



**CITY BRIDGE
FOUNDATION**

**ANNUAL REPORT &
FINANCIAL STATEMENTS**
For the year ended 31 March 2024

Charity registration number 1035628

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CHAIR'S STATEMENT

This year has seen our 900-year-old charity continue to take giant steps forward in our ambition to power a connected capital in our capacity as a world class bridge owner and London's biggest independent charity funder.

A new supplemental Royal Charter was signed by His Majesty the King and became legally effective in June 2023, modernising the charity's governance powers. The supplemental Charter gives the charity more modern, flexible powers, while still reflecting good governance practice. We now have greater flexibility in the application of our funds, with safeguards still set to protect the charity's primary object, namely the maintenance and support of the five Thames bridges that the charity owns: London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge.

It was also a year in which our primary and secondary objectives – relating, respectively, to the five bridges and our charitable funding work – were unified under a new brand, 'City Bridge Foundation'. This has been the culmination of years of work to improve the charity's governance, in particular to simplify and improve the Trustee's governance arrangements for the running of the charity, while also boosting awareness of the charity, allowing us to have more influence and impact in the charity work.

This year has seen some important – and dramatic – work on the bridges, including replacing the bearing pads used to support Tower Bridge's pawls, which support its famous bascules, and the nose bolts which lock the bascules together when lowered.

The former project was carried out over the August Bank Holiday weekend and the latter during one of the bridge's routine quarterly overnight closures, to minimise the impact on road users and pedestrians.

Elsewhere, our contractor worked around the clock to replace the separation membrane between the aluminium bridge deck and steel structure of Millennium Bridge, work that required every one of the bridge's 1,800 deck panels to be carefully lifted.

The work was completed on time and on budget, and indirectly led to possibly the biggest media and social media story in our history, due to the bundle of straw hung from the bridge in accordance with an ancient bylaw, which captured the imagination of people around the world and provided a timely boost to our newly launched brand.

The 'rock star' of our bridges, Tower Bridge, has continued its post-pandemic resurgence, achieving record visitor numbers which came within a hair's breadth of reaching the one million mark, and income that surpassed the previous record by 30 per cent.

These achievements will stand the bridge in good stead as it celebrates its 130th birthday and help the Foundation look to the future with its long-term development plan, which will help it achieve the ambition for Tower Bridge to be a world-leading visitor attraction driven by values and impact.

The plan, the first phase of which is being delivered under the name ‘Tower Bridge in Motion’, will see the visitor attraction expanded into currently unused spaces and its cultural offering brought out onto the bridge deck itself to be enjoyed by some of the 40,000 people who cross between the Middlesex and Surrey shores every day.

City Bridge Foundation’s primary objective is the support and maintenance of its five Thames bridges, but our ancillary purpose of charitable funding is also a vital component of our work. Over the last year we awarded £23 million to support strategic funding work, not least the £14 million awarded under the first phase of the Anchor Programme, which provides long-term core funding for up to ten years to organisations operating within Greater London tackling systemic change, giving them the time and space they need to collaborate, take risks and make London a fairer place.

Meanwhile, we awarded over £400,000 in inflationary payments to help our funded organisations cope with the demands of the cost-of-living crisis and reopened our small grants programme after a five-year hiatus, with new criteria specific to LGBTQIA+ communities and for refugees, migrants and asylum seekers.

The vast majority of our funding comes from the element of our work that tends to be less newsworthy – our investments, which, despite the impact of inflation and other economic pressures, continue to provide secure returns for our bridge maintenance and an excess of funds for our funding activities.

One of the key developments of the year was the implementation of our new investment strategy which means that, for the first time, considerations other than financial ones – such as societal or environmental impact – can be considered when making investments. It means that while continuing to provide a financial return that powers the work we do across London, our investments can in and of themselves deliver a positive impact.

This ethical approach to everything we do is embodied in our refreshed Bridging London Strategy, approved by the board in February 2024 and by the Court of Common Council – the primary decision-making body of our trustee, the City of London Corporation – in March 2024.

It sets out an ambitious vision to be world class in our bridge maintenance, our charitable funding and our responsible business practices, guided by newly defined values of service, collaboration, inclusion, innovation and ambition; underpinned by our strategic ambitions of promoting equity, diversity and inclusion and delivering climate action in everything we do.

These values will come to the fore as we continue to develop our future funding policy, aimed at ensuring we can meet the needs of Londoners in the years ahead. Work is well underway on consulting with key stakeholders, not least through the Envisioning London: 2035 event, which brought together an extraordinary group of people and organisations at the Barbican Centre in March.

Work taking place in the year ahead includes the second phase of the Anchor Programme, with an additional £15 million available, and our £10 million suicide prevention programme, aimed at achieving systemic change, funding community

projects that support people vulnerable to suicide and hoping to reduce the statistic that ten people in London take their own lives every week.

Through our bridge maintenance work, our charitable funding activities and, increasingly, through our social investments, City Bridge Foundation continues to do what it does best – connecting communities and making a positive impact for London and the people who live in, work in, and visit our great capital city.

ORIGINS OF THE CHARITY

City Bridge Foundation's roots can be traced back more than 900 years. In 1122, funds were raised to maintain the early wooden London Bridge, before the first stone bridge was built in 1209.

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

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

The River Bridges

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

London Bridge

- 1097: King William II raises a tax to help repair London Bridge.
- 1209: the first stone bridge is completed. Cross river trade, taxes, rents and bequests result in a fund administered from the Bridge House.
- 1831: the original stone bridge is replaced.
- 1972: the current bridge designed by John Rennie is completed and opened by Queen Elizabeth II in 1973.
- 2023: the 50th anniversary of the current bridge's from it's opening.

Blackfriars Bridge

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

Southwark Bridge

- 1819: bridge designed by John Rennie and completed as a privately owned toll bridge which was unprofitable and ill-used. The bridge was acquired by CBF in 1868 as a toll-free asset. This also allowing for better control of the bridge to catch criminals escaping to Southwark, outside the jurisdiction of the City of London.
- 1921: replaced with a design by Sir Ernest George and Basil Mott and re-opened by King George V.

Tower Bridge

- 1894: completed with a design by Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB.
- The Trustee has a statutory obligation to raise the bridge for registered vessels with a mast or superstructure of 30 feet or more, free of charge subject to 24 hours' notice, night or day, 365 days a year.
- It is a designated Grade 1 listed building and is maintained and protected as part of the nation's heritage.

Millennium Bridge

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

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

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

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

Further information on the activities of CBF is available at www.citybridgefoundation.org.uk

TRUSTEE'S ANNUAL REPORT:

STRUCTURE AND GOVERNANCE

Governing Document

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

Founders	By various ancient gifts of property, added to over the centuries.
Governing Instruments	Historic trust documents governing gifts, grants and bequests including, a Royal Charter of 24 May 1282 A supplemental Royal Charter of 26 November 1957 A supplemental Royal Charter of 01 June 2023 Private Acts of Parliament including: The Blackfriars Bridge Act 1863 The Blackfriars and Southwark Bridges Act 1867 The Corporation of London (Tower Bridge) Act 1885 The Corporation of London (Bridges) Act 1911 The City of London (Various Powers) Act 1926, section 11 The City of London (Various Powers) Act 1949, section 13 The City of London (Various Powers) Act 1963, sections 9 & 32 The London Bridge Act 1967 The City of London (Various Powers) Act 1979, section 19 Various Schemes and Orders made by the Charity Commission: The Charities (Bridge House Estates) Order 1995 (S.I.1995/1047) and the Charity Commission Scheme which took effect by that Order An Order of the Charity Commission sealed 10 July 1997 (350.97) An Order of the Charity Commission sealed 20 July 1998 (251.98) The Charities (Bridge House Estates) Order 2001 (S.I.2001/4017) The Charity Commission Scheme dated 26 August 2005 The Charities (Bridge House Estates) Order 2007 (S.I. 2007/550) Ancient custom and practice.

Governance Arrangements

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

The CBF Board is responsible for the management and control of the charity, in the discharge of the City Corporation's functions as Trustee, under the oversight of the Court. This governance arrangement provides a framework for effective decision-making and better demonstrates decisions that have been taken independently for the charity in its best interests.

In considering ongoing and effective administration and governance, the CBF Board has established two Committees (in effect sub-committees) of the Board: the Funding Committee and the Investment Committee. The Funding Committee of the Board is responsible for discharging operational functions in advancing the charity's ancillary object. The Investment Committee of the Board is responsible for the strategic oversight and monitoring of the performance of the charity's investment portfolio.

As with the exercise of any delegated authority, the CBF Board retains responsibility and accountability for all decisions taken by its Funding Committee and Investment Committee, with ultimate responsibility and oversight for the City Corporation as Trustee of CBF remaining vested in the Court.

Membership of the CBF Board and its Committees, is drawn from the 125 elected Members of the Common Council together with external appointees. In making appointments, the Court of Common Council will take into consideration any skills, knowledge and experience of the elected Members, and where relevant, external appointees. External appointments are made after a 'skills' audit. Members of the Court of Common Council are unpaid for support provided to CBF and are elected by the electorate of the City of London

To support its responsibilities, the CBF Board resolved to proactively consult with, and seek the advice of, other Committees of the Court of Common Council. By doing so, it draws on their skills, knowledge and experience, to facilitate delivery of existing workstreams under the revised delegation arrangements from the Court, and to better inform the Board's decision-making on certain matters. The following Committee's advice was sought on matters as described below in the year 2023/24:

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

The above Committee is ultimately responsible to the Court of Common Council.

Good governance is considered by the Trustee to be fundamental to the success of the charity. The charity regularly reviews its governance arrangements throughout the year and the CBF Board receives an annual report at its February meeting setting out matters for decision to support the Board in the ongoing effective administration and governance of CBF, consistent with the City Corporation's legal obligations as Trustee of the Charity. All decisions taken relating to the governance of the charity are developed in line with principles of charity governance best practice, as set out in the Charity Governance Code and Charity Commission Guidance, alongside learnings from the comprehensive governance review undertaken by the charity between 2018 – 2023.

Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee discharges its duties and functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference, setting out the scope of delegations from the Court of Common Council, alongside Standing Orders for conduct of meetings, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations, etc). These City Corporation governance documents can be obtained via a request to the email address stated on page 72.

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

A Conflicts of Interest Policy was approved by the Court of Common Council during 2023. This policy will support the Trustee (and Members individually) in managing conflicts of interest and loyalty in discharging the City Corporation's functions as trustee of CBF and when acting in the City Corporation's other capacities. It took effect when the new Supplemental Royal Charter was sealed on 01 June 2023.

Induction and Training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to perform their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of CBF, with an emphasis on involvement for those Members (and external appointees) actively working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members (and external appointees) are advised of these opportunities. In 2023/24, CBF developed its own Member Induction Programme and continues to monitor engagement with all CBF training. All Members of the Board (including external appointees) undertake training on Equity, Diversity and Inclusion as relevant to the charity's activities.

Purposes and activities

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

CBF published a refreshed version of its long-term strategy, Bridging London 2020 - 2045 in March 2024. This followed four years of considerable change, both internally and externally, which prompted a need to update the strategy ahead of schedule.

The strategy sets a clear and ambitious vision for a connected capital, which will be delivered by maintaining and promoting world-class bridges, developing and delivering world-class charitable funding, and embedding and encouraging world-class responsible business practices. Our cross-cutting strategic ambitions of Equity, Diversity and Inclusion will be fundamental to everything the charity does.

Equity, Diversity and Inclusion (EDI): As a public-facing charity CBF has a strong impetus to become a truly equitable, diverse and inclusive charity, and will invest time and resources to embed EDI within the design and delivery of all activities. CBF will be more successful with a greater diversity of people, ideas and perspectives, reflecting the wider environment in which it operates. The charity will focus on learning and development; integrating lived and learned experience into its practices; encouraging greater diversity amongst its people and Board; being accountable by collecting, tracking and publishing EDI data; using its power and networks to advance EDI; and listening to and amplifying the voices of marginalised and underrepresented groups.

Climate Action and sustainability: CBF can play a pivotal role in the transition to net zero and building climate resilience, both by reducing the environmental impact of the charity's activities and by using its convening power to lead change across our sector and the capital. CBF has adopted the Climate Action Strategy of its Trustee, the City of London Corporation, which commits the charity to net zero in our operations by 2027 and in investments and supply chain by latest 2040. CBF is also signed up to the Funder Commitment on Climate Change, managed by the Association of Charitable Funders.

The strategy sets out a new set of values for the charity – recognising that everyone who works for the charity has an important role to play in delivering the strategy and shaping CBF's culture. The new values are outlined below:

- We stand for London and Londoners in everything we do (Service)
- We connect to learn and achieve more together (Collaboration)
- We work towards equity, diversity and inclusion for all (Inclusion)
- We embrace new ways to drive positive change (Innovation)
- We challenge ourselves to deliver the best for our communities (Ambition)

Public benefit statement

The five river bridges maintained and supported by the charity are available to the general public on an open access basis at no cost to the taxpayer. Regarding the funding activities of the charity and other support provided for the charitable sector, the Trustee awards grants in line with its approved policy to address disadvantage across London's diverse communities and provides more general support to the charitable sector through various strategic initiatives. This process is based upon published criteria, and through thoughtful analysis and collaboration with other partners in the sector regarding the needs of marginalised communities in Greater London. The charity uses a transparent and fair assessment process and ensures that a robust monitoring system is in place to establish the public benefit derived from each grant approved alongside the other activities of the charity.

Consequently, the Trustee considers that CBF operates to benefit the general public and satisfies the public benefit test. Regard has been had to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

Reference and administrative details

The administrative details of the charity are stated on pages 71 – 72.

ACHIEVEMENTS AND PERFORMANCE

The Bridges

City Bridge Foundation maintains and promotes world class bridges. The charity maintains and supports five of the main river bridges in central London: Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge – at zero cost to the taxpayer.

Our bridges form a critical part of London’s transport infrastructure, help keep the capital moving and support its role as a global capital of business, culture and tourism.

In October 2023 we closed the Millennium Bridge for three weeks in order to replace a separation layer between the main structure and the aluminium deck panels. This was an original part of the bridge and had degraded over time, resulting in a less even, noisier walkway across the bridge. To replace this, each of the 1,800 deck panels on the bridge had to be carefully lifted so that a new separation membrane could be installed underneath it. Work was carried out day and night to minimise disruption to users of the bridge. The bridge also had a clean whilst it was closed to pedestrians.

Work on the significant refurbishment of Blackfriars Bridge had to pause after completion of two of the five arches. Due to other work in the vicinity, the contractor was unable to gain consent to temporarily close the bridge’s central arches to river traffic, to allow overhead works. Once the adjacent work has moved from the river, the project will resume, and the remaining arches rejuvenated to the same high standard as the rest of the bridge.

Tower Bridge had two different structural maintenance projects completed during the year. First, bearing pads at the back of the bascules were replaced as they were developing cracks. These are used by the Pawls, which lift the bascules up while river traffic passes below the bridge. These were replaced by specialist contractors over the August 2023 bank holiday weekend. The bridge had to be closed during this period as the bascules had to remain in the upright position throughout.

Second, the nose bolts, which lock the bascules together in the down position, were replaced. These giant bolts had been in operation for several decades and had worn down over the years. These were replaced during routine, quarterly nighttime closures of the bridge, keeping disruption to traffic to a minimum.

The Engineering Team has continued to work with Tideway and the Thames Tideway Tunnel, most notably at the large Blackfriars Foreshore Site. This new public area will fall partially under Blackfriars Bridge and will be physically connected with a new staircase. Remedial works, from the tunnelling work which went underneath all five bridges, is all complete and monitoring has now been removed from the bridges.

Tourism at Tower Bridge

Tower Bridge has been the symbolic gateway to London for almost 130 years. As well as being one of the capital's most recognisable landmarks and a working bascule bridge, it is also an award-winning and highly popular, paid visitor attraction.

The year saw Tower Bridge moving beyond post-Covid business recovery and into sustained growth, achieving its highest ever visitor figure (verging on one million, with 998,155 people welcomed through its doors) and a 38% increase on the previous record level of income generated for the charity within a single year.

	23/24	22/23	21/22*	20/21**
Visitor numbers to Tower Bridge	998,155	746,895	261,815	45,127
No. of pupils participating in education programme	5,357	3,721	2,604	1,429
Admissions Income	£6,892,289	£4,373,918	£1,867,911	£320,625
Retail Income	£2,708,716	£2,161,087	£703,458	£147,512
Venue Hire income	£875,436	£995,400	£529,502	£10,448

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

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

The retail business at Tower Bridge, both onsite and online, also experienced strong levels of growth with income 38% above the previous financial year. Along with growing levels of international visitors, focussed engagement on local audiences also increased footfall, encouraged by £1 Community Tickets and family activities promoted to residents in the Bridge's neighbouring boroughs of Southwark, Tower Hamlets and City of London.

Business-critical development projects included the procurement and launch of a new ticketing, booking, point of sale and back of house system. This puts the attraction in excellent stead in the context of technology, enabling flexibilities such as timed ticketing and dynamic pricing, as well as integrating with the systems of trade partners to create a seamless experience for visitors.

The Bridge's learning programme saw continuing growth in pupil numbers engaging with facilitated education sessions, and the Bridge's Relaxed Openings, specifically designed for those wanting to visit in a tranquil atmosphere (including people living with neurodiverse needs) were doubled to accommodate demand.

New experiences included displays and content relating to the Bridge's social history and the diversity of its modern-day workforce. These included a family-focused trail activity and the launch of a free audio and digital tour using the sector-leading Smartify app, a key development for the attraction's access and inclusion credentials.

The Bridge also celebrated the coronation of King Charles III in May 2023 with a special weekend of events. Commemorative tickets were issued and visitors were invited to take part in themed family activities. A specially designed commemorative emblem was displayed across all marketing materials and bespoke retail items.

The events business at Tower Bridge continued to facilitate receptions, weddings, dinners and community events across the year. A new events management and catering company, Social Pantry Ltd, was appointed in December 2023. This partnership harnesses Social Pantry's expertise as a leader in the events industry alongside the important social values at the core of their business model – including the company's sustainability innovations and the training and employment of ex-offenders.

Tower Bridge achieved an overall score of 91% for its annual Visit England quality assessment in June 2023, with an increase on the previous year for arrival experience and customer service. A Trip Advisor 'Best of the Best' Award was awarded to the Bridge in September, with Tower Bridge rated as one of the top attractions in London. At year end, the Bridge was ranked in third place on a list of over 2,500 'Things to Do in London' and as the top visitor-ranked paid attraction on the same list.

Strategic planning included a new vision and mission statement to support the Bridge's long-term development plan: Tower Bridge in Motion. The vision is 'to be an exemplar visitor attraction driven by social values, that excites, inspires, connects and educates everyone we reach and encounter'. This is supported by the mission statement that 'as a functioning bridge and a global icon, we tell the stories of London past and present and celebrate the engineering and people that keep this landmark in motion. Everything we do is done with purpose, to create positive impacts for our visitors and communities now and in the future'

The new vision and mission, alongside input from staff and stakeholders, has formed the starting point for realising and communicating a full strategic framework. This has subsequently defined Tower Bridge in Motion's key areas of impact as Equity, Diversity and Inclusion (EDI), sustainability and environmental responsibility, and Pathways into Science, Technology, Engineering, Arts and Maths (STEAM), aligning with CBF's commitment to EDI and Climate Action. At year end, key strategic workstreams had commenced relating to audience development, resource levels and workforce structure reviews, and the start of an activity plan to realise a refreshed visitor attraction within the next three to five years.

Tower Bridge continued to fulfil the trustee's statutory obligation to raise the Bridge for river vessels throughout the last year. The Bridge's around-the-clock security provision remains vigilant in the context of the protection and care of the charity's workforce undertaking duties onsite, road users and pedestrians (insofar as the charity's responsibilities extend) and the Bridge itself.

City Bridge Foundation’ Funding and Philanthropic Activities

CBF develops and delivers world-class charitable funding. As London’s largest independent charitable funder, the charity awards over £30 million a year to charitable organisations across the capital, with the aim of London being a city where all individuals and communities can thrive, especially those experiencing disadvantage and marginalisation.

Through funding programmes and collaborations, CBF supports London’s civil society organisations and connects them with each other and the communities they serve. The charity bridges divides in society and supports organisations working to tackle inequality and make London a fairer, more equitable place.

Adopting a flexible, pragmatic approach, CBF helps bridge the funding gap many charities face, including offering long-term funding and grants to cover day-to-day running costs and to mitigate cost pressures such as inflation.

Adopting a flexible, pragmatic approach, we help bridge the funding gap many charities face, including offering long-term funding, grants to cover day-to-day running costs and to mitigate cost pressures such as inflation.

Responsive, relational and flexible funding

The year saw CBF award it’s highest ever annual amount of £83.7m to tackle inequality across the capital. Within this total, the charity awarded £11.5m to support strategic, forward-looking work that focuses on building the future of London’s civil society through collaboration and innovation, with a focus on tackling systemic issues across the capital.

Having recognised the devastating impact of the cost-of-living crisis on London’s civil society in the previous financial year, CBF made a series of inflationary payments to charities receiving funding in late 2022. Although inflation had fallen from 11.1% in October 2022 to 4.6% by October 2023, this continued to erode the true value of some multi-year grants. In response, the charity awarded over £400k of additional inflationary payments in the current financial year, to help organisations manage ongoing cost pressures.

CBF, following close consultation with the sector, also reviewed its Small Grants Programme, expanding both the thematic areas and the types of organisations it will fund. The charity introduced its first funding criteria specifically focused on the LGBTQIA+ community, taking note of the large number of small, grass roots organisations in this part of the sector, as well as a new criteria focused on migrants, refugees, and asylum seekers. Previously only registered charities and other non-profit entities could apply, but in response to a recognised need in the sector, CBF can now fund constituted voluntary organisations through the Small Grants Programme.

The charity continued to be a signatory and funder of the Institute for Voluntary Action Research’s Open and Trusting grant-making principles, a funder and participant of the Foundation Practice Rating, and a member of the Funders for Race Equality Alliance. During the year, CBF undertook a review of its processes to understand the experience of applying for funding, from the moment that an applicant first looks at its website, right through to receiving and managing a grant. The results of this work have been taken

forward in a series of actions which the charity aims to implement over the course of the next year and beyond.

CBF was a founder funder of the capital's place based giving (PBG) movement and of London's Giving, the umbrella body which supports the movement in London. This year, the charity continued this commitment by spending £615k on a new London's Giving Resource Hub which will, over the next ten years, build, amplify, increase, and develop the range and depth of support currently available under the London's Giving initiative. CBF also awarded grants of more than £350k to PBG schemes across the capital for development work in individual boroughs.

CBF's funder plus programme, the Bridge Programme, continued to offer free additional support to funded organisations, with 47 taking advantage of the programme during the year. Support covered a range of areas such as safeguarding practices, improving financial and governance structures, support with business planning and advice on navigating tenancy agreements for office space.

Funding collaboration and systems change

CBF continued its dedication to collaboration through its £18m Alliance Partnerships by awarding two final grants, one of £500k to the Vision Foundation for a programme tackling poor mental health, loneliness and isolation among blind and partially sighted people, and one of £1m to Children in Need for the Child Poverty Impact Model, which will create a unified strategy to tackle child poverty.

A further contribution of £5m was made to support LocalMotion, a collaboration between six major funders and six local places to tackle community issues upstream and build a social, economic and environmental justice movement, by communities, for communities.

CBF awarded 19 grants worth £1.4m to tackle inequality through systemic cross-sectoral change via Round One of the Propel programme, a collaboration between ten of London's largest funders and equity infrastructure bodies, co-ordinated by London Funders. This brings the total awarded in Propel Round One by CBF to over £7m. One hundred percent of grant holders are organisations led by and for the communities they serve (where at least 75% of the board and at least 50% of staff are representative of the community/ies being supported). CBF has committed £30m towards Propel over the course of ten years. Adopting a relational approach to grant management, plans are underway to offer two-year extension grants to some Round One grant holders. The application process will minimise required documentation, reducing the burden of reapplication for organisations.

As well as continuing its commitment to Propel, CBF has worked closely with two other key funders in London, the Greater London Authority and The National Lottery Community Fund, to further develop joint aspirations to pool funds, create efficiencies and deliver more impactful funding through a longer-term collaborative model. This Vehicle for Collaboration will be delivered via a subsidiary of London Funders, and CBF will continue to support the development.

Through its one-off Anchor Programme, CBF awarded £14m of long-term (up to ten year) core grants to equity focused infrastructure bodies across London. The funding will

provide long term sustainability to organisations which underpin London’s civil society by providing advocacy, leadership, convening, training and development support to service delivery charities and other community bodies across the sector. Grants included £1.4m to both Action for Race Equality and the LGBT+ group Consortium.

Other notable strategic work

In our other strategic work, CBF awarded £788k to Responsible Finance to help increase the availability of ethical credit to Londoners facing financial insecurity, and to build the policy case for Government support to the community lending sector. Trust for London was awarded £295k, to support their Better Temporary Accommodation for Londoners fund, which aims to strengthen the voice, connections, and influence of people in temporary accommodation. The Centre for Accessible Environments, a long term partner of CBF, was awarded £303k for the delivery of their Pathways Programme, which gives disabled people in London the confidence, skills and support needed to kick start a career in inclusive design and access. Since its start in 2020, over 70% of trainees now work in inclusion and access related roles.

CBF Investments

The Investment Strategy Statement (ISS), adopted in June 2023, provides the framework for managing the charity's investment portfolio. The ISS was shaped by the new Supplemental Royal Charter, which gives CBF the ability to deliver a 'total returns' approach to investments representing the permanent endowment, in which we can use capital growth – such as the gains from selling one of our investment properties – to fund our bridge or charitable funding activities, rather than having to reinvest it, as was previously the case. The new Charter also provides the charity with bespoke investment and social investment powers.

The ISS incorporates the objectives approved within CBF's overarching strategy, Bridging London 2020 – 2045, helping to ensure that all investment decisions support the furtherance of the objects of the charity. The ISS reflects the ambitious Climate Action Strategy adopted in 2020 by CBF's trustee, the City Corporation, for itself and the charity.

Investment strategy

Under the trusteeship of the City Corporation, CBF is committed to fulfilling a positive and sustained role in bridging and connecting London, for the benefit of Londoners today and generations to come. Where appropriate, CBF seeks to use its permanent endowment and other investments held as a way to advance its vision and aims. CBF believes that the purpose of the charity's investments should be to achieve suitable financial returns whilst integrating impact considerations. In doing this, the CBF investment portfolio should enhance the charity's vision, increase its overall impact and minimise reputational risk.

The ISS covers the investment of the charity's permanent endowment fund – both now and in the future - and unrestricted income fund. It encompasses property, financial and social investments. The charity's investments are invested in accordance with the powers set out in an Order of the Charity Commission dated 20 July 1998, the charity's Supplemental Charters of 1957 and 2023, the Trustee Act 1925 and the Trustee Act 2000; and in accordance with its ISS.

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

- a. Apply a targeted return of CPI +4% on a rolling 10 year period net of fees, with a minimum targeted income return of CPI to the Social Investment Fund.
- b. Annually reduce carbon emissions in all areas of the portfolio to enable CBF to achieve net zero by 2040 at the latest.

- c. Reflect the approved impact considerations alongside financial considerations to generate the best financial return for CBF.

CBF has balanced the potential for conflict and reputational damage, as well as the expectations of key stakeholders that it will act as a leader in responsible investment. In the process of integrating this approach, a materiality assessment was undertaken to identify which UN Sustainable Development Goals (SDGs) had a direct impact on the charity and its activities. The four identified are:

- SDG 9: Industry, innovation and infrastructure
- SDG 10: Reduced inequalities
- SDG 11: Sustainable Cities and communities
- SDG 13: Climate action

Where possible, CBF will aim, within the scope of the ISS, to align its approach to investment with these goals. In doing this assessment, the charity referred to the updated guidance provided by the Charity Commission within CC14 - Investing charity money: a guide for trustees in setting its Strategy.

The new Supplemental Royal Charter, which came into effect on 01 June 2023, enabled the charity to adopt the power to take a total return approach to the investment of its permanent endowment. This now enables the charity to invest for the best overall return (whether capital gains or income) and to decide how much of this overall return to spend each year, subject to specific duties which apply.

The Investment Committee of the CBF Board was established during the year, with specialist external co-opted members appointed. The focus during 2023/24 has been on implementation of the ISS, commencing with a review of the allocation of investment assets held.

Performance of the charity's investments during the year is stated on pages 17-21 and set out in Notes 13-15.

Property Investments

CBF has a property investment portfolio comprised of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents 89.9% of the permanent endowment funds of the charity. There are now 60 assets (2022/23: 62 assets) within the portfolio of which 55.8% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio but are valued externally.

The underlying value of the property portfolio, as disclosed in the balance sheet, decreased by £40.6m (4.8%) to £800.5m as of 31 March 2024. The fall in values across the CBF property investment portfolio mainly reflects the economic background of high interest rates and high, albeit reducing, inflation. As interest rates increased throughout the financial year, there was a sharp decrease in property investment

transactional activity in the market. Property values have dropped as valuation yields increased.

The ISS set the objectives for this portfolio for 2023/24 and the financial target is to achieve a minimum portfolio return of CPI plus 4% on a rolling 10 year period net of fees. A review is being undertaken to implement this revised target.

In terms of performance against peers the aim is to outperform the MSCI Benchmark for total returns on an annualised 5-year basis, for Greater London Properties (including owner occupied). The portfolio outperformed the MSCI benchmark across all reported periods.

	31 March 2024	31 March 2023
Capital Value*	£800.5m	£841.1m
Gross Rental Income **	£24.1m	£24.9m
5-year annualised Total Return	1.21%	5.22%
MSCI Benchmark 5-year annualised Total Return	0.02 %	1.71%
MSCI Universe (All UK Property) 5-year annualised Total Return	0.45 %	1.32%

* Inclusive of lease smoothing adjustment

** Inclusive of service charge income

Review of key activities from 2023/24:

- Sale of the freehold interests in two assets for £4.04m. The major refurbishment of 84 Moorgate has progressed, with the certificate of practical completion being issued in April 2024. Similarly, the refurbishment of 30 New Bridge Street has progressed with practical completion in April 2024. Both schemes remain on target to achieve EPC B and BREEAM ratings of Excellent, while reducing carbon emissions. The impacts of high inflation and delays on these projects have, however, continued to be felt.
- In respect of letting of vacant office space, at 120 Cannon Street a further floor was let, but seven have proved difficult to let due to market conditions. Fitting out works, something a tenant would ordinarily undertake, have been implemented, with two floors completed and the remaining to be progressed in 2024/25. There has been a notable increase in viewings as a result. Heads of terms have been agreed for the letting of the whole of the office space at 30 New Bridge Street.
- Refurbishment of an office floor at 38 New Bridge Street has been completed, with an EPC rating of B. The refurbishment of two floors at 4-5 Chiswell Street also completed, with an EPC of C. Ongoing works to install air source heat pumps at this address are due to be completed in 2024/25 and should improve the whole building's EPC rating to B.
- The planned refurbishment of two assets has been stopped due to viability issues with alternative strategies being developed.
- There have continued to be issues/delays with major ground lease transactions during the year due to the state of the commercial property market in London. This has meant that anticipated significant capital receipts did not materialise as planned.

Financial Investments

The CBF financial investment portfolio primarily represents the unrestricted income funds of the charity with approximately 10% of the portfolio representing the permanent endowment fund. The aim of the portfolio is to apply a targeted return of CPI +4% on a rolling 10 year period net of fees. A review is being undertaken across all fund managers held to implement this revised target.

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

	31 March 2024	31 March 2023
Financial Investments Portfolio Value*	£850.2m	£855.4m
One-year total return	9.41%	-0.24%
Absolute return target	7.23%	14.11%
Asset Allocation Benchmark	13.66%	6.43%

*The Portfolio Value includes £794.9m long term investments (2022/23: £819.7m), £47.5m short term investments (2022/23: £35.7m) and £7.8m of impact investments (2022/23: nil). It should be noted that the charity withdrew £80.2m from the financial investment portfolio during the year to 31 March 2024 to support cashflow requirements.

The year to 31 March 2024 has been defined by a marked recovery in global financial markets, albeit uneven, following the worst year in over a decade in 2022/23, precipitated by high inflation, and the aggressive monetary policy tightening by central banks to combat it, alongside fears of a global recession.

Throughout 2023/24 the dominant theme was the rise and subsequent fall of inflation, and corresponding shifts in interest rate expectations and government bond yields. Global equity markets performed strongly at the start of the reporting period, driven by surging technology stocks amidst innovations in areas such as artificial intelligence, supported by moderating inflation, a strong labour market and further signs of a resilient economy despite the backdrop of steadily increasing interest rates.

However, during the summer of 2023 concerns mounted that major central banks would keep increasing interest rates in order to quell inflation, with the prospect of a “higher for longer” interest rate environment, which caused equity and bond markets to both suffer. This sentiment shifted in autumn 2023, despite geo-politics casting a shadow over financial markets, as inflation rates fell back sharply, fostering optimism that inflation was cooling. This led to a pivot in policy expectations towards significant interest rate cuts in 2024 which spurred a powerful rally across all asset classes, including bonds, which witnessed a sharp drop in yields across the curve, culminating in a robust end to 2023. The first quarter of 2024 was characterised by a repricing of interest rate expectations, with the timing of potential rate cuts pushed back to the second half of 2024 as inflation again turned ‘sticky’, which resulted in negative returns for bonds as major central banks kept interest rates on hold. Nevertheless, the rally in global equities

witnessed at the end of 2023 was sustained into the first quarter of 2024, supported by a resilient and generally solid economy, despite on-going geo-political tensions, and continued enthusiasm for developments in artificial intelligence.

Under these conditions the charity's financial investments generated an annual return of 9.41% in the year to 31 March 2024 which compares favourably to an absolute return target of 7.23%. Events described above are a reminder of the risks inherent in investing and highlight the importance of the charity's diversified asset allocation strategy, designed to mitigate volatility in financial markets.

The charity's Climate Action Strategy (CAS) includes the Financial Investments workstream with a net zero target of 2040 at the latest, with interim emission reduction targets of 24% by 2025 and 55% by 2030. During 2023/24 the charity continued to monitor and engage with its Fund Managers to ensure that the transition to net-zero remained on target.

During the year CBF reviewed the investments historically described as social investments following the grant of new powers in its Supplemental Royal Charter and the adoption of associated policy criteria. A reclassification exercise was consequently undertaken against the new criteria, with investments held being allocated between financial and social investments. As at 31 March 2024 these investments had a total value of £9m. Based on the above review, £1.2m have been reclassified as social investments with the remainder classified as impact-driven investments, being those which have significant impact on the charity's social and environmental goals, but which do not directly advance the ancillary purpose of the charity.

Social Investments

The new Supplementary Royal Charter included an express bespoke power to make social investments in advancing the ancillary object of the charity. During the year, the Investment Committee approved a Social Investment Policy to encompass CBF's future activity in this market which is governed by both the ISS and the Bridging Divides policy for the furtherance of the ancillary object. CBF's new Social Investment Policy and legal criteria in the exercise of the bespoke social investment power mean that social investments should be made with a view to both:

- directly furthering the charity's ancillary object; and
- achieving a financial return for the charity.

As at 31 March 2024, CBF holds £1.2m as social investments.

Plans for future periods

With a newly refreshed strategy, CBF has a clear and ambitious vision for a connected capital, which we will deliver by maintaining and promoting world-class bridges, developing and delivering world-class charitable funding, and embedding and encouraging world-class responsible business practices. CBF's cross-cutting strategic

ambitions of Equity, Diversity and Inclusion and Climate Action will be fundamental to the charity's endeavours in this and future years.

The charity will work collaboratively to achieve its vision and will use its status and escalating brand recognition to provide leverage and influence for positive change, with the aim of London and Londoners being truly connected.

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

The Bridges:

Having completed the initial phase of maintenance works on the Millennium Bridge, it has become clear that the textured surface of the walkway has become worn by years of footfall. A project to refurbish the deck is being planned to ensure that the surface of this extremely popular bridge is kept in the best possible condition. The Engineering Team are reviewing how these works and other maintenance plans could be implemented whilst minimising the length of additional closures in future.

Having last been repainted just before the London 2012 Olympics, both Southwark and Tower Bridge will soon be due a repaint. As with the Millennium Bridge, the team will consider other maintenance items which could be completed as part of these projects. For example, options are being investigated as to how the Tower Bridge architectural lighting could be updated.

Tower Bridge Tourism:

The Bridge's 130th anniversary will be celebrated with a free, summer-long exhibition, opening in June 2024. The exhibition will feature photographs from the Bridge's public opening in 1894, unseen by the public for over a century.

The Tower Bridge in Motion programme will be implemented, embedding CBF's long-term development plan for the Tower Bridge Visitor Attraction, including new areas of social impact and a comprehensive Audience Development Plan.

A plan of activities and capital works will be established for the next three years, including the redesign of existing spaces, expansion of the attraction's footprint, and activating the public realm.

The new events management contract will be mobilised, embedded and continuously reviewed, and a forward-looking plan for further enhancing the Bridge's social impact will be agreed, in association with Social Pantry Ltd.

Funding:

CBF's Suicide Prevention programme was developed throughout the year and will be launched in early 2024/25, with an expected spend of £10m. This programme aims to support people who are vulnerable to suicide and achieve systemic change in the area of suicide prevention in London. It has been developed following extensive consultation with the sector through a series of roundtables, an advisory panel consisting of people

with lived experience of suicidal ideation and behaviour or bereavement by suicide, and one-to-one conversations with cross-sector leaders.

A second and final phase of the Anchor Programme will also open to applications in 2024, with the aim of providing long-term, core funding to the second-tier organisations which provide support to London's frontline groups. There will be a funding pot of nearly £15m and it is estimated that between 13–15 organisations will receive funding.

Wide consultation, supported by the cross-party think tank Demos, will continue to inform and shape the charity's Future Funding Policy. Planned activities include a series of face-to-face and online consultations, an online survey of a representative sample of 1,000 Londoners, and engagement with young people and with equity partners. There will be internal engagement, especially with the funding team, and a full evaluation of CBF's Bridging Divides funding strategy.

Investments

Activities surrounding the implementation of the ISS continue, incorporating the future liabilities of the charity within plans that review the allocation of investment assets held.

Property Investments: A focus for the year ahead will be to meet the requirements of the ISS, working closely with the Investment Committee on the future structure of the portfolio. Completing tenant fit out works to vacant space at 120 Cannon Street and its subsequent letting and completing the pre letting of 30 New Bridge Street is a priority. Progressing approved strategies for the vacancies at 23 Finsbury Circus and 74 Moorgate.

Financial Investments: Throughout 2024/25 the Investment Committee will monitor the performance of the financial investments, which with effect from 1 April 2024 will be monitored at CPI +4% on a rolling 10 year basis, managing the performance of appointed investment managers whilst supporting the changes that result from the ongoing implementation of the new impactful focussed ISS. Supporting plans to achieve the ambitious climate action strategy of CBF will continue to be a key focus.

FINANCIAL REVIEW

Overview of financial performance

The charity continued with its plans in the refurbishment and maintenance of its bridges as well as having a record year in Tower Bridge tourism income with the increasing number of visitors. This year's grant giving surpassed the previous year's record high amount. This was against a backdrop of a continued challenging economic environment and uncertainties within investment markets. The prudent management of investment assets has ensured that the charity remains financially resilient and has sufficient funds available to meet its primary objective - the support and maintenance of its five Thames bridges - alongside its ancillary purpose of charitable funding for the general benefit of the inhabitants of Greater London

Income

Total income for 2023/24 was £39.7m, up by £4.4m on the previous year (£35.3m).

Tower Bridge income moved beyond post-Covid business recovery and into sustained growth in 2023/24. Tower Bridge recorded approximately 1m visitors the highest ever number. Income from visitor admissions, retail and events increased from £7.6m to £10.5m. The increase in visitor numbers is attributed to continued growing levels of international visitors along with focussed engagement on local audiences, encouraged by £1 Community Tickets and family activities promoted to residents in the Bridge's neighbouring boroughs of Southwark, Tower Hamlets and City of London.

Investment income comprising of the property portfolio and the financial investment holdings of the charity, totalled £27.7m, an increase of £0.6m compared to previous year. Within this total, property rental income reduced due to properties undergoing refurbishment. The increase in financial investments income was driven by higher private equity distributions compared to the previous year.

The remainder of the charity's investment income is derived from interest earned from treasury deposits and social investments held, at £1.2m (2022/23: £0.1m).

Other income of £0.3m includes fees receivable by the charity for undertaking administrative duties on behalf of other organisations and bridges film and licences income for granting access to third parties to the bridges.

Expenditure

Expenditure for the year totalled £117.6m, being up by £13.9m from 2022/23. Bridge related expenditure was £11.1m (2022/23: £18.0m). The reduction in spend is driven by the pause of significant refurbishment work on Blackfriars Bridge due to the intensity of other work being completed in the vicinity creating access issues, with work expected to continue in October 2024. Millennium Bridge was closed for three weeks in October 2023 to carry out work on the deck. Structural maintenance projects were carried out in the year over at Tower Bridge. Further increases in footfall at Tower Bridge, have further increased expenditure levels to meet demand.

Spend on funding activities has reported the highest ever grant commitments in the year, totalling £83.2m (including linked operational spend), an increase of £17.9m on prior

year. The additional £200m that was allocated by the Trustee in March 2020 to further the ancillary object as being surplus income (to that required for the bridges, the charity's primary object) continues to support high levels of commitments.

Expenditure on raising funds increased to £15.1m (2022/23: £12m). Property investment expenditure increases due to repairs, maintenance and refurbishments as well as rates on vacant properties.

Overall performance

Overall performance has led to a planned deficit of £77.9m (2022/23: £68.4m), prior to movements on investments held. As at 31 March 2024, the charity has reported total losses on investments of £5.7m (2022/23: £60.9m). The charity's financial investments had a strong recovery this year, resulting in a gain of £68m compared to £1.8m last year. Opposing this was a loss on property investments of £73.7m (2022/23: £62.5m). The losses are attributed to the economic background of high interest rates and high, albeit reducing, inflation. Further details on the performance of investments is stated on pages 18 -19.

There was nil movement on social investments held (2022/23: loss of £0.2m).

Funds held

Total funds held by the charity as at 31 March 2024, decreased by £80.9m to £1,532.7m (2023: £1,613.4m). This reduction was driven by the investment losses noted above, alongside planned additional expenditure on grant-making. Within total funds, £904m represent the permanent endowment fund (2022/23: £969.2m). The charity adopted the Total Return approach to investment of the permanent endowment fund from 01 June 2023. As a result, all income, expenditure, and gains/losses arising from the investments representing the endowment are accounted for within this fund, which is available to be spent on the charity's purposes. In the year no distributions were made from the endowment fund to fund unrestricted activities of the charity, details of endowment fund can be found on page 64

There were no restricted funds held as at year-end (2023: nil).

The unrestricted income funds of the charity totalled £628.7m (2023: £ 644.2m) being net of £1.5m held to cover the pension deficit (2023: £4.3m). Within the unrestricted income funds, designations have been made for specific purposes. As at 31 March 2024, these designations totalled £220.6m (2023: £489m). Detail of designated funds is within Note 22, with key changes in the year being:

- Release of the bridge replacement fund, with provision for future expenditure now held within the endowment fund
- Establishment of a social investment fund, to represent income funds identified as available from the ancillary purpose to be utilised for this purpose
- Transfer of surplus income funds of £30m to the grant-making designation
- Additional funds of £11.4m designated for repair and maintenance of bridges over the next 5 year-period

Details of all funds held, including their purposes, is set out within Note 22 to the financial statements.

Reserves policy

The charity holds a substantial permanent endowment fund. 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 whilst also generating sufficient returns to fund the charity's primary purpose to maintain and support its five river bridges in perpetuity. Any income surplus to that required to be applied to the charity's primary purpose in any one year is predominantly used to provide assistance in the form of grants to charitable organisations across Greater London.

As at 1 June 2023, the Trustee resolved to exercise the express power to adopt a total return approach to the investment of the charity's permanent endowment fund. This fund is now invested without the need to maintain a balance between capital and income returns. Details relating to the adoption of this power are set out in Note 1. The policy adopted for determining the use of returns from the permanent endowment fund requires an annual assessment of the ability to transfer returns to the trust for application (income fund). This considers the current value of future rebuild and major project costs of the bridges by notionally identifying part of the unapplied total return (UTR) for this purpose alongside those funds that are held in perpetuity. Due to this policy, the charity is required to maintain substantial amounts within the UTR.

The free reserves of the charity, within its unrestricted income funds, are held to cover working capital needs and a provision for unplanned urgent activities. In 2023/24, following review, the target level of free reserves was maintained at £35m. Alongside this, an additional £55m is held (giving a total of £90m) reflecting growth uncertainties across the forecast period. This amount is subject to annual review.

Reserve levels held as at 31 March 2024 are set out in Note 22. The charity holds free reserves of £408.5m (2023: £155.2m), which is £318.5m above the current policy. The increase in free reserves has been driven by the adoption of total return, with the provision for future major bridge costs now held within the endowment fund with the release of the previously held designated fund for this purpose. The trustee will utilise available income funds prior to drawing down from the UTR. The Trustee remains cautious of the impacts of the ongoing uncertain economic climate on its investment portfolio. Noting the potential risk of future realised losses and increases in property construction costs, it continues to review the level of reserves held.

Remuneration policy

The charity's key management personnel, as defined within Note 11 to the financial statements, are employees of the City Corporation and, alongside all other staff, their pay is reviewed annually. Salary costs incurred by the Trustee in administering the charity are re-charged to CBF. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised during the year.

The Managing Director's post is evaluated and assessed independently against the external market allowing the post to be allocated a salary range which incorporates market factors as well as their relevance to the charity.

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

Fundraising

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

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

The charity has received no complaints in relation to fundraising activities in the current year (2022/23: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities, including those designed to protect vulnerable people.

Principal risks and uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the Executive Leadership Team and the City Bridge Foundation Board ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided.

The charity has in place an established Risk Management Protocol which sets out the arrangements for the effective management of risk. Through the effective application of the risk management process, the Protocol supports effective corporate governance and internal control within CBF as well as furthering the charity's primary and ancillary objects. The charity has in place a Principal Risk Register (covering the top risks for the charity) and four Operational Risk Registers for the following areas: Bridge Management, Tower Bridge operations, Funding and Investments. In 2024/25, an informal Audit & Risk Working Group is being established for the charity, comprised of Members and Officers, which will review the charity's risk management arrangements.

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

Risk	Actions to manage risks
<p>Structural damage to Bridges/ Maintenance of the Bridges Major structural damage to one of the bridges may cause it to become non-operational, caused by terrorism, natural disasters, large vessel strikes, or engineering failures; or ineffective, incomplete or faulty maintenance of bridges and related infrastructure, potentially leading to poor management of maintenance obligations.</p>	<p>To manage potential structural damage, key actions include ongoing threat assessments and counter-terrorism activities in collaboration with City and MET Police, as well as the enhancement of security measures through the Protect Bridges Strategy. Additionally, the Charity is improving asset management clarity and maintaining a broad insurance policy to cover significant impacts such as vessel strikes. These measures are coordinated internally and involve continuous engagement with stakeholders to ensure rapid response and mitigation of reputational risks. For maintenance, the charity maintains strict monitoring and oversight of a 50-year maintenance plan, ensuring accountability and clarity in maintenance responsibilities among stakeholders. This includes developing and implementing updated service level agreements (SLAs) with relevant departments and considering the Bridge Replacement Strategy. Regular reporting to the Board helps maintain transparency and proactive management of maintenance activities, reducing potential public harm, operational disruptions, and associated costs.</p>
<p>Reputation Management A range of potential incidents that could adversely impact the reputation of the charity. This includes failures in communication or action that might result in negative perceptions from stakeholders or the public.</p>	<p>To address reputational risks, the charity has implemented several key actions. A proactive strategic communications approach, including the successful launch of the new brand, has significantly improved stakeholder engagement and media coverage. The Principal Risks Register is regularly reviewed, and horizon scanning is conducted to anticipate and mitigate potential issues. The newly established Audit & Risk Working Group (2024/25) is tasked with holistically considering risks to ensure effective reputation management. Coordination has been enhanced between the Tower Bridge management team, the Bridges management team, and the Communications team to improve early risk detection and response times. The charity has a robust crisis response plan, including the appointment of a media manager for crisis management and the provision of media training for senior staff.</p>
<p>Insufficient investment returns Insufficient investment returns due to a lack of a balanced investment portfolio, economic changes, or rising inflation, which could lead to increased costs and reduced income. This could impair the charity's ability to fund its primary objectives, such as bridge</p>	<p>The charity has implemented a new Investment Strategy Statement (ISS) as a framework for managing its investments. The charity regularly monitors and reviews investment performance and conducts annual assessments of the ISS to ensure it aligns with financial goals and market conditions. There is ongoing accountability for investment managers, ensuring their performance is aligned with the strategic objectives set out in the ISS. The charity also provides regular financial updates to the Board,</p>

Risk	Actions to manage risks
maintenance and support, and fulfil its other commitments.	ensuring informed decision-making and proper financial oversight to maintain adequate returns and financial stability.
<p>Failure to deliver CBF’s strategy and organisational change Potential failure to effectively deliver the charity's strategy and implement necessary organisational changes. This includes challenges such as lack of support for the strategic vision, insufficient resources, poor communication, and lack of collaboration across teams.</p>	<p>The charity has refreshed its strategic vision through the Bridging London Strategy, ensuring alignment of objectives and priorities across all activities. The charity has developed a comprehensive business plan and is working to foster a unified "One Charity culture" through staff engagement initiatives and cultural change programmes. The charity is also focused on enhancing collaboration and communication within and between teams to support effective implementation of its strategy. Regular reviews and updates of policies and strategies ensure they remain relevant and effective in guiding the charity's activities and achieving its goals.</p>
<p>Safeguarding Potential failure to embed safeguarding requirements into all of the charity’s activities, including lack of regular and effective training and monitoring. This could lead to an increased risk to the safety of beneficiaries, especially vulnerable individuals, and may result in legal or regulatory scrutiny, compensation claims, and damage to the charity’s reputation.</p>	<p>The charity is completing the development of a comprehensive safeguarding policy, with a Safeguarding Group established that meets regularly to review and enhance safeguarding practices. The charity also engages with relevant stakeholders to align safeguarding efforts and maintain up-to-date policies that address emerging risks, ensuring a safe environment for all beneficiaries and compliance with regulatory requirements.</p>
<p>Lack of diversity of skills, knowledge and experience within the charity Risk that the lack of diversity in skills, knowledge, and experience within the charity, could impede its ability to effectively serve its beneficiaries and fulfil its mission. A non-diverse board and workforce may lead to uninformed decision-making and may not reflect the communities served by the charity.</p>	<p>The charity is actively embedding Equity, Diversity, and Inclusion (EDI) principles into its operations and has articulated EDI as a cross-cutting priority in the Bridging London Strategy. A new senior EDI lead is being recruited to promote best practices within CBF and engage externally. The charity conducts regular skills audits of its Board to ensure a diverse range of perspectives is represented. Ongoing engagement with the City Corporation's EDI team ensures alignment with broader diversity goals. Additionally, the charity is developing a comprehensive People Plan that acknowledges the EDI lens into recruitment, retention, and professional development processes to build a more diverse and inclusive institution.</p>

Going concern

Financial resources are well placed to manage the business risks. The planning processes of the charity take into account the current uncertain economic climate and its potential impact on both income, investment returns and expenditure – both now and in the future – with a focus on the liquidity of the charity over the next 12-month period. The Trustee is satisfied that the charity could absorb significant changes in investment values with no impact on its ability to continue as a going concern due to the substantial size of its endowment fund. A rolling annual review of the charity's detailed forecast financial position over a 3-year period is carried out, alongside 10-year modelling of funds held to confirm that sufficient returns will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding. The ancillary purpose of CBF is undertaken only where surplus income is available in any year after responsibilities relating to the Bridges have been met. Should it be required, this method of operation provides flexibility to the charity when approving future plans. As such, the Trustee considers that all appropriate steps have been taken to effectively manage risk and that overall, there are no material uncertainties that affect the financial position of the charity. Therefore, the financial statements have been prepared on a going concern basis.

Trustee responsibilities

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

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

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

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

In so far as the Trustee is aware:

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

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

Adopted and signed for on behalf of the Trustee.

Dr Giles Shilson

Paul Martinelli

Chair of CBF Board

Deputy Chair of CBF Board

Guildhall, London

XX Month 2024

Independent Auditor’s Report to the Trustee of City Bridge Foundation

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2024

	Notes	Unrestricted Funds £m	Endowment Funds £m	2023/24 Total Funds £m	2022/23 Total Funds £m
Income and Endowments from:					
Voluntary income	2	-	-	-	0.1
Charitable activities	3	10.5	-	10.5	7.6
Investments	4	7.6	21.3	28.9	27.2
Other income	5	0.3	-	0.3	0.4
Total Income		18.4	21.3	39.7	35.3
Expenditure on:					
Raising funds	6	6.2	8.9	15.1	12.0
Charitable activities					
Repair and maintenance of bridges		11.1	-	11.1	18.0
Tower Bridge tourism		8.1	-	8.1	6.6
Charitable funding		83.2	-	83.2	65.3
Total charitable activities	7	102.4	-	102.4	89.9
Other					
Net pension scheme costs	19	0.1	-	0.1	1.8
Total Expenditure		108.7	8.9	117.6	103.7
Net (expenditure) before (losses)/gains on investments		(90.3)	12.4	(77.9)	(68.4)
Net (losses) property investments	13	-	(73.7)	(73.7)	(62.5)
Net gains/(losses) on financial investments	14	71.9	(3.9)	68.0	1.8
Net (losses) on social investments	15	-	-	-	(0.2)
Total gains/(losses) on Investments		71.9	(77.6)	(5.7)	(60.9)
Net (expenditure)/income after losses/(gains) on investments		(18.4)	(65.2)	(83.6)	(129.3)
Other recognised gains:					
Actuarial gains on defined benefit pension scheme	19	2.9	-	2.9	20.3
Net movement in funds		(15.5)	(65.2)	(80.7)	(109.0)
Reconciliation of funds:					
Fund balances brought forward at 1 April 2023		644.2	969.2	1,613.4	1,722.4
Total funds carried forward	21	628.7	904.0	1,532.7	1,613.4

All of the above results are derived from continuing activities.

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

The notes on pages 36 to 70 form part of these financial statements.

BALANCE SHEET

As at 31 March 2024

	Notes	2024 Total £m	2023 Total £m
Fixed assets:			
Tangible assets	12	2.9	3.0
Investment properties	13	800.5	841.1
Financial investments	14	802.7	819.7
Social investments	15	1.2	8.9
Total fixed assets		1,607.2	1,672.7
Current assets			
Stock		0.4	0.3
Debtors	17	13.1	14.8
Short term investments and deposits	14	47.5	35.7
Cash at bank and in hand		10.4	7.6
Total current assets		71.4	58.4
Creditors: Amounts falling due within one year	18	(79.5)	(67.6)
Net current (liabilities)		(8.1)	(9.2)
Total assets less current liabilities		1,599.2	1,663.5
Creditors: Amounts falling due after more than one year	19	(65.0)	(45.8)
Net assets excluding pension scheme liability		1,534.2	1,617.7
Defined benefit pension scheme liability	20	(1.5)	(4.3)
Total net assets	21	1,532.7	1,613.4
The funds of the charity:			
Permanent endowment funds		904.0	969.2
Designated funds		220.6	489.0
General funds		408.1	155.2
Total funds	21	1,532.7	1,613.4

The notes on pages 36 to 70 form part of these financial statements

Approved and signed on behalf of the Trustee

Caroline Al-Beyerty

Chamberlain and Chief Financial Officer

XX MONTH 2024

STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Notes	2023/24 Total £m	2022/23 Total £m
Cash flows from operating activities:			
Net cash (used in) operating activities	22	(73.6)	(60.3)
Cash flows from investing activities:			
Dividends, interests and rents from investments		28.9	27.2
Additions to short term deposits		(117.4)	(89.8)
Proceeds from sale of short term deposits		105.6	81.0
Sale of investment property		4.0	7.9
Purchases and improvements of property		(37.1)	(23.4)
Additions to tangible fixed assets		(0.2)	(0.2)
Additions to Social Investments		(0.1)	(0.9)
Social Investments repayments		0.5	0.4
Additions to financial investments		(138.0)	(208.3)
Proceeds from sale of financial investments		230.3	269.9
Net cash provided by investing activities		76.4	63.8
Increase in cash in the year		2.8	3.5
Change in cash and cash equivalents in the reporting period		2.8	3.5
Cash and cash equivalents at the beginning of the reporting period		7.6	4.1
Cash and cash equivalents at the end of the year	23	10.4	7.6

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

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

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

b. Going concern

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

In assessing the appropriateness of the going concern basis, the Trustee has considered the charity's financial position, the value of investment assets held, future investment return levels, expenditure requirements and the liquidity of the charity, taking into account the inflationary pressures and the changing economic environment. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. Accordingly, as further stated on page 30, the Trustee has a reasonable expectation that the charity will continue as a going concern for at least 12 months from the date of signing this report and has adopted this basis for the preparation of the financial statements.

c. Critical accounting judgements and assumptions

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

i. Valuation of investment properties

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

Valuations are prepared in accordance with "RICS Valuation – Global Standards (incorporating International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, (the "RICS Red Book"). The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security of income. Where lease premia or costs relating to rent free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

Inflationary pressures continued during the year but as at the valuation date the picture was becoming more positive with a downward trend in the headline rate of inflation with base rate retained at 5.25% for a fifth consecutive month. Whilst the financial markets are now pricing in an anticipated reduction in interest rates, commercial transactional volumes, coupled with the decline in liquidity over the last few years, has led to a scarcity of comparable evidence to inform the valuation process. The investment market recorded significantly reduced volumes with the UK commercial real estate market in 2023 recording investment volumes of broadly 45.0% of the long-term average whilst in Central London investment volumes were down almost 60.0%.

Market sentiment has gained increased importance in making informed assessments, given the limited availability of data. Notably, a divided market has emerged, differentiating "best in class" properties from those facing challenges due to locational factors and the overall quality of the real estate. Stakeholders in the market, including occupiers, investors, and lenders, have also heightened significance to environmental, social, and governance (ESG) considerations and the associated costs, in their decision making.

While there is still liquidity in the market, ongoing geopolitical uncertainties, economic challenges, and the cost and accessibility of debt finance continue to impact pricing. As a result, the potential for future value erosion cannot be discounted, particularly for secondary properties and those outside prime markets.

Whilst we anticipate that market sentiment will continue to improve during the course of 2024, the anticipated General Election may curtail the prospect for a sustained return to growth this year.

It is important to recognise that the valuation has been prepared against the backdrop outlined above. In the interests of clarity, the valuations were not reported as being subject to 'material valuation uncertainty' as defined in the RICS Valuation – Global Standards.

ii. Investment property disposals

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

iii. Valuation of financial investments

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

iv. Valuation of social investments

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

v. Defined benefit pension scheme

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

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

pension contributions paid into the Fund by, CBF as a proportion of total employer's contributions paid.

vi. Allocation of support costs

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

d. Income and expenditure

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

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

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

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

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

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

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

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

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

Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. For multi-year grants where payment is planned over more than one year from the date awarded, the charity reviews the present value of future payments for materiality. In 2023/24, the present value of future payments is material, and the liability is recognised at present value. The discount rate of 4.3% used is considered as the most current available estimate of the opportunity cost of money and is based on the expected real rate of return on the investment portfolio.

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

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

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

e. Foreign currencies

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

f. Pension costs

Defined benefit scheme

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

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

amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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

g. Operating leases – City Bridge Foundation as the lessor

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

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

h. Taxation

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

i. Fixed assets

Tangible fixed assets

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

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

Land is not depreciated.

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

Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e., they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2024 was £1,256.7m (2023: £1,143.5m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1(d).

Investment properties

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

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

Financial investments

i. Quoted investments

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

ii. Unquoted investments

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

iii. **Cash held by fund managers**

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

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

j. Stocks

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

k. Cash

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

l. Financial assets and liabilities

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

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

m. Funds' structure

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

Permanent endowment fund – this 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. The total return approach has been adopted by the Trustee during 2023/24, with all relevant income, expenditure and gains/losses being accounted for with the unapplied total return element of the endowment. The Trustee has adopted a policy to determine use of the unapplied total return.

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 transferred from the permanent endowment fund and returns generated by investments representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which has been held 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 2023/24 £m	Restricted Income Funds 2022/23 £m
Grant income	-	0.1
	<hr/>	<hr/>
	-	0.1

3. Income from charitable activities

	Unrestricted Income Funds 2023/24 £m	Unrestricted Income Funds 2022/23 £m
Tower Bridge tourism fees and charges	10.5	7.6
	<hr/>	<hr/>
	10.5	7.6

4. Income from investments

	Unrestricted Income Funds	Endowment Fund	Total 2023/24 £m	Unrestricted Income Funds £m	Total 2022/23 £m
Investment property	4.2	19.9	24.1	24.9	24.9
Financial investments	2.2	1.4	3.6	2.2	2.2
Interest receivable	1.2	-	1.2	0.1	0.1
Total Investment income	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7.6	21.3	28.9	27.2	27.2

All investments are held to provide an investment return to the charity. Where relevant income is now recognised within the endowment fund following the adoption of Total Return from 1 June 2023.

5. Other income

	Unrestricted Income Funds 2023/24	Unrestricted Income Funds 2022/23
	£m	£m
Other income	0.3	0.4
	0.3	0.4

6. Expenditure on raising funds

	Unrestricted Expenditure 2023/24		Endowment Fund 2023/24		Total 2023/24	Unrestricted Expenditure 2022/23		Endowment Fund 2022/23		Total 2022/23
	<i>Direct costs</i>	<i>Support costs</i>	<i>Direct Cost</i>	<i>Support cost</i>	£m	<i>Direct costs</i>	<i>Support costs</i>	<i>Direct costs</i>	<i>Support costs</i>	£m
Investment property expenses	1.2	0.4	6.7	1.6	9.9	4.3	2.5	-	0.1	6.9
Financial investment expenses	4.2	0.4	0.5	0.1	5.2	4.6	0.2	-	0.3	5.1
	5.4	0.8	7.2	1.7	15.1	8.9	2.7	-	0.4	12.0

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 2023/24	Direct costs	Support costs	Total 2022/23
	£m	£m	£m	£m	£m	£m
Repair and maintenance of bridges	9.6	1.5	11.1	17.2	0.8	18.0
Tower Bridge tourism	6.2	1.9	8.1	5.8	0.8	6.6
Charitable funding	81.5	1.7	83.2	63.4	1.9	65.3
	97.3	5.1	102.4	86.4	3.5	89.9

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

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

Charitable funding - grants awarded by CBF, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £83.0m (2022/23: £60m) and costs of administering the grants process of £3.4m (2022/23: £3.4m).

8. Charitable funding

During the year ended 31 March 2024, grants were awarded to institutions under the following programmes:

	2023/24	2022/23
	£m	£m
Bridging Divides:		
Core Activities	70.8	34.6
Strategic Initiatives	11.5	19.7
Stepping Stones Fund	-	0.2
Propel	1.4	5.7
Charitable funding	83.7	60.2
Charitable funding adjustments and cancellations	(0.7)	(0.2)
Net charitable funding	83.0	60.0
Other charitable funding related activities	3.4	3.4
Effect of discounting of grant liability	(4.8)	-
	81.6	63.4

Grants were made to 705 organisations in the year (2022/23: 665), supporting 765 projects (2022/23: 733). The average amount of grant equalled £109k (2022/23: £82k).

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

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

Reconciliation of grants payable:

	2023/24	2022/23
	£m	£m
Commitments at 1 April	80.7	48.1
Commitments made in the year	83.7	60.2
Charitable funding adjustments and cancellations	(0.7)	(0.2)
Charitable funding paid during the year	(45.5)	(27.4)
Discounting of grant liabilities	(4.8)	-
Commitments at 31 March	113.5	80.7

Outstanding grant commitments at 31 March 2024 are payable as follows:

	2023/24	2022/23
	£m	£m
Within one year (note 17)	62.1	48.6
After more than one year (note 18)	51.4	32.1
Commitments at 31 March	113.5	80.7

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

9. Net income for the year

Net income is stated after charging:

	2023/24	2022/23
	£	£
Auditors' remuneration for the audit of the financial statements	93,500	89,050
Depreciation	414,722	298,492

10. Support costs

Support costs include activities undertaken by the City Corporation on behalf of the charity as well as activities directly undertaken by the charity. Costs incurred by City Corporation departments outside the charity are recovered from the Charity's funds on an appropriate basis such as by head count or floor space.

	Tourism £m	Investment Property £m	Financial Investments £m	Bridges £m	Grants £m	Governance £m	2023/24 £m	2022/23 £m
Finance	0.3	0.2	0.1	0.1	0.2	0.1	1.0	0.6
Legal	0.1	0.1	0.1	0.1	0.2	-	0.6	0.1
City Surveyor	0.1	1.6	0.1	0.2	-	-	2.0	2.1
Governance & Strategy	0.1	-	-	-	0.2	0.2	0.5	0.5
People	0.1	-	-	0.1	0.1	-	0.3	-
Communications & Public Relatic	0.3	-	0.1	0.1	0.2	-	0.7	-
Digital Services	0.3	-	-	0.2	0.2	-	0.7	0.5
Premises	0.1	-	-	-	0.1	-	0.2	0.3
CBF Operations & MD Office	0.3	0.1	0.1	0.5	0.2	-	1.2	1.6
Other	0.1	-	-	0.1	0.2	-	0.4	0.4
Sub-total	1.8	2.0	0.5	1.4	1.6	0.3	7.6	6.1
Reallocation of governance costs	0.1	-	-	0.1	0.1	(0.3)	-	-
Total Support costs	1.9	2.0	0.5	1.5	1.7	-	7.6	6.1

All support costs are allocated between the endowment and unrestricted income funds, as shown in the expenditure notes. Governance costs are allocated on the basis of FTE staff within each activity.

11. Details of staff costs

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

	2023/24	2022/23
	Number	Number
Investments	6	6
Tower Bridge tourism	56	51
Tower Bridge Operations	30	24
Funding	47	35
Enabling services	20	13
	159	129

The repair and maintenance of bridges is undertaken by City Corporation staff based within the Environment Department and are included within support staff. The heading Tower Bridge Operations includes staff directly responsible for the operations and security of that bridge.

Enabling services includes staff providing direct support and management to the charity in communications, governance and strategy, finance and human resources.

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

In addition, support staff are charged to the charity on the basis described within Note 10. The full-time equivalent number of support staff charged is 38.2 (2022/23: 51.9).

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

	2023/24	2022/23
	£m	£m
Salaries and wages	7.4	6.2
National Insurance costs	0.8	0.7
Employer's pension contributions	1.4	1.2
Total emoluments of employees	9.6	8.1

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

	2023/24	2022/23
£60,000 - £69,999	9	6
£70,000 - £79,999	5	4
£80,000 - £89,999	1	-
£90,000 - £99,999	1	4
£100,000 - £109,999	3	-
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
	20	15

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

Remuneration of Key Management Personnel

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

Total employment benefits, including employer pension contributions and employer national insurance contributions for key management personnel in 2023/24 was £1.1m (2022/23: £927k).

The highest paid role is the Managing Director of CBF, with total employment benefits, including employer pension contributions and employer national insurance contributions being £193k (2022/23: £183k).

No Members received any remuneration for time spent on CBF matters with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2023/24 from the charity (2022/23: Nil).

12. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold Improvements £m	Total £m
Cost				
At 1 April 2023	0.8	2.6	4.3	7.7
Additions	-	0.1	0.2	0.3
Disposals	-	-	-	-
At 31 March 2024	0.8	2.7	4.5	8.0
Depreciation				
At 1 April 2023	0.6	1.5	2.6	4.7
Charge for the year	0.1	0.1	0.2	0.4
Disposals	-	-	-	-
At 31 March 2024.	0.7	1.6	2.8	5.1
Net book value				
At 31 March 2024	0.1	1.1	1.7	2.9
At 31 March 2023	0.2	1.1	1.7	3.0

13. Investment properties

	2024 £m	2023 £m
Market value at 1 April	841.1	888.1
Purchases and improvements	37.1	23.4
Book value of disposed assets	(3.4)	(0.9)
Total unrealised (losses)/gains*	(74.3)	(69.5)
Market value at 31 March	800.5	841.1

* Includes rent free adjustment of £4.0m (2022/23: £4.5m).

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

	2024 £m	2023 £m
Total unrealised (losses)/gains	(74.3)	(69.5)
Realised gains on disposal	0.6	7.0
	(73.7)	(62.5)

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

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

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

14. Financial investments

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

	2024	2023
	£m	£m
Long term investments held by fund managers	794.9	819.7
Impact investments	7.8	0.0
Short term investments	47.5	35.7
	<u>850.2</u>	<u>855.4</u>

a) Movement in long term and cash investments

	2024	2023
	£m	£m
Long term investments held by fund managers		
Market value 1 April	819.7	879.5
Additions to investments at cost	137.7	208.3
Disposals at market value	(230.3)	(269.9)
Gain from change in fair value	67.8	1.8
Long term investments at 31 March	<u>794.9</u>	<u>819.7</u>
Cash investments		
Investments at 1 April	35.7	26.9
Additions to investments at cost	117.4	89.8
Disposals at market value	(105.6)	(81.0)
Investments at 31 March	<u>47.5</u>	<u>35.7</u>
Total investments at 31 March	<u>842.4</u>	<u>855.4</u>

	2024	2023
	£m	£m
Long term investments	794.9	819.7
Short term investments:		
- short term deposits and money market funds	21.8	16.8
- short term investments in hands of fund managers	25.7	18.9
	<u>47.5</u>	<u>35.7</u>
Total market value at 31 March	<u>842.4</u>	<u>855.4</u>

At the year-end £4.8m (2022/23: £4.5m) had been committed in private equity investments and yet to be paid out by the charity. During the year £80.2m (2022/23: £40m) was withdrawn from fund managers to support the operational activities of the charity.

The geographical spread of long term and cash investments at 31 March was as follows:

	Held in the UK	Held outside the UK	Total at 31 March 2024	Total at 31 March 2023
	£m	£m	£m	£m
Fixed Interest	43.7	63.2	106.9	78.7
Index Linked	16.2	-	16.2	31.1
Pooled units	116.6	474.8	591.4	618.9
Listed equities	7.8	15.9	23.7	27.9
Managed funds	25.7	-	25.7	18.9
Private equity	3.2	15.2	18.4	21.7
Infrastructure	-	60.1	60.1	58.2
	213.2	629.2	842.4	855.4

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

b) Movement in impact investments:

	2024 £m	2023 £m
Market value 1 April	-	-
Reallocation from social investments	7.3	-
Additions to investments at cost	0.3	-
Disposals at market value	-	-
Gain from change in fair value	0.2	-
Impact investments at 31 March	7.8	-

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

	Held in the UK	Held outside the UK	Total at 31 March 2024	Total at 31 March 2023
	£m	£m	£m	£m
Investment Fund	3.0	0.2	3.2	-
Loan	0.2	-	0.2	-
Bond	1.3	-	1.3	-
Property Fund	3.1	-	3.1	-
	7.6	0.2	7.8	-

Impact investments as at 31 March 2024 are split as follows:

	Value as at 1 April 2023 £m	Reallocation	Drawn down £m	Repaid £m	Investment (loss)/gain £m	Value as at 31 March 2024 £m
Investment Fund	-	3.0	-	-	0.2	3.2
Loan	-	0.2	-	-	-	0.2
Bond	-	1.3	-	-	-	1.3
Property Fund	-	2.8	0.3	-	-	3.1
	-	7.3	0.3	-	0.2	7.8

During the year £7.3m was reallocated from social investments to impact investments, which forms part of financial investments.

15. Social Investment Fund

	Value as at 1 April 2023 £m	Reallocation	Drawn down £m	Repaid £m	Investment (loss)/gain £m	Value as at 31 March 2024 £m
Investment Fund	3.1	(3.0)	-	-	-	0.1
Loan	0.7	(0.2)	0.1	(0.1)	-	0.5
Bond	1.3	(1.3)	-	-	-	-
Property Fund	3.8	(2.8)	-	(0.4)	-	0.6
	8.9	(7.3)	0.1	(0.5)	-	1.2

At the year-end nil (2022/23: £nil) had been committed but remained undrawn. Details of all investments placed are shown on the City Bridge Foundation website www.citybridgefoundation.org.uk.

16. Debtors

	2024	2023
	£m	£m
Trade debtors	0.3	0.4
Rental debtors	3.7	2.9
Prepayments & accrued income	4.9	6.5
Sundry debtors	0.2	0.5
	<u>9.1</u>	<u>10.3</u>

Debtors - amounts due in more than one year

	2024	2023
	£m	£m
Rental debtors	4.0	4.5
	<u>4.0</u>	<u>4.5</u>
Total debtors	<u>13.1</u>	<u>14.8</u>

17. Creditors – amounts falling due within one year

	2024	2023
	£m	£m
Grants payable (note 8)	62.1	48.6
Trade creditors	3.2	3.1
Accruals	5.7	6.8
Deferred income	5.5	6.1
Rent deposits	3.0	3.1
	<u>79.5</u>	<u>67.7</u>

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

	2024	2023
	£m	£m
Deferred income analysis within creditors:		
Balance at 1 April	6.1	6.0
Amounts released to income	(5.9)	(5.7)
Amounts deferred in the year	5.3	5.8
Balance at 31 March	<u>5.5</u>	<u>6.1</u>

18. Creditors – amounts due after more than one year

	2024	2023
	£m	£m
Grants payable (note 8)	51.4	32.1
Deferred income	11.8	11.9
Other creditors	1.8	1.8
	65.0	45.8

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

	2024	2023
	£m	£m
Deferred income - due after more than one year:		
Balance at 1 April	11.9	11.9
Amounts transferred to less than one year	(1.7)	(1.6)
Amounts deferred in the year	1.6	1.6
Balance at 31 March	11.8	11.9

19. Pensions

City of London Corporation defined benefit pension scheme

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

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

Accounting for the defined benefit scheme under IAS19

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

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

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2022/23 is £987,000 (2022/23 actual: £969,000). This figure is calculated pro-rata to total contributions that will be payable by the City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

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

a) Major assumptions by the actuary

Financial

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

Assumptions as at:	2024 % p.a.	2023 % p.a.	2022 % p.a. Restated	2021 % p.a.
CPI increases	2.9	2.9	3.3	2.9
Salary increases	3.9	3.9	4.2	3.9
Pension increases	2.9	2.9	3.2	2.9
Discount rate	4.9	4.8	2.6	2.0

Life expectancy

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

Life expectancy from age 65 (years)		2024	2023
Age 65 retiring today	Males	20.8	21.1
	Females	23.3	23.5
Retiring in 20 years	Males	22.0	22.3
	Females	24.7	25.0

Sensitivity analysis

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

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

b) Amounts included in the balance sheet

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

	2024 £m	2023 £m	2022 £m
			Restated
Fair value of assets (bid value)	41.3	37.9	38.2
Fair value of liabilities	42.8	42.2	61.0
Net liability in balance sheet	1.5	4.3	22.8

The net pension fund liability represents 3% (2022/23: 3%) of the total net balance sheet liability in the City Corporation Pension Fund financial statements.

c) Amounts included in the statement of financial activities

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

	2024 £m	2023 £m
Current service cost	0.9	2.1
Past service cost	-	0.1
Settlements and curtailments	0.1	-
Interest cost	0.2	0.6
Contributions	(1.1)	(1.0)
Total expense	0.1	1.8

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2022/23: 3%) of the total charge in the City Corporation Pension Fund financial statements.

d) Asset allocation

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

Employer asset share - bid value	2024		2023	
	£m	% p.a.	£m	% p.a.
Equity investments	23.0	56	22.2	59
Cash	0.4	1	0.3	1
Infrastructure	5.4	13	5.1	13
Absolute return portfolio	6.6	16	10.3	27
Bonds	5.9	14		
Total assets	41.3	100	37.9	100

The charity's share of pension scheme assets at 31 March 2024 represents 3% (2022/23: 3%) of the total pension scheme assets of the City Corporation Pension Fund.

e) Movement in the present value of scheme liabilities

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

	2024 £m	2023 £m
(Deficit) at beginning of the year	(42.2)	(61.0)
Current service cost	(0.9)	(2.1)
Interest cost	(2.0)	(1.6)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in demographic assumptions	0.6	-
Actuarial gains arising from changes in financial assumptions	0.7	26.4
Other actuarial (losses)	(0.1)	(5.0)
Past service cost, including curtailments	-	(0.1)
Liabilities extinguished on settlements	(0.1)	-
Benefits paid	1.6	1.5
Contributions from scheme participants	(0.4)	(0.3)
(Deficit) at the end of the year	(42.8)	(42.2)

The charity's share of the closing value of the pension scheme liabilities represents 3% (2022/23: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

f) Movement in the scheme net liability

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

	2024 £m	2023 £m
(Deficit) at beginning of the year	(4.3)	(22.8)
Current service cost	(0.9)	(2.1)
Net interest	(0.2)	(0.6)
Employer contributions	1.1	1.0
Past service cost	-	(0.1)
Actuarial gains/(losses)	2.9	20.3
Other (losses)		-
(Deficit) at the end of the year	(1.4)	(4.3)

g) Movement in the present value of scheme assets

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

	2024 £m	2023 £m
As at 1 April	37.9	38.2
Interest on assets	1.8	1.0
Remeasurement gains/(losses):		
Return on assets less interest	1.6	(1.2)
Contributions by employer including unfunded	1.1	1.1
Contributions by scheme participants	0.4	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.6)	(1.5)
Settlement prices received	0.1	-
Closing value of scheme assets	41.3	37.9

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

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

	Year to 31/03/2025 £m	Year to 31/03/2024 £m	Year to 31/03/2023 £m
Service cost	0.9	0.8	-
Interest cost	-	0.2	0.6
Total expense	0.9	1.0	0.6
Employer contribution	1.1	1.0	1.0

20. Analysis of net assets between funds

At 31 March 2024	Unrestricted Income Funds		Endowment Funds	Total at 31 March 2024	Total at 31 March 2023
	General Funds	Designated Funds	Endowment Funds		
	£m	£m	£m	£m	£m
Fixed assets - Investment properties	-	-	800.5	800.5	841.1
Fixed assets - Financial investments	470.6	219.0	113.1	802.7	819.7
Other fixed assets	2.9	1.2	-	4.1	11.9
Current assets & liabilities	1.5	-	(9.6)	(8.1)	(9.2)
Long-term liabilities	(65.0)	-	-	(65.0)	(45.8)
Pension liability	(1.5)	-	-	(1.5)	(4.3)
	408.5	220.2	904.0	1,532.7	1,613.4

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

21. Permanent Endowment fund – total return approach

On 1 June 2023, the charity adopted the Total Return approach for its permanent endowment fund, a bespoke power having been granted by the Supplemental Royal Charter which came into legal effect on that date. The charity selected 31 March 1994 as the reference date from which the permanently endowed funds have been analysed between the trust for investment and the unapplied total return, the two components of a permanent endowment specified in the bespoke powers as stated within the Charter. Following the resolution to adopt total return taking effect, the Trustee approved a resolution to accumulate in the trust for investment an amount from the unapplied total return, to reflect increases in the real value of the trust for investment between 31 March 1994 and 31 March 2022 in line with the Consumer Price Index (CPI). The original value of the permanent endowment was established as being £340.3m, including the inflationary uplift.

Under the total return approach, the charity is permitted to allocate from the unapplied total return element of permanent endowment to the trust for application (income) such sums as

it thinks appropriate in furtherance of its work providing it is satisfied that this will not prejudice the ability of the Trustee to further the purposes of the permanent endowment fund now and in the future and, in particular, that it will not prejudice the ability of the Trustee to further the Primary Object now and in the future.

The charity's strategy is to manage the permanent endowment effectively in order to maximise the amount available for distribution whilst maintaining the real value of the permanent endowment fund, subject to the overriding duty of the Trustee to further the primary object now and in the future. A policy is in place for determining how the unapplied total return is to be allocated.

	Trust for Investment £m	Unapplied Total Return £m	Total Endowment £m
Original value with inflationary uplift	340.3	-	340.3
Unapplied total return	-	613.7	613.7
Total as at 1st June 2023	340.3	613.7	954.0
Movements in 2023-24			
Property Investments			
Income		19.9	19.9
Realised and unrealised losses		(61.3)	(61.3)
Less: Property investments cost		(8.3)	(8.3)
		<u>(49.7)</u>	<u>(49.7)</u>
Financial Investments			
Income		1.4	1.4
Realised and unrealised losses		(1.1)	(1.1)
Less: Investment management costs		(0.6)	(0.6)
Total		<u>(0.3)</u>	<u>(0.3)</u>
Unapplied total return allocated to income in the reporting period		-	-
Net movements in reporting period	-	(50.0)	(50.0)
At end of the reporting period:			
Original value with inflationary uplift	340.3	-	340.3
Total unapplied return	-	563.7	563.7
Endowment as at 31 March 2024	340.3	563.7	904.0

22. Movement in funds

At 31 March 2024	Total as at	Income	Expenditure	Gains & losses	Transfers	Total as at
	1 April 2023					31 March 2024
	£m	£m	£m	£m	£m	£m
Endowment Funds	969.2	21.3	(8.9)	(77.6)	-	904.0
Endowment Funds	969.2	21.3	(8.9)	(77.6)	-	904.0
General Funds	159.5	18.2	(19.1)	72.0	179.1	409.6
Pension Reserve	(4.3)	-	(0.1)	2.9	-	(1.5)
Total General Funds	155.2	18.2	(19.2)	74.9	179.1	408.1
Property Dilapidations	0.7	-	-	-	-	0.7
Climate Action	15.0	-	-	-	-	15.0
Bridges Repairs	50.8	-	(9.6)	-	11.6	52.8
Bridges Replacement	242.6	-	-	-	(242.6)	-
Grant-making	179.9	-	(79.9)	-	30.0	130.0
Social Investment Fund	-	0.2	-	-	21.9	22.1
Total Designated Funds	489.0	0.2	(89.5)	-	(179.1)	220.6
Total Unrestricted Income Funds	644.2	18.4	(108.7)	74.9	-	628.7
Total Funds	1,613.4	39.7	(117.6)	(2.8)	-	1,532.7

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

Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. The fund is managed on a total return basis, with an

approved policy in place to determine the use of returns. Further detail of the origins of this fund is stated on page 4.

Purposes of restricted funds

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

Other Restricted Funds included:

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

Purposes of designated funds

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

- Property Dilapidations represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
- Climate Action represents funds set aside to further progress and potentially accelerate delivery of the charity’s Climate Action Strategy.
- Bridges Repairs represents funds required to maintain the bridges for the next 5 years.
- Grant-making represents surplus income which has been designated for future grant-making activities in the name of CBF.
- Social Investments represents surplus income available for the ancillary object which has been set aside to be utilised as social investments.

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

Transfers between funds

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

During the year, the funds previously designated for bridge replacement were released back to unrestricted income funds, with the unapplied total return element of the permanent endowment fund holding a notional amount for future major project costs for the bridges. A new designation was approved by the Trustee for social investments placed from funds available for the ancillary object.

When reconstituting the permanent endowment fund in 2018/19, it was noted that there may be a small number of properties which were acquired under specific statutory powers and therefore may not be part of the permanent endowment fund. Research relating to this matter remains ongoing being both complex and lengthy due to the historic nature of these

transactions, and the various Acts that applied across the years. Due to the complexity involved no financial impacts have been identified with sufficient certainty as yet to enable the financial statements to be amended.

23. Note to the statement of cash flows

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

	2023/24	2022/23
	£m	£m
Net (expenditure)/ income for the reporting period (as per the statement of financial activities)	(83.6)	(129.3)
Adjustments for:		
Interest and income from investments	(28.9)	(27.2)
Depreciation charges	0.4	0.3
(Gains) on financial investments	(68.0)	(1.8)
Losses/(gains) on property investments	73.7	62.5
Losses on social investments	-	0.2
(Increase)/decrease in stock	(0.1)	(0.1)
(Increase)/decrease in debtors	1.7	(3.5)
Increase in creditors falling due within one year	11.8	20.2
Increase in long term creditors	19.2	16.6
Net pension scheme costs	0.1	1.8
Net cash (used in) operating activities	(73.6)	(60.3)

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

	Total as at 1 April 2023	Cash flows	Total as at 31 March 2024
	£m	£m	£m
Cash and cash equivalents			
Cash	7.6	2.8	10.4
Total	7.6	2.8	10.4

Other non-cash changes are detailed in Note 23.

25. Operating Leases

Minimum lease payments receivable under operating leases:	31 March	31 March
	2024	2023
	£m	£m
Not later than one year	22	22
Later than one year and not later than five years	79	80
Later than five years	1,187	1,096
	1,288	1,198

26. Commitments

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

	2024	2023
	£m	£m
Works to bridges	6.2	6.8
Investment properties	-	10.2
	6.2	17.0

27. Related Parties

The City Corporation is the sole Trustee of the charity, as described on page 6. The City Corporation makes its resources available to the charity, the costs of which are recovered from the charity's funds as permitted under section 31(1) of the Trustee Act 2000. These costs include those relating to banking services, with all transactions to the charity being recovered at cost and crediting or charging interest at a commercial rate. These costs are included within expenditure, as set out in Note 10.

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

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

Figures in brackets represent the amounts due at the balance sheet date. Any amount with an asterisk indicates it is owed to the charity at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £000	2022/23 £000	Detail of transaction
London Funders (LF)	An Officer of the City Corporation is a Trustee of LF	619 (1,110) 4 (-)	796 (781) 4 (-)	LF received grant funding from CBF. The charity paid a membership fee to LF.
Trust for London (TL)	The City Corporation nominates three Members to TL	510 (2,708) - (-) 127 (-)	25 (3,945) 100 (-) 264 (-)	TL received grant funding from CBF. CBF received a grant as contribution to the Cornerstone fund. TL paid rent, service charges & insurance.
Partnership for Young London (PYL)	A Member of the City Corporation is a Trustee of PYL	- (266)	373 (318)	PYL received grant funding from CBF.
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of the City Corporation are Trustees of CF	- (250)	269 (390)	CF received grant funding from CBF.
Heart of the City (HoTC)	An Officer and a Member of the City Corporation are Trustees of HoTC.	- (-)	- (24)	HoTC received grant funding from CBF.
Bankside Open Spaces Trust (BOST)	An Officer of the City Corporation is a Trustee of BOST.	380 (351)	- (-)	BOST received grant funding from CBF.
Cambridge House and Talbot (CHT)	An Officer of the City Corporation is a Trustee of BOST.	- (51)	100 (100)	CHT received grant funding from CBF.
Baring Foundation (BF)	A Co-opted Member of the City Corporation is an employee of BF.	- (1,310)	- (-)	BF received grant funding from CBF

Augmentum Capital Limited (AC)	A Member of the City Corporation is a Director of AC Ltd.	174 (-)	131 (-)	AC paid rent, service charges & insurance to the Charity.
CBRE Global Investors (CBRE)	A Member of the City Corporation is an employee of CBRE	1,292 183*	4,169 (328)	CBRE provided surveys, consultancy and development, and property purchase advisory services and rent reviews to the Charity
WSP Group plc (WSP)	A Member of the City Corporation is a Consultant at WSP	- (-)	23 (-)	WSP provided consultancy services to the Charity

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

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

During the year CBF contributed £114k towards Corporate IT projects (2022/23: £138k and £91k towards the 'Secure City' project, relating to CCTV and telecommunications (2022/23: £138k). The balance owed to City Fund at year end was nil (2022/23: nil).

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

City's Estate holds a lease with CBF for the rental of a property. Rental income of £24k was received in the year (2022/23: £24k). The balance owed to CBF at year end was £78k (2022/23: nil).

REFERENCE AND ADMINISTRATION DETAILS

Bridge House Estates

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

Principal office: Guildhall, London, EC2P 2EJ

Trustee: The Mayor and Commonalty & Citizens of the City of London

CBF Board members:

Deputy Dr Giles Shilson (Chair)

Deputy Paul Martinelli (Deputy Chair)

Deputy Henry Colthurst

Colonel Simon Duckworth, OBE DL

Alderman Professor Emma Edhem

Alderman Alison Gowman CBE

John Griffiths (from 27/04/2023)

Campbell Middleton (from 12/10/2023)

Deborah Oliver (from 27/04/2023)

Judith Pleasance (to 27/04/2023)

Deputy Henry Pollard (to 27/04/2023)

Deputy Nighat Qureishi

Deputy James Thomson

Sue Threader (from 12/10/2023)

City Corporation - Senior officers:

Chief Executive Ian Thomas - The Town Clerk and Chief Executive of the City of London Corporation

Chief Financial Officer Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer

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

Surveyor Paul Wilkinson – City Surveyor

CBF Executive Leadership team:

Managing Director (to 10/06/2024)	David Farnsworth OBE
Finance Director (to 30/09/2024)	Karen Atkinson
Chief Operating Officer and Acting Managing Director (from 11/06/2024)	Simon Latham
Chief Funding Director	Sacha Rose Smith
Philanthropy Director	Fiona Rawes MBE
Director of Communications and Engagement	Catherine Mahoney

Auditors

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

Bankers

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

Financial investment advisors

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

Contact for City Bridge Foundation, to request copies of governance documents – CBF@cityoflondon.gov.uk