasury advisors and in-house judgements based partially on credit default swap rates. The charity's maximum exposure to credit risk in relation to its investments in banks and money market funds cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution.

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

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

Potential market movements

Asset type	% Change
Global Equities - Developed Markets (incl UK)	17.0%
Global Equities - Emerging Markets	28.7%
Global Bonds	4.1%
Multi-Asset	7.3%
Private Equity	24.2%
Infrastructure	14.7%

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

Asset type	Value	Change	Value on increase	Value on decrease
	£m	%	£m	£m
Global Equities - Developed Markets (incl UK)	294.4	17.0%	344.4	244.4
Global Equities - Emerging Markets	12.0	28.7%	15.4	8.6
Global Bonds	29.4	4.1%	30.6	28.2
Multi-Asset	289.1	7.3%	310.2	268.0
Private Equity	26.1	24.2%	32.4	19.8
Infrastructure	45.9	14.7%	52.6	39.2
Total	696.9		785.8	608.0
UK Cash	95.0	0.0%	95.0	95.0
Total financial investments	791.9		880.8	703.0

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

Foreign Currency Risk – this risk exists when a financial transaction or asset/liability is denominated in a currency other than that of the base currency of the charity. The risk is that a movement in the exchange rate may cause a foreign currency investment value to either decrease or increase when the investment is sold and converted back into the base currency.

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

Currency Baskets	Value	Change	Value on increase	Value on decrease
	£'m	%	£'m	£'m
GBP	458.6	0.00%	458.6	458.6
EUR	70.5	2.38%	72.2	68.8
USD	183.4	2.67%	188.3	178.5
Other	79.4	3.86%	82.5	76.3
Total financial investments	791.9		801.5	782.3

18. Debtors

	2019	2018
	£m	£m
Trade debtors	1.6	3.5
Rental debtors	4.0	3.5
Prepayments & accrued income	6.4	8.1
	12.0	15.1

Debtors include £3.7m balances which are due after more than one year (2017/18: £0.8m)

19. Creditors – amounts falling due within one year

	2019	2018
	£m	Restated £m
Grants payable (note 8)	20.1	20.3
Trade creditors	2.0	1.7
Accruals	1.1	1.3
Deferred income	5.8	5.7
Rent deposits	5.2	6.4
Other creditors	0.4	0.3
	34.6	35.7

Deferred income relates to property rental income and lease premiums received in advance for periods after the year-end.

The split of grant commitments payable between due within one year and after more than one year as been restated following a detailed review of payment schedules. The overall total due remains unchanged.

	2019	2018
	£m	£m
Deferred income analysis within creditors:		
Balance at 1 April	5.7	5.1
Amounts released to income	(5.7)	(5.1)
Amounts deferred in the year	5.8	5.7
Balance at 31 March	<u>5.8</u>	<u>5.7</u>

20. Creditors – amounts due after more than one year

	2019	2018
	£m	Restated £m
Grants payable (note 8)	13.8	11.6
Deferred income	10.3	10.4
	<u>24.1</u>	<u>22.0</u>

	2019	2018
	£m	£m
Deferred income - due after more than one year:		
Balance at 1 April	10.4	10.5
Amounts transferred to less than one year	(0.1)	(0.1)
Balance at 31 March	<u>10.3</u>	<u>10.4</u>

Deferred income includes lease premiums that will be released over periods of up to 166 years.

21. Pensions

City of London Corporation defined benefit pension scheme

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

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

In December 2018 the Court of Appeal ruled that transitional protections put in place under reforms to both the Judges' and Firefighters' Pension Schemes discriminated against a group of members on the grounds of age. The ruling is applicable to all public sector pension schemes including that in place with the Corporation of London, whose staff work on behalf of Bridge House Estates. The ruling has resulted in an increase in the pensions liability on the balance sheet of £0.3m being recognised in 2018/19.

Accounting for the defined benefit scheme under IAS19

The full actuarial valuation of the defined benefit scheme was updated to 31 March 2019 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 the differences considered not to be materially incorrect.

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 2019/20 is £567,000 (2018/19 actual: £593,000). This figure is calculated pro-rata to total contributions that will be payable by the City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

a) Major assumptions by the actuary

Financial

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

Assumptions as at:	2019 % p.a.	2018 % p.a.	2017 % p.a.
RPI increases	3.4	3.3	3.6
CPI increases	2.4	2.3	2.6
Salary increases	3.9	3.8	4.1
Pension increases	2.4	2.3	2.6
Discount rate	2.4	2.6	3.7

Life expectancy

The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		2019	2018
Age 65 retiring today	Males	23.2	23.9
	Females	24.6	25.2
Retiring in 20 years	Males	24.5	25.3
	Females	26.1	26.7

The table reflects the change in the mortality tables used for the 31 March 2019 valuation and allowance is made for future improvements in life expectancy.

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 £m
Salary increases	+/- 0.1	+/- 0.1
Life expectancy	+/- 0.1	+/- 1.2
Discount rate	+/- 0.1	+/- 0.6

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:

	2019 £m	2018 £m
Fair value of assets (bid value)	19.4	18.0
Fair value of liabilities	31.8	29.8
Net liability in balance sheet	12.4	11.8

The net pension fund liability represents 2% 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:

	2019 £m	2018 £m
Current service cost	0.9	0.9
Past service cost	0.3	-
Interest cost	0.3	0.3
Contributions	(0.6)	(0.5)
Total expense	0.9	0.7

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 2% 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	2019		2018	
	£m	% p.a.	£m	% p.a.
Equity Investments	13.0	67	11.8	65
Cash	0.2	1	0.1	1
Infrastructure	1.1	6	1.1	6
Absolute Return Portfolio	5.1	26	5.1	28
Total assets	19.4	100	18.1	100

The charity's share of pension scheme assets at 31 March 2019 represents 2% 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:

	2019 £m	2018 £m
(Deficit) at beginning of the year	(29.8)	(29.5)
Current service cost	(0.9)	(0.9)
Interest Cost	(0.8)	(0.8)
Remeasurement gains/losses:		
Actuarial gains/losses arising from changes in demographic assumptions	0.8	-
Actuarial gains/losses arising from changes in financial assumptions	(1.4)	0.9
Past service cost, including curtailments	(0.3)	-
Benefits paid	0.8	0.7
Contributions from scheme participants	(0.2)	(0.2)
Unfunded pension payments		
(Deficit) at the end of the year	(31.8)	(29.8)

The charity's share of the closing value of the pension scheme liabilities represents 2% 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:

	2019 £m	2018 £m
(Deficit) at beginning of the year	(11.8)	(11.9)
Current service cost	(0.9)	(0.9)
Net interest	(0.3)	(0.3)
Employer contributions	0.6	0.5
Past service cost	(0.3)	-
Actuarial gains/(losses)	0.3	0.8
(Deficit) at the end of the year	(12.4)	(11.8)

g) Movement in the present value of scheme assets

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

	2019 £m	2018 £m
As at 01 April	18.0	17.6
Interest on assets	0.5	0.5
Remeasurement gains/losses:		
Return on assets less interest	0.9	(0.1)
Contributions by employer including unfunded	0.5	0.5
Contributions by scheme participants	0.2	0.2
Estimated benefits paid net of transfers in and including unfunded	(0.8)	(0.7)
Closing value of scheme assets	19.3	18.0

h) Projected pension expense for the year to 31 March 2020

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 31/03/2020 £m	Year to 31/03/2019 £m
Service cost	1.0	0.8
Interest cost	0.3	0.3
Total expense	1.3	1.1
Employer contribution	0.5	0.5

22. Analysis of net assets between funds

At 31 March 2019

	Unrestricted Income Funds		Restricted Funds	Endowment Funds	Total at 31 March 2019	Total at 31 March 2018
	General Funds	Designated Funds	Restricted Funds	Endowment Funds		
	£m	£m	£m	£m	£m	£m
Fixed Assets - Investment properties	0.0	0.0	0.0	739.3	739.3	766.3
Fixed Assets - Financial investments	427.3	170.3	-	90.0	687.6	645.4
Other fixed assets	3.7	13.2	0.0	0.0	16.9	12.2
Current assets & liabilities	9.0	0.0	0.2	78.2	87.4	5.7
Long-term liabilities	(24.1)	-	-	0.0	(24.1)	(22.0)
Pension liability	(12.4)	-	-	-	(12.4)	(11.8)
	403.5	183.5	0.2	907.5	1,494.7	1,395.8

At 31 March 2018

	Unrestricted Income Funds		Restricted Funds	Endowment Funds	Total at 31 March 2018	Total at 31 March 2017
	General Funds	Designated Funds	Restricted Funds	Endowment Funds		
	£m	£m	£m	£m	£m	£m
Fixed Assets - Investment properties	-	-	-	766.3	766.3	702.2
Fixed Assets - Financial investments	381.1	181.3	0.0	83.0	645.4	667.3
Other fixed assets	3.7	8.5	0.0	-	12.2	12.4
Current assets & liabilities	6.4	-	-	(0.7)	5.7	(14.5)
Long-term liabilities	(22.0)	-	-	-	(22.0)	(14.3)
Pension liability	(11.8)	-	-	-	(11.8)	(11.9)
Interfund account	17.0	-	-	(17.0)	-	-
	374.4	189.8	0.0	831.6	1,395.8	1,341.2

23. Movement in funds

At 31 March 2019	Total as at 01 April 2018	Income	Expenditure	Gains & losses	Transfers	Total as at 31 March 2019
	£m	£m	£m	£m	£m	£m
Endowment Funds	831.6	-	(0.6)	76.5	-	907.5
Total Endowment Funds	831.6	-	(0.6)	76.5	-	907.5
Restricted Funds	-	0.2	-	-	-	0.2
Total Restricted Funds	-	0.2	-	-	-	0.2
General Funds	386.2	42.2	(23.9)	32.2	(20.8)	415.9
Pension Reserve	(11.8)	-	(0.9)	0.3	-	(12.4)
Total General Funds	374.4	42.2	(24.8)	32.5	(20.8)	403.5
Property Dilapidations	1.1	0.3	(0.8)	-	-	0.6
Service Charges	0.5	-	-	-	-	0.5
Bridges Repairs	19.9	-	(5.6)	-	19.7	34.0
Bridges Replacement	123.5	-	-	-	(18.9)	104.6
Grant-making	23.7	-	(21.3)	-	20.0	22.4
Social Investment Fund	21.1	0.4	-	(0.1)	-	21.4
Total Designated Funds	189.8	0.7	(27.7)	(0.1)	20.8	183.5
Total Unrestricted Income Funds	564.2	42.9	(52.5)	32.4	-	587.0
Total Funds	1,395.8	43.1	(53.1)	108.9	-	1,494.7

At 31 March 2018	Total as at 01 April 2017 £m	Income £m	Expenditure £m	Gains & losses £m	Transfers £m	Total as at 31 March 2018 £m
Endowment Funds	779.4	-	(0.3)	52.5	-	831.6
Total Endowment Funds	779.4	-	(0.3)	52.5	-	831.6
General Funds	416.0	42.5	(47.3)	12.0	(37.0)	386.2
Pension Reserve	(11.9)	-	(0.7)	0.8	-	(11.8)
Total General Funds	404.1	42.5	(48.0)	12.8	(37.0)	374.4
Property Dilapidations	1.5	0.1	(0.2)	-	(0.3)	1.1
Service Charges	0.2	-	-	-	0.3	0.5
Bridges Repairs	19.0	-	(4.8)	-	5.7	19.9
Bridges Replacement	117.0	-	-	-	6.5	123.5
Grant-making	-	-	-	-	23.7	23.7
Social Investment Fund	20.0	-	-	-	1.1	21.1
Total Designated Funds	157.7	0.1	(5.0)	-	37.0	189.8
Total Unrestricted Income Funds	561.8	42.6	(53.0)	12.8	-	564.2
Total Funds	1,341.2	42.6	(53.3)	65.3	-	1,395.8

Purpose of the endowment fund

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

Purposes of restricted funds

The restricted fund represents funds received from the Greater London Assembly towards the Cornerstone Fund, supporting the strategic development of the infrastructure underpinning London's civil society (see pages 15-16).

Purposes of designated funds

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

Property Dilapidations	represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
Service charges	represents service charges received from tenants to enable major cyclical works to be financed.
Bridges Repairs	represents funds required to maintain the bridges for the next 5 years.
Bridges Replacement	represents funds set aside to fund the future rebuild of the bridges. This is based on the present value of estimated future costs, adjusted for increases in construction costs.
Grant-making	represents surplus income which has been designated for future grant-making activities in the name of City Bridge Trust.

Social Investment Fund to finance investments that generate a financial return, alongside an associated social return, consistent with the agreed investment policy.

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

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

24. Note to the statement of cash flows

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

	2018/19	2017/18
	£m	Restated £m
Net income for the reporting period (as per the statement of financial activities)	98.6	53.8
Adjustments for:		
Interest and income from investments	(3.5)	(3.9)
Depreciation charges	0.3	0.3
Gains on financial investments	(39.1)	(10.8)
Gains on property investments	(69.6)	(51.2)
Losses/(gains) on social investments	0.1	(0.1)
Decrease/(increase) in debtors	3.1	(3.8)
Decrease in creditors falling due within one year	(1.1)	(3.2)
Increase in long term creditors	2.1	7.6
Net pension scheme costs	0.9	0.7
Net cash generated by/(used in) operating activities	(8.2)	(10.6)

Movements in creditors in 2017/18 have been restated following the reanalysis of grants payable as disclosed in Notes 19 and 20.

25. Commitments

There were no commitments as at 31 March 2019 in respect of future accounting periods (2018: nil).

26. Related parties

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

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are

required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and Senior Staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

All related party transactions are arm's length agreements.

Figures in brackets represent the amounts due at the balance sheet date.

Related Party	Connected party	2018/19 £'000	2017/18 £'000	Detail of transaction
London Funders (LF)	An Officer of CoL is a Trustee of LF	- (213) 2 (-)	27 (363) 2 (-)	LF received grant funding from CBT The charity paid a membership fee to LF
Age UK London (AUL)	A member represents the City Corporation on AUL	- (24)	25 (85)	AUL received grant funding from CBT
Trust for London (TL)	The City Corporation nominates 3 members to TL	300 (370)	400 (350)	TL received grant funding from CBT
Blind in Business (BiB)	A Member of CoL is a Trustee of BiB	84 (63) 13 (-)	- (16) 16 (-)	BiB received grant funding from CBT BiB paid rent & service charges to the Charity
Partnership for Young London (PYL)	A Member of CoL is a Trustee of PYL	305 (247)	23 (23)	PYL received grant funding from CBT
Cripplegate Foundation, incorporating Islington Giving (CF)	Two members of CoL are Trustees of CF, alongside the husband of a Member	25 (48)	- (95)	CF received grant funding from CBT
UBS	A Member of COL is an employee of UBS	40 (-)	50 (-)	CBT received funding from UBS

Heart of the City (HoTC)	Two Officers of CoL were Trustees of HoTC during the year. Three members of CoL are Council members of HoTC	- (404)	475 (475)	HoTC received grant funding from CBT
Michael Hudson (MH)	A Member held a lease at a property of the charity	6 (-)	7 (-)	MH paid rent & service charges to the Charity
London & Partners Ltd (L&P)	A Member is a Director of L&P	1 (-)	- (-)	The charity paid for a membership fee to L&P
Thames Festival Trust (TFT)	A member is a Trustee of TFT	5 (-)	- (-)	TFT paid for services provided at Tower Bridge
Guild of Freemen of the City of London (GF)	A member is a Trustee of GF	9 (-)	21 (2)	GF paid rent & service charges 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 2018/19 BHE contributed £114k to the 'Ring of Steel' security infrastructure project being undertaken within the City Fund. There were no other significant transactions between BHE and the other principal funds of the City Corporation during the year (nil transactions in 2017/18).

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

City's Cash holds a lease with BHE for the rental of a property. Rental income of £26.5k was received in the year (2017/18: £13.5k). The balance owed to BHE at year-end was £16.4k (17/18: £3.4k).

27. Subsequent events

There are risks to Bridge House Estates from the vote to leave the EU which took place on 23 June 2016. In particular, the future levels of demand for office accommodation in the City and surrounding areas and the consequential impacts on rental incomes. A close watching brief continues to be kept on this and other implications as events unfold with financial forecasts being refreshed if and when the picture becomes clearer.

In line with its plans for future periods (as stated on pages 19 and 20), in July 2019 the charity completed the purchase of a property on Chiswell Street, EC1 for £36.4m. This investment property was purchased utilising proceeds from a disposal made in 2018/19 and forms part of the income generating assets that back the charity's endowment fund.

In September 2019, the charity also sold the freehold of one of its investment properties, 185 Tower Bridge Road, for £5.6m.

Reference and Administration details

Bridge House Estates

Registered charity number 1035628

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

Principal office

Guildhall, London, EC2P 2EJ

Trustee

The Mayor and Commonalty & Citizens of the City of London

Senior management:

Chief Executive	John Barradell OBE - The Town Clerk and Chief Executive of the City of London Corporation
Treasurer	Dr Peter Kane - 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
Grants	David Farnsworth – Chief Grants Officer and Director of City Bridge Trust

Auditors

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

Bankers

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

Investment advisors

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

Contact for The Chamberlain, to request copies of governance documents - PA-DeputyChamberlain@cityoflondon.gov.uk