

# Public Document Pack



**Nottingham**  
**City Council**

## **Nottingham City Council Trusts and Charities Committee**

**Date:** Monday, 23 September 2024

**Time:** 2.00 pm

**Place:** Ground Floor Committee Room - Loxley House, Station Street, Nottingham,  
NG2 3NG

**Councillors are requested to attend the above meeting to transact the following business**

**Director for Legal and Governance**

**Governance Officer:** Phil Wye

**Direct Dial:** 0115 876 4637

- 1 Appointment of Vice Chair**
- 2 Apologies for Absence**
- 3 Declarations of Interest**
- 4 Minutes** 3 - 4  
Minutes of the meeting held of 24 June 2024, for confirmation
- 5 Bridge Estate Draft Financial Outturn 2023/24** 5 - 44  
Report of the Corporate Director for Finance and Resources
- 6 Bridge Estate Charity - Property Update Report** 45 - 50  
Report of the Director of Economic Development and Property
- 7 Exclusion of the public**  
To consider excluding the public from the meeting during consideration of the remaining item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 8 Exempt Minutes** 51 - 54  
Exempt minutes of the meeting held of 24 June 2024, for confirmation

<b>9</b>	<b>Bridge Estate Draft Financial Outturn 2023/24 - Exempt Appendix</b>	<b>55 - 58</b>
<b>10</b>	<b>Bridge Estate Charity - Property Update Report - Exempt Appendix</b>	<b>59 - 66</b>

If you need any advice on declaring an Interest in any item on the agenda, please contact the Governance Officer shown above, if possible before the day of the meeting.

Citizens are advised that this meeting may be recorded, including by members of the public. Any recording or reporting on this meeting should take place in accordance with the Council's policy on recording and reporting on public meetings, which is available at [www.nottinghamcity.gov.uk](http://www.nottinghamcity.gov.uk). Individuals intending to record the meeting are asked to notify the Governance Officer shown above in advance.

## Nottingham City Council

### Trusts and Charities Committee

Minutes of the meeting held at Loxley House, Nottingham on 24 June 2024 from 2.04 pm - 3.01 pm

#### Membership

##### Present

Councillor Steve Battlemuch  
Councillor Fozia Mubashar  
Councillor Andrew Rule

##### Absent

Councillor Faith Gakanje-Ajala  
Councillor Zafran Nawaz Khan  
Councillor Farzanna Mahmood  
Councillor Salma Mumtaz  
Councillor Sana Nasir  
Councillor Sarita-Marie Rehman-Wall

#### Colleagues, partners and others in attendance:

Ann Barrett	- Legal Team Leader, Planning and Environment
James Christian	- Solicitor, Conveyancing
Rebecca Larmuth	- Senior Surveyor, Development
Bevis Mackie	- Portfolio and Investment Manager
Andy Nuttall	- Estates Surveyor
Thomas Straw	- Senior Accountant, Capital Programmes
Phil Wye	- Governance Officer

#### 1 Nomination of Vice Chair

Resolved to defer nomination of a Vice-Chair to the next Committee meeting.

#### 2 Charing Arrangements

Resolved to appoint Councillor Steve Battlemuch as Chair for this meeting.

#### 3 Declarations of Interests

None.

#### 4 Apologies for Absence

Councillor Zafran Khan – personal  
Councillor Sana Nasir - unwell  
Councillor Sarita-Marie Rehman-Wall - personal

#### 5 Minutes

The minutes of the meeting held on 25 March 2024 were confirmed as a correct record and signed by the Chair.

## **6 Bridge Estate Property Update Report**

Bevis Mackie, Corporate Portfolio and Investment Manager, presented the report informing the Committee of the position of the Bridge Estate Portfolio since the last meeting.

**Resolved to note the updates relating to the individual Bridge Estate properties**

## **7 Dates of future meetings**

**Resolved to meet on the following Mondays at 2.00pm:**

- **23 September 2024**
- **16 December 2024**
- **24 March 2025**

## **8 Exclusion of the public**

The Committee agreed to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

## **9 Exempt Minutes**

The exempt minutes of the meeting held on 25 March 2024 were confirmed as a true record and signed by the Chair.

## **10 Bridge Estate Property Update Report - Exempt Appendix**

Bevis Mackie, Corporate Portfolio and Investment Manager, presented the exempt appendix to the report which informs the Committee of the position of the Bridge Estate Portfolio since the last meeting.

**Resolved to approve the recommendations set out in the exempt appendix**

Trust and Charities Committee – 23<sup>rd</sup> September 2024

<b>Title of paper:</b>	Bridge Estate Draft Financial Statement 2023/24	
<b>Director(s)/ Corporate Director(s):</b>	Ross Brown – Corporate Director of Finance & Resources (Section 151)	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	Tom Straw – Senior Accountant (Capital Programmes)	
<b>Other colleagues who have provided input:</b>	Bevis Mackie – Portfolio and Investment Manager	
<b>Date of consultation with Executive Member(s) (if relevant)</b>	N/A	
<b>Does this report contain any information that is exempt from publication?</b>		
An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to audit cost and audit approach which if disclosed will prejudice the auditors position in the external market and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because disclosing this information will prejudice the auditor's position in the external market		
<b>Relevant Council Plan Outcome:</b>		
Green, Clean and Connected Communities	<input type="checkbox"/>	
Keeping Nottingham Working	<input type="checkbox"/>	
Carbon Neutral by 2028	<input type="checkbox"/>	
Safer Nottingham	<input type="checkbox"/>	
Child-Friendly Nottingham	<input type="checkbox"/>	
Living Well in our Communities	<input type="checkbox"/>	
Keeping Nottingham Moving	<input type="checkbox"/>	
Improve the City Centre	<input type="checkbox"/>	
Better Housing	<input type="checkbox"/>	
Serving People Well	<input type="checkbox"/>	
<b>Summary of issues (including benefits to citizens/service users):</b>		
The report contains details of 2 letters that are required to be signed by the Chair as part of the external audit and the draft 2023/24 outturn for the Bridge Estate Trust (financial accounts enclosed), detailing any variance from 2022/23.		
<b>Recommendation(s):</b>		
<b>1</b>	To approve the chair to sign enclosed letters to external audit: <ul style="list-style-type: none"> <li>Letter of Engagement (Annex 1)</li> <li>Audit Planning Letter (Exempt Annex 2)</li> </ul>	
<b>2</b>	Note the draft financial outturn for the Bridge Estate Trust	
<b>3</b>	To delegate authority to the Chair of the Committee to sign the audited accounts on behalf of the Trust, noting that the final version of the accounts will be circulated outside of the meeting to the Committee prior to signing, and the formally circulated at a later Committee meeting.	

## **1. Reasons for recommendations**

- 1.1 The Letter of Engagement and Audit Planning Letter are required by the Trust's external auditors as part of the annual audit of the financial statements.
- 1.2 This report is an integral part of the Council's regular monitoring, forecasting and reporting system. The report enables the Trusts and Charities Committee to be aware of the financial position of the Trust and therefore allows any appropriate decisions or actions to be taken in their role in managing the Trust on behalf of Nottingham City Council as the sole Trustee.
- 1.3 The Bridge Estate/ Trust's Financial Statements are consolidated as part of Nottingham City Council's Financial Statements; therefore, the Trust is required to provide the Council with signed accounts.

## **2. Other options considered in making recommendations**

- 2.1 Not signing the Letter of Engagement and Audit Planning Letter was rejected on the basis that external audit would not be able to be completed until letters signed.
- 2.2 Defer the signing of the financial accounts until the next Trust and Charities Committee meeting. This was rejected as deferring the accounts would mean the Trust not being able to consolidate into the Council's Statement of Accounts within the current timetable.

## **3. Consideration of Risk**

- 3.1 The 2023/24 financial statement is a key requirement for the Bridge Estate and is required to be submitted to the Charity Commission by the 31st January 2025 and the enable Nottingham City Council to produce consolidated accounts. The 10 month financial return deadline for Charities is a necessity for all Charities with income exceeding £25,000, as stipulated by the Charity Commission.

## **4. Background (including outcomes of consultation)**

- 4.1 As Trustee, the Council has responsibility for making recommendations on the management of its Charities. The financial outturn is a key part of the framework for the financial management of the Trust and any subsequent recommendations.

## **5. Finance colleague comments (including implications and value for money)**

- 5.1 The enclosed letters that require signing by the Chair of the Trusts and Charities Committee as part of the external audit are listed and summarised below:
  - Letter of Engagement (Annex 1), sets out the basis to which the external auditors are to act, detailing the respective areas of responsibility.
  - Audit Planning Letter (Exempt Appendix 2), is a requirement of International Standards on Auditing and sets out the audit approach.
- 5.2 Table 1 below presents the 2023/24 draft position for the Bridge Estate, further details can be found in the enclosed Draft Financial Statement (Annex 3). The completion of the 2023/24 audit is planned to complete and have signed accounts by the 31 December 2024, this is later than previous years due to the annual property valuations being externally procured.

Table 1: Bridge Estate Draft Outturn 2023/24

	2023/24 £	2022/23 £	Movement £
<b>Income</b>			
Rent (Net of movement in loss allowance)	(1,824,064)	(1,497,411)	(326,653)
Interest Received	(57,926)	(39,600)	(18,326)
Service Charges / Other	(29,763)	(52,355)	22,592
<b>Total Income</b>	<b>(1,911,753)</b>	<b>(1,589,366)</b>	<b>(322,387)</b>
<b>EXPENDITURE</b>			
<b>Raising Funds</b>			
Business Rates	197,121	250,128	(53,007)
Supplies & Services	33,226	44,859	(11,633)
Energy	442,591	46,122	396,469
Property Maintenance (inc Bridge)	102,693	19,495	83,198
Rent collection	22,534	22,534	0
Grounds Maintenance	4,787	5,213	(426)
<b>Charitable Activities</b>			
Management & Administration	160,437	131,805	28,632
Other	11,450	0	11,450
Grant to Nottingham City Council	571,000	750,000	(179,000)
<b>Other</b>			
Interest Payable on Lister Gate Loan	46,243	51,110	(4,867)
<b>Total Expenditure</b>	<b>1,592,082</b>	<b>1,321,266</b>	<b>270,816</b>
<b>SURPLUS POSITION BEFORE MOVEMENT TO RESERVES</b>	<b>(319,671)</b>	<b>(268,100)</b>	<b>(51,571)</b>
<b>MOVEMENT TO RESERVES</b>			
Contribution to / (from) Repairs Fund	94,511	67,293	27,218
Contribution to / (from) Unrestricted Fund	233,409	200,807	32,602
Contribution to / (from) Endowment Fund	(8,249)	0	(8,249)
<b>NET position</b>	<b>0</b>	<b>0</b>	<b>0</b>

5.3 Variance between 2023/24 and 2022/23 greater than £100,000 are explained below:

- Rental Income (movement £0.326m), the difference is largely due to movements in loss allowances (i.e. bad debt), once this technical entry is excluded from both financial years the variance between the financial years reduces to £0.091m.
- Energy (movement £0.396m), during 2023/24 reports were collated which identified a number of invoices from Nottingham City Council that dated back a number of years. While a full investigation is undertaken as to whether the amounts are due an accrual was processed in 2023/24 for the full amount, is expected to reduce between draft and final following the review.

#### 5.4 Bridge Estate – Reserve Position

5.5 As set out in the Bridge Estate Financial paper £0.307m was forecast to be contributed to Bridge Reserves in 2023/24, the below table shows an additional contribution of £0.026m which increases the 2023/24 contribution to £0.333m. The closing balance on the reserves at 31 March 2024 is £1.252m. The approved commitments are detailed below:

Table 2: Bridge Estate Reserve Position 2023/24 and 2024/25 Approved Contribution

	<b>Bridge Repair Reserve £</b>	<b>Property Repair Reserve £</b>	<b>Un-Earmarked Reserve £</b>	<b>Capital Receipt Reserve £</b>	<b>Total £</b>
Balance @ 1 April 2023	(171,830)	(353,457)	(292,601)	(105,711)	<b>(923,599)</b>
Contribution 2023/24	(100,000)	(100,000)	(133,409)	0	<b>(333,409)</b>
Drawdowns 2023/24	5,489	0	0	0	<b>5,489</b>
<b>Draft Balance 31 March 2024</b>	<b>(266,341)</b>	<b>(453,457)</b>	<b>(426,010)</b>	<b>(105,711)</b>	<b>(1,251,519)</b>
<b>Expenditure Commitments</b>					
Govenors House	0	15,262	0	105,711	<b>120,973</b>
Century House	0	147,903	0	0	<b>147,903</b>
Wheeler Gate	0	15,979	0	0	<b>15,979</b>
Dragon Court	0	68,000	0	0	<b>68,000</b>
Castle Bridge	0	110,227	0	0	<b>110,227</b>
<b>Uncommitted Balance</b>	<b>(266,341)</b>	<b>(96,086)</b>	<b>(426,010)</b>	<b>0</b>	<b>(788,437)</b>
Approved Contribution 2024/25	(100,000)	(100,000)	(87,000)	0	<b>(287,000)</b>
<b>Forecast Uncommitted Balance</b>	<b>(366,341)</b>	<b>(196,086)</b>	<b>(513,010)</b>	<b>0</b>	<b>(1,075,437)</b>

## 6. Legal colleague comments

6.1 To be provided at the committee meeting as required.

## 7. Equality Impact Assessment (EIA)

7.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because this report does not relate to a change in policy or a new service.

Yes

## 8. Data Protection Impact Assessment (DPIA)

8.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because this report does not involve the collection of data.

Yes

## 9. Carbon Impact Assessment (CIA)

9.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because this decision will not have an impact on carbon emissions.



Yes

**10. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

10.1 None.

**11. Published documents referred to in this report**

11.1 None.

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Our Ref: MB / SP / B299 / 321854

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The Trustees  
Bridge Estate Charity  
Nottingham City Council  
Loxley House  
Station Street  
Nottingham  
NG2 3NG

3 July 2024

Dear Sirs

The purpose of this letter is to set out the basis on which we are to act as auditors of the charity and the respective areas of responsibility of the trustees and of ourselves.

## **1 Responsibilities of trustees and auditors**

- 1.1 As trustees of the charity, you are responsible for maintaining proper accounting records and an appropriate system of internal control for the charity. You are also responsible for preparing the annual report and financial statements which give a true and fair view and have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Charities Act 2011 (“the Act”) and regulations made under it.
- 1.2 As trustees of a charity, you are under a duty to prepare an annual report for each financial year complying in its form and content with regulations made under the Charities Act 2011. You should also have regard to the Statement of Recommended Practice (SORP) ‘Accounting and Reporting by Charities’ issued October 2019 by the joint SORP-making body, and any subsequent amendments or variations to this statement.
- 1.3 You are responsible for such internal control as you determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error. Additionally, you are also responsible for safeguarding the assets of the charity, complying with laws and regulations and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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- 1.4 You are responsible for making available to us, as and when required, all the charity's accounting records and related financial information, including minutes of all trustees' and management meetings that we need to do our work. You will provide us with all information and explanations relevant to the purpose and compilation of the financial information, and you will disclose to us all relevant information in full. You will provide us with unrestricted access to persons within the charity from whom we determine it is necessary to obtain audit evidence.
- 1.5 Where audited information is published on the charitable company's website or by other electronic means, it is your responsibility to advise us of any intended electronic publication before it occurs and to ensure that any such publication properly presents the financial information and auditor's report. We reserve the right to withhold consent to the electronic publication of our report if it or the financial statements are to be published in an inappropriate manner. It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to that information. We are not required to review such controls nor to carry out ongoing reviews of the information after it is first published. The maintenance and integrity of the charitable company's website is your responsibility and we accept no responsibility for changes made to audited information after it is first posted.
- 1.6 Under the Charities Act 2011 we have a statutory responsibility to report to the trustees of the charity whether in our opinion the financial statements:
- give a true and fair view of the state of the charity's affairs at the year end and of its incoming resources and application of resources, for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
  - have been prepared in accordance with the requirements of the Charities Act 2011.
- In addition, we have a statutory responsibility to report by exception if, in our opinion:
- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
  - the charity has not kept sufficient accounting records;
  - the financial statements are not in agreement with the accounting records; or
  - we have not received all the information and explanations we require for our audit.
- If we have nothing to report in respect of the above matters we will include a statement in our report confirming this.
- 1.7 We have a professional responsibility to report if the financial statements do not comply in any material respect with applicable accounting standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we consider whether:
- the departure is required in order the financial statements to give a true and fair view, and
  - adequate disclosure has been made concerning the departure.
- 1.8 As noted above, our report will be made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work will be undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our

audit work, for the audit report, or for the opinions we form. The audit of the financial statements does not relieve you of your responsibilities.

- 1.9 Under the Charities (Accounts and Reports) Regulations 2008 you are required to report as to whether you have given consideration to the major risks to which the charity is exposed and to the systems designed to manage those risks. We are not required to form an opinion on the effectiveness of the risk management and control procedures.
- 1.10 We have a statutory duty to report to the Charity Commission under section 156 of the Charities Act 2011 such matters (concerning the activities or affairs of the charity or any connected institution or body corporate) of which we become aware during the course of our audit which are (or are likely to be) of material significance to the Charity Commission in the exercise of their powers of inquiry into, or acting for the protection of, charities.
- 1.11 The provision of audit services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, partners and staff in audit firms have to comply with this legislation which includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our normal audit work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.
- 1.12 Should matters or significant facts that may bear upon our integrity, objectivity and independence arise, you will be informed of these on a timely basis.

## **2 Scope of audit**

- 2.1 Our audit will be conducted in accordance with the International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Those standards require that we plan and perform our audit in order to obtain reasonable assurance about whether the company's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 2.2 As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Read all financial and non-financial information (other information) included in the annual report other than the financial statements and identify whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears materially misstated. You are responsible for the preparation of the other information and where, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report this fact.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- 2.3 Our work will be planned in advance and incorporated into an audit plan. This may be varied on the basis of our findings during the course of an audit from year to year. Accordingly, we may modify our audit scope, rotate our audit emphasis and propose matters of special audit emphasis, as circumstances dictated.
- 2.4 We shall obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the financial statements, and to establish whether proper accounting records have been maintained by the charity. We shall expect to obtain such appropriate evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom.
- 2.5 The nature and extent of our procedures will vary according to our assessment of the charity's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the charity's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the charity's systems but, if such weaknesses come to our notice during the course of our audit which we think should be brought to your attention, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the charity in mind and that we accept no duty or responsibility to any other party as concerns the reports.
- 2.6 The information used by you in preparing the financial statements will invariably include facts or judgements which are not themselves recorded in the accounting records. As part of our normal audit procedures, we will ask you to provide written confirmation each year of such facts or judgements and any other oral representations that we have received from you during the course of the audit on matters having a material effect on the financial statements. In particular, where we bring misstatements in the financial statements to your attention that are not adjusted, we shall require written representation as to whether you believe the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole.

- 2.7 In order to assist us with the examination of your financial statements, we shall request sight of all documents or statements, including the Trustees' Annual Report, which are due to be issued with the financial statements.
- 2.8 The responsibility for safeguarding the assets of the charity and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves. However, we shall plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.
- 2.9 We shall not be treated as having notice, for the purposes of our audit responsibilities, of information provided to members of our firm other than those engaged on the audit (for example, information provided in connection with accounting, taxation and other services).
- 2.10 In respect of the expected form and content of our report, we refer you to the most recent bulletin on auditors' reports published by the Financial Reporting Council at [www.frc.org.uk](http://www.frc.org.uk). The form and content of our report may need to be amended in light of our findings.
- 2.11 Once we have issued our report we have no further direct responsibility in relation to the financial statements for that financial year. However, we expect that you will inform us of any material event occurring between the date of our report and that of the Annual General Meeting which may affect the financial statements.
- 2.12 We appreciated that the present size of your charity renders it uneconomical to create a system of internal control based on the segregation of duties for different functions within each area of the charity. In the running of your charity we understand that the trustees are closely involved with the control of the charity's transactions. In planning and performing our audit work we shall take account of this supervision.

### **3 Communication**

In order to ensure that there is effective two-way communication between us we set out below the expected form and timing of such communications.

- a) We will arrange a meeting to discuss the forthcoming audit, including an overview of the planned scope and timing of the audit.
- b) We will arrange a meeting to discuss any matters arising from the audit after completing the on-site work.

The formal communications set out above are the minimum required to comply with auditing standards. We shall of course contact you on a more frequent and regular basis regarding both audit and other matters.

## **4 Other services**

### **4.1 Accounting**

Your responsibilities as trustees of the charity are set out in section 1 of this letter.

You have agreed that your staff will be responsible for:

- keeping the record of receipts and payments;
- reconciling the balances monthly with the bank statements;
- keeping posted and balanced the accounting ledgers;
- preparing a detailed list of ledger balances;
- preparing details of the annual stocktaking suitably priced and extended.

You have undertaken to make available to us, as and when required, all the charity's accounting records and related financial information, including minutes of management and members' meetings necessary for the compilation of the accounts. You will make full disclosure to us of all relevant information.

#### Role of the accountants

You have asked us to help you compile the statutory financial statements in accordance with the requirements of the Charities Act 2011 and regulations made under it and with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' 2015 (FRS102). We will compile the annual financial statements for your approval based on the accounting records maintained by you and the information and explanations given to us by you. In carrying out our engagement we will make enquiries of management and undertake any procedures that we judge appropriate.

We have a professional duty to compile financial statements that conform with generally accepted accounting principles from the accounting records and information and explanations given to us. Where we identify that the financial statements do not conform with the requirements of legislation or with the guidance issued by the Charity Commission, or if the accounting policies adopted are not immediately apparent this will need to be disclosed in the financial statements.

Our responsibilities as auditors are set out in section 1 of this letter.



## **5 Investment advice – exempt regulated activities**

5.1 Although we are not authorised by the Financial Services Authority to conduct Investment Business, we are licensed by the ICAEW to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.

5.2 Such assistance may include the following:

- advising you on investments generally, but not recommending a particular investment or type of investment;
- referring you to a Permitted Third Party (PTP) (an independent firm authorised by the FSA) and assisting you and the authorised third party during the course of any advice given by that party. This may include comment on, or explanation of, the advice received (but we will not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000. The firm may receive commission from such an introduction, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction.
- advising on the sale of a contractually based investment other than disposing of any rights or interests which you may have as a member of a personal pension scheme;
- advising and assisting you in transactions concerning shares or other securities not quoted on a recognised exchange;
- managing investments or acting as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person;

5.3 If you are dissatisfied in any way with our services described in this section, you should follow the procedures set out in the “Quality of Service” section. In the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants’ Compensation scheme.

## **6 Applicable law**

6.1 This engagement letter shall be governed by and construed in accordance with, English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter (including the firm’s terms of business) and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

6.2 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

6.3 The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom we may communicate it. We will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

## **7 Client identification**

- 7.1 In common with all accountancy and legal practices, the firm is required by law to:
- Maintain identification procedures for clients and beneficial owners of clients;
  - Maintain records of identification evidence and the work undertaken for the client; and
  - Report, in accordance with the relevant legislation and regulations.
- 7.2 We may use electronic checks as part of our identification procedures. We confirm that these electronic checks are not credit checks.

## **8 Quality of service**

- 8.1 We aim to provide you with a fully satisfactory service and Melvin Bailey, engagement partner will seek to ensure that this is so. If, however, you are unable to deal with any difficulty through the engagement partner and their team please contact Ali Allcock. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction, you may of course take up the matter with the Institute of Chartered Accountants in England and Wales (ICAEW) by whom we are regulated for audit purposes.

## **9 Client monies**

- 9.1 We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the ICAEW.
- 9.2 In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by Lloyds Bank Plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 9.3 If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.
- 9.4 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. If any funds remain in our client account that are unclaimed and the client to which they relate has remained untraced for five years or we as a firm cease to practise then we may pay those monies to a registered charity.

## **10 Fees and payment terms**

- 10.1 Our fees are computed on the basis of the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved.
- 10.2 If it is necessary to carry out work outside the responsibilities outlined in this letter it will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc., are completed to the agreed stage.
- 10.3 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net.

## **11 Retention of and access to records**

- 11.1 Retaining documents and records relevant to your tax and financial affairs is your legal responsibility. During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation and audit of your accounts and returns.
- 11.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

## **12 Electronic communication**

- 12.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us to writing that e-mail is not an acceptable means of communication.
- 12.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

## **13 Data Protection**

- 13.1 To enable us to discharge the services agreed in this engagement letter, comply with related legal and regulatory obligations and for other related purposes including updating and enhancing client records and analysis for management purposes, as a data controller, we may obtain, use, process and disclose personal data about you, the charity, its members, officers and employees as described in our privacy notice. We confirm when processing data on your behalf that we will comply with the provisions of all relevant data protection legislation and regulation.
- 13.2 You are also an independent controller responsible for complying with data protection legislation and regulation in respect of the personal data you process and, accordingly where you disclose personal data to us you confirm that such disclosure is fair and lawful and otherwise does not contravene relevant requirements. Nothing within this engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.
- 13.3 Our privacy notice, which can be found on our website at [www.rogers-spencer.co.uk](http://www.rogers-spencer.co.uk) explains how we process personal data.
- 13.4 As part of our ongoing commitment to providing a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced and professional people and, of course, are bound by the same rules for confidentiality as us.

## **14 Professional rules and practice guidelines**

14.1 We will observe and act in accordance with the byelaws, regulations and Code of Ethics of the ICAEW and accept instructions to act for you on this basis. In particular you give us the authority to correct errors made by HMRC where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. You can see copies of these requirements in our offices. The requirements are also available on the internet at [www.icaew.com/regulations](http://www.icaew.com/regulations).

14.2 We confirm that we are Statutory Auditors eligible to conduct audits under the Companies Act 2006. When conducting audit work we are required to comply with the FRC Ethical Standard and the International Standards on Auditing (UK) which can be accessed on the internet at <https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance.aspx>.

## **15 Confidentiality**

15.1 Unless we have your authorisation to disclose information on your behalf, we confirm that if you provide us with confidential information we will, keep it confidential at all times, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to us or our engagement.

15.2 To comply with our duty of confidentiality it will be sufficient for us to take such steps as we think appropriate to preserve the confidentiality of information given to us by you, both during and after this engagement, should we act for other clients who are or become your competitors. These steps may include taking the same or similar approach as we take in respect of the confidentiality of our own information.

15.3 If we act for other clients whose interests are or may be adverse to yours, the conflict will be managed by implementing additional safeguards to protect confidentiality. Safeguards may include measures such as separate or physical separation of teams and separate arrangements for storage of, and access to, information. You therefore, agree that the implementation of such safeguards will provide adequate measures to avoid any real risk of confidentiality being impaired.

15.4 We may, on occasion, subcontract work however, should we propose to use the work of a subcontractor for your affairs we will inform you before they commence any work, except where your data will not be transferred out of our systems and the contractor is bound by confidentiality terms equivalent to an employee. In addition to this, the subcontractor will also be bound by our client confidentiality terms.

15.5 This applies in addition to our obligations on data protection in section 13.

## **16 Conflicts of interest and internal disputes within a client**

16.1 We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours. Subject to our confidentiality clause we confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting the charitable company.

16.2 If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by our Code of Ethics which can be viewed at at <https://www.icaew.com/technical/trust-and-ethics/ethics/icaew-code-of-ethics>.

16.3 If a dispute arises between the parties who own the business or who are involved in the ownership and management, it should be noted that our client is the business and we

therefore do not provide information or services to one party without the permissions of all parties.

**17 The Provision of Services Regulations 2009**

17.1 Our professional indemnity insurer is AXA Insurance UK PLC, of 20 Gracechurch Street, London EC3V 0BG. The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States or Canada.

**18 Timing of our services**

18.1 If you provide us with all information and explanations on a timely basis in accordance with our requirements, we will plan to undertake the work within a reasonable period of time in order to meet any regulatory deadlines. However, failure to complete our services prior to any such regulatory deadline would not, of itself, mean that we are liable for any penalty or additional costs arising.

**19 Use of our name in statements or documents issued by you**

19.1 You are not permitted to use our name in any statement or document that you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that in accordance with applicable law are to be made public.

19.2 The copyright in any document prepared by us belongs to us in entirety unless the law specifically provides otherwise.

**20 Interpretation**

20.1 If there is a conflict between an engagement letter schedule and these terms of business then the engagement letter takes precedence.

20.2 We will provide services as outlined in this letter with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses directly caused by our negligence, fraud or wilful default. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or the tax authorities.

20.3 You will not hold us, the owners of this firm and any staff employed by the firm, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services we provide to you against any of the principals or employees personally.

20.4 Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

20.5 If any provision of this engagement letter or terms of business or its application is held to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of any other provision and its application shall not in any way be affected or impaired.

20.6 Advice we give you orally should not be relied upon unless we confirm it in writing. We endeavour to record all advice on important matters in writing. However, if you particularly

wish to rely upon oral advice we give you during a telephone conversation or a meeting, you must ask for the advice to be confirmed in writing.

- 20.7 We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances. We will accept no liability for losses arising from changes in the law or the interpretation thereof that occur after the date on which the advice is given.
- 20.8 Unless specifically instructed and agreed in advance we will not assist with the implementation of our advice.

**21 Termination of our agreement**

- 22.1 Either party to these terms of engagement may terminate the agreement by giving not less than 21 days notice in writing to the other party. We may, however, terminate our agreement immediately where you fail to cooperate with us, or we have reason to believe that you have provided us or HMRC with misleading information. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.
- 22.2 Should our contract be terminated; we will endeavour to agree with you the arrangements for the completion of work in progress at that time. We may, however, be required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

**22 Agreement of terms**

- 22.1 The terms set out in this letter shall take effect immediately upon your countersigning this letter and returning it to us or upon the commencement of the audit, accounts and tax return for the accounting period ended 31 March 2024, whichever is the earlier.
- 22.2 Once it has been agreed, this letter will remain effective until it is replaced. We shall be grateful if you could confirm your agreement to the terms of this letter either by sending your electronic approval or by signing and returning the enclosed copy of this letter; please let us know if they are not in accordance with your understanding of our terms of engagement.

Yours faithfully

*Rogers Spencer*

We agree to the terms of this letter

.....  
Signed, for and on behalf of Bridge Estate Charity

# BRIDGE ESTATE



## ANNUAL REPORT

**for the year ended 31 March 2024**

**Registered Charity Number: 220716**

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**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2024**

The trustees present their annual report and financial statements of the charity for the year ended 31st March 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland.

**OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

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

The Trustees' Annual Report for the year ending 31 March 2024 confirms that any residual income is applied to the Trust's charitable objectives as defined below, this includes the improvement of the City of Nottingham in support of the Council's aims and objectives, as set out in the Council Plan and Medium Term Financial Strategy. This is delivered through the maintenance and protection of the Trust's portfolio of income producing assets.

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

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

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

**Objectives**

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

The Bridge Estate's charitable objectives are now threefold:

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

**Main objectives for the financial year 2024/25 -**

1. To ensure the necessary financial provision is available if required to provide a vehicle and pedestrian communication link for the City of Nottingham via Trent Bridge.
2. The continued development of the Trust's property portfolio with a view to minimizing the risk of exposure to adverse economic conditions and protecting and increasing its income and capital value of its assets.
3. Surplus revenue generated by the Charity to be invested for the public benefit of the City of Nottingham's inhabitants.

**Strategies adopted in the management of the property portfolio**

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

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

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

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

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

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

**ACHIEVEMENTS and PERFORMANCE**

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

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

- Governors House & Judges Retiring Rooms – heads of terms finalised with respect to granting a lease to the prospective tenant and specification compiled for outstanding refurbishment works
- 24-30 Castle Gate - the property was remarketed and generated offers from prospective purchasers with disposal of the freehold interest expected during 24/25
- 140 Vernon Road – the property was presented to the market with respect to disposal of the freehold interest with disposal expected during 24/25
- Glaisdale Point – negotiations commenced with respect to a possible lease re-gear of the long-leasehold interest
- 34, 36 & 38 Lister Gate – asset management opportunity progressed with negotiations having progressed with a prospective tenant with respect to letting the ground floor at no. 38 Letting Lister Gate
- 14-16 Wheeler Gate – options continued to progress with regard to undertaking improvement works to the mechanical services

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

## **FINANCIAL REVIEW**

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

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

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

### **Policy on reserves**

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

The actual Surplus transferred was £571,000 for 2023/24 (£750,000 2022/23). Further details on reserves can be found in the notes to the accounts.

### **Investment Policy**

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

### **Risk Management**

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

required.

### Review of financial position

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

	2023/24 (£)	2022/23 (£)
<b>INCOMING RESOURCES</b>	<b>(1,750,550)</b>	<b>(1,850,245)</b>
<b>RESOURCES EXPENDED</b>		
Surplus transferred to NCC General Fund	571,000	750,000
Raising Funds	806,154	388,351
Charitable Activities	160,437	131,805
Other	46,243	51,110
Increase / (Decrease) in Loss Allowance	(161,203)	260,879
Net Contribution to / (from) reserves	327,919	268,100
	<b>1,750,550</b>	<b>1,850,245</b>

### PLANS FOR FUTURE PERIODS

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

The current portfolio includes some of these elements:

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

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

The strategy is based on the following principles:

- All assets in the portfolio to be rated on their potential for retention or disposal with a view to actively pursuing early disposal in selected cases.
- That specific opportunities be identified for using additional investment resources for the improvement of existing assets where it can be demonstrated the investment will generate increased income or maintain income otherwise at risk. This might include the refurbishment of offices or workspace or buying in leasehold interests to provide an asset that is more attractive to a potential tenant.

- That opportunities for strategic acquisitions be brought to future committees for consideration where it can be demonstrated they will:
  - Secure income generation
  - Good potential for rental growth
  - Resilience to changing economic conditions
- An annual review of the policy for disposals and acquisitions looking at projections for the forthcoming year and the influence of opportunities secured in the previous year.
- The exploration of opportunities within the portfolio where value can be secured through strategic acquisition of third party interests, securing planning consent where it is beneficial and is considered to add value to potential disposals
- Maintaining and developing existing income through selective investment in assets identified for retention.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Organisational structure of the charity**

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

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

### **Governing document**

Royal Charter Dated 21 February 1551.

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

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

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

It was established in 1945 that Bridge Estate was and had from the beginning been a Charity. Consequently, the property of the Estate and the Council elected members as Trustees, are subject to the law affecting

charitable trusts, the jurisdiction of the Charity Commissioners and the provisions of the Charities Act 2011, various statutes and the provisions of Charity Law.

### Trustees' selection methods

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

NCC has elected members who are elected on a 4 year cycle. The following table details the councillors / trustees for the financial year 1 April 2023 to 31 March 2024 and also includes all post year trustee movements, following local elections:

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

Councillor Kirsty Jones (Nottingham Independents)	Councillor Toby Neal (resigned May-23)
Councillor Kirsty Jones (Labour)	Councillor Wendy Smith (resigned May-23)
Councillor Leslie Ayoola	Councillor Zafran Khan
Councillor Liaqat Ali	

### Trusts and Charities Committee

Councillors are appointed to membership of the Trusts and Charities Committee by full Council to fulfil the Council's responsibilities as Trustees. The Constitution allows that where in-year changes are required to memberships, either at the request of the relevant political group or because a member has resigned or ceased to be eligible for membership, the Corporate Director of Finance and Resources has the authority to action those changes subject to political balance being preserved where applicable and to the changes made being reported to the next meeting of Council. Details of membership will be updated and published on the Council's website on an ongoing basis. The following is the current list of the Trusts and Charities Committee appointed members (following the May 2023 Local Election) who approve the Annual Report and financial statements for the financial year 1 April 2023 to 31 March 2024:

Councillor Zafran Khan (Chair)
Councillor Faith Gakenje-Ajala
Councillor Farzanna Mahmood
Councillor Salma Mumtaz
Councillor Sana Nasir
Councillor Sarita-Marie Rehman-Wall
Councillor Steve Battlemuch (Appointed May 2024)
Councillor Fozia Mubashar (Appointed May 2024)
Councillor Andrew Rule
Councillor Kirsty Jones (Previous Chair – resigned from Committee May 2024)
Councillor Anwar Khan (resigned from Committee May 2024)

### Induction and training of Trusts and Charities Committee

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



**REFERENCE AND ADMINISTRATIVE DETAILS**

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

**RESPONSIBILITIES OF THE TRUSTEES****The Trustees' Responsibilities**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 2019 SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

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

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

Date:

Cllr Zafran Nawaz Khan (Chair), Signed for the Trustees

The notes form part of these accounts.

**Statement of Financial Activities for the year ending 31 March**

	2023/24			2022/23		
	Unrestricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Endowment Funds £	Total Funds £
<b><u>Income and endowments from:</u></b>						
Other Trading Activities	(1,692,624)	-	(1,692,624)	(1,784,350)	-	(1,784,350)
Investments	(57,926)	-	(57,926)	(39,600)	-	(39,600)
Other	-	-	-	(26,295)	-	(26,295)
<b>Total</b>	<b>(1,750,550)</b>	<b>-</b>	<b>(1,750,550)</b>	<b>(1,850,245)</b>	<b>-</b>	<b>(1,850,245)</b>
<b><u>Expenditure on:</u></b>						
-						
Raising Funds	-	806,154	806,154	-	388,351	388,351
Charitable Activities		160,437	160,437	41,048	90,757	131,805
Charitable Activities - Transfer to NCC	571,000	-	571,000	750,000	-	750,000
Increase / (Decrease) in Loss Allowance	(161,203)	-	(161,203)	260,879	-	260,879
Other	-	46,243	46,243	-	51,110	51,110
<b>Total</b>	<b>409,797</b>	<b>1,012,834</b>	<b>1,422,631</b>	<b>1,051,927</b>	<b>530,218</b>	<b>1,582,145</b>
<b>Net (income) /expenditure</b>	<b>(1,340,753)</b>	<b>1,012,834</b>	<b>(327,919)</b>	<b>(798,318)</b>	<b>530,218</b>	<b>(268,100)</b>
<b>Transfer between Funds</b>	1,012,834	(1,012,834)	-	631,198	(631,198)	-
<b>Other Recognised (Gains)/Losses</b>						
(Gains)/losses on Revaluation of Investment Properties			-	-	(5,008,698)	(5,008,698)
(Gains)/losses of following Fair Value assessment of Financial Investments	-	(89,205)	(89,205)	-	6,241	6,241
Other (gains)/losses	11,801	-	11,801	-	(526)	(526)
<b>Net Movement in Funds</b>	<b>(316,118)</b>	<b>(89,205)</b>	<b>(405,323)</b>	<b>(167,120)</b>	<b>(5,103,963)</b>	<b>(5,271,083)</b>
<b><u>Reconciliation of Funds</u></b>						
<b>Total Funds Brought Forward</b>	<b>(829,689)</b>	<b>(35,823,385)</b>	<b>(36,653,074)</b>	<b>(662,569)</b>	<b>(30,719,422)</b>	<b>(31,381,991)</b>
<b>Total Funds Carried Forward</b>	<b>(1,145,807)</b>	<b>(35,912,590)</b>	<b>(37,058,397)</b>	<b>(829,689)</b>	<b>(35,823,385)</b>	<b>(36,653,074)</b>

**Balance Sheet as at 31st March 2024**

	Note	2023/24 (£)	2022/23 (£)
<b>Fixed Assets</b>			
Property Investments	6	36,976,100	36,976,100
Investments at Fair Value through Statement of Financial Activities	7	815,274	726,069
<b>Total Fixed Assets</b>		<b>37,791,374</b>	<b>37,702,169</b>
<b>Current Assets</b>			
Debtors (net of Bad Debt Provision)	8	1,953,374	1,264,140
Cash at Bank	8	1,475,893	1,147,033
<b>Total Current Assets</b>		<b>3,429,267</b>	<b>2,411,173</b>
<b>Liabilities</b>			
Creditors - Amounts falling due within one year	9	(2,679,103)	(1,796,844)
<b>Net Current Assets</b>		<b>750,164</b>	<b>614,329</b>
<b>Total Assets Less Current Liabilities</b>		<b>38,541,538</b>	<b>38,316,498</b>
Creditors - Amounts falling due after one year	9	(40,879)	(40,879)
Long Term Borrowing	9	(1,442,262)	(1,622,545)
<b>NET ASSETS</b>		<b>37,058,397</b>	<b>36,653,074</b>
<b>The Funds of the Charity</b>			
Endowment Fund		(35,912,590)	(35,823,385)
Unrestricted Funds		(1,145,807)	(829,689)
<b>TOTAL CHARITY FUNDS</b>		<b>(37,058,397)</b>	<b>(36,653,074)</b>

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

Date:

Ross Brown - Corporate Director of Finance and Resources

Date:

CLlr Zafran Nawaz Khan (Chair), Signed for the Trustees

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Accounting Policies**

#### **General Principles**

The Annual Report summarises the Bridge Estate transactions for 2023/24 financial year together with its financial position at 31 March 2024.

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

#### **Basis of preparation and assessment of going concern**

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

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

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

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

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

#### **Income Recognition**

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

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

#### **Expenditure Recognition**

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

##### Raising Funds

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

##### Charitable Activities

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

### Charitable Activities – Transfer to NCC

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

### Other

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

### **Irrecoverable VAT**

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

### **Other recognised Gains/(losses)**

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

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

### **Fixed Assets**

#### Investment properties

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

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

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

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

#### Other investments

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

### **Accruals of Expenditure and Income**

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

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

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

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

### Cash

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

### Funds of the Charity

#### Endowment fund

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

#### Unrestricted income fund

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

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

## 2. Tax status of the Bridge Estate

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

## 3. Summary of Fund Movements

	2023/24			2022/23		
	Endowment Fund £	Unrestricted Funds £	TOTAL £	Endowment Fund £	Unrestricted Funds £	TOTAL £
<b>Balance B/fwd</b>	(35,823,385)	(829,689)	<b>(36,653,074)</b>	(30,719,422)	(662,569)	<b>(31,381,991)</b>
Incoming Resources	-	(1,750,550)	<b>(1,750,550)</b>	-	(1,850,245)	<b>(1,850,245)</b>
Outgoing Resources	1,012,834	409,797	<b>1,422,631</b>	530,218	1,051,927	<b>1,582,145</b>
Transfers	(1,012,834)	1,012,834	-	(631,198)	631,198	-
Gains and Losses	(89,205)	-	<b>(89,205)</b>	(5,002,457)	-	<b>(5,002,457)</b>
Other Movements	-	11,801	<b>11,801</b>	(526)	-	<b>(526)</b>
<b>Balances C/fwd</b>	<b>(35,912,590)</b>	<b>(1,145,807)</b>	<b>(37,058,397)</b>	<b>(35,823,385)</b>	<b>(829,689)</b>	<b>(36,653,074)</b>

### Incoming Resources

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

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

#### Other Recognised (Gains)/Losses

The annual revaluation of the property portfolio has been completed in 2023/24 resulting in a net gain on revaluation of assets of £x

#### Unrestricted income fund

During 2023/24 the Bridge Repairs Fund received a contribution of £94,511 which is set aside for future works to the Bridge (£67,293 contribution 2022/23), while the unrestricted funds had a contribution of £225,160 (£200,807 2022/23).

#### 4. Income and Expenditure Detailed Analysis

	2023/24 £	2022/23 £
<b>INCOME</b>		
Rent (net of movement in Loss Allowance)	(1,824,064)	(1,497,411)
Service Charges	(29,763)	(26,060)
Interest Received	(57,926)	(39,600)
Other	-	(26,295)
	<b>(1,911,753)</b>	<b>(1,589,366)</b>
<b>EXPENDITURE</b>		
<b>Raising Funds</b>		
<i>Agency and Contracted Services</i>		
Grounds Maintenance	4,787	5,213
<i>Investment Management Costs</i>		
Business Rates	197,121	250,128
Energy Costs & Water	442,591	46,122
Property Maintenance (inc Bridge)	102,693	19,495
Rent Collection	22,534	22,534
Supplies and Services	33,226	44,859
<b>Charitable Activities</b>		
Surplus transferred to NCC General Fund	571,000	750,000
Audit Costs	11,450	-
<i>Support Costs</i>		
Management and Administration	160,437	131,805
<b>Other</b>		
Interest Payable	46,243	51,110
<b>Movement to Funds</b>		
Contribution to / (from) Bridge Repairs Fund	94,511	67,293
Contribution to / (from) Unrestricted Fund	225,160	200,807
	<b>1,911,753</b>	<b>1,589,366</b>

#### 5. Allocation of governance and support costs

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



2023/24				
	Total	Governance Related (*)	Other Support Costs	Basis of Apportionment
	£	£	£	
Audit Fees	11,450	11,450	-	External Provider's Annual Fee
Computer Costs	17,100	-	17,100	Software Usage
Recharged Staff Costs	55,140	23,548	31,592	Staff Time
Property Services Costs	71,981	-	71,981	Staff Time
	<b>144,221</b>	<b>23,548</b>	<b>120,673</b>	

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

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

## 6. Investment Property

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

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

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

	2023/24 (£)	2022/23 (£)
<b>Analysis of the movement in Investment Property</b>		
Carrying value (market value) at beginning of year	31,865,896	31,865,896
Add: Capital Expenditure Incurred	-	101,506
Add/deduct: Net gains/(losses) on revaluation		5,008,698
<b>Carrying value (market value) at end of year</b>	<b>31,865,896</b>	<b>36,976,100</b>

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

Property	Value 2023/24 £	Value 2022/23 £
Woolsthorpe Close, Off Wigman Road, Bilborough	4,300,000	4,300,000
Units 21-29, Whitemoor Court, Nuthall Road	4,082,000	4,082,000
Eastcroft Depot, London Road	3,400,000	3,400,000
The Alexander Fleming Building, Nottingham Science and Technology Park, University Boulevard	1,888,000	1,888,000
34-38 Lister Gate	1,645,000	1,645,000
Land: 3 Acres at Bull Close Road, Lenton Lane Industrial Estate, Nottingham	1,470,000	1,470,000
Castle Gate House, 24-30 Castle Castle, Nottingham	1,460,000	1,460,000
Century House, 8-18 Chapel Bar	1,450,000	1,450,000
Territorial Army Centre, Wigman Road	1,387,000	1,387,000
Eastcroft Incinerator Complex, London Road	1,033,000	1,033,000

## 7. Other Investments

	2023/24 £	2022/23 £
Government Stocks	1,385	1,385
COIF Accumulation Units	813,889	724,684
	<b>815,274</b>	<b>726,069</b>

Analysis of the movement in Other Investments	2023/24 £	2022/23 £
Carrying value (market value) at beginning of year	726,069	732,310
Add/deduct: Net gains/(losses) on revaluation	89,205	(6,241)
<b>Carrying value (market value) at end of year</b>	<b>815,274</b>	<b>726,069</b>

## 8. Analysis of current assets

Debtors	2023/24 £	2022/23 £
Trading Activities	1,213,608	998,866
Amounts due from subsidiary and associated undertakings	739,766	265,273
	<b>1,953,374</b>	<b>1,264,140</b>

Cash	2023/24	2022/23
	£	£
Cash at bank	1,475,893	1,147,033

### 9. Analysis of current liabilities and long term creditors

Current Liabilities	2023/24	2022/23
	£	£
Amounts due to subsidiary and associated undertakings (including subsidiary Receipts in Advance)	(2,320,089)	(1,440,650)
Other creditors	(112,414)	(140,144)
Receipts in Advance	(246,600)	(216,050)
	<b>(2,679,103)</b>	<b>(1,796,844)</b>

Long Term Creditors	2023/24	2022/23
	£	£
Rent Bonds	(40,879)	(40,879)
Long Term Borrowing	(1,442,262)	(1,622,545)
	<b>(1,483,141)</b>	<b>(1,663,424)</b>

### 10. Analysis of net assets between funds

	2023/24		2022/23	
	Endowment Fund	Unrestricted Fund	Endowment Fund	Unrestricted Funds
	£	£	£	£
Investment Properties			36,976,100	-
Other investments			726,069	-
Debtors (net of Bad Debt Provision)			-	1,266,519
Cash at Bank			(75,956)	1,222,989
Creditors - Amounts falling due within one year			(180,283)	(1,630,740)
Creditors - Amounts falling due after one year			-	(40,879)
Long Term Borrowing			(1,622,545)	-
			<b>35,823,385</b>	<b>829,689</b>

## 11. TRANSACTIONS WITH RELATED PARTIES

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

A loan of £3,922,881 was approved in 2012/13 to assist in the purchase of an investment property, this loan is for a period of 20 years and for accounting purposes is treated as long term borrowing. The payment started annually on the 31 March 2014. The payments will be made up of £180,283 principal and 2.70% pa interest on the average loan balance in the year. In 2023/24 the Bridge Estate paid £46,243 interest (£51,110 2022/23), which is shown within the SoFA under Other Expenditure and short term creditors, while the outstanding long term borrowing at the 31 March 2024 is £1,442,262 (£1,622,545 2022/23) which is shown in the balance sheet.

Monies due from NCC and other group entities (Robin Hood Energy and Nottingham City Homes) at the end of the financial year to the Bridge Estate was £739,766 (£265,274 2022/23). Monies owed to NCC and group entities was £2,320,089 (£1,440,651 2022/23).

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

In the year to 31 March 2024 various City Council departments and other Council group entities paid a sum of £535,536 (£565,861 2022/23) in respect of investment properties let by the Charity at current market rents subject to periodic reviews and related service charges. This income is included in the SoFA.

NCC charged the Bridge Estate £144,221 in the year to 31 March 2024 (£131,805 2022/23) in respect of officers' time and management and maintenance of properties. Of this total it is estimated that £23,548 (£41,048 2022/23) is attributable to the governance of the Charity. These costs relate to the preparation of the final accounts, valuation fees, legal fees and attendance and preparation for the Trusts and Charities Committee meetings.

The Charity had a charge of £4,787 (£5,213 2022/23) for grounds maintenance and contract cleaning to NCC. These transactions are shown within Raising Funds in the SoFA.

Surplus of income over expenditure during the year is transferred to NCC's General Fund for the improvement of the City of Nottingham and the public benefit of its inhabitants £571,000 (£750,000 2022/23).

During the current financial year, trustees received remuneration of £nil (£nil 2023/24) and had expenses reimbursed of £nil (£nil 2022/23).

**Trust and Charities Committee – 26 June 2023**

<b>Title of paper:</b>	Bridge Estate Property Update Report	
<b>Director(s)/ Corporate Director(s):</b>	Nicki Jenkins – Economic Development and Property	<b>Wards affected:</b> Various
<b>Report author(s) and contact details:</b>	Bevis Mackie – Corporate Portfolio and Investment Manager	
<b>Other colleagues who have provided input:</b>	Tom Straw - Senior Accountant, Capital Programmes (Technical Accounting) Malcolm Townroe – Director of Legal and Governance	
<b>Date of consultation with Portfolio Holder(s) (if relevant)</b>	N/A	
<b>Does this report contain any information that is exempt from publication?</b>		
An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of a particular person (including the authority holding the information), having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because publication may result in commercially sensitive information being revealed which could impact detrimentally on negotiations.		
<b>Relevant Council Plan Outcome:</b>		
Green, Clean and Connected Communities	<input type="checkbox"/>	
Keeping Nottingham Working	<input type="checkbox"/>	
Carbon Neutral by 2028	<input type="checkbox"/>	
Safer Nottingham	<input type="checkbox"/>	
Child-Friendly Nottingham	<input type="checkbox"/>	
Living Well in our Communities	<input type="checkbox"/>	
Keeping Nottingham Moving	<input type="checkbox"/>	
Improve the City Centre	<input type="checkbox"/>	
Better Housing	<input type="checkbox"/>	
Serving People Well	<input checked="" type="checkbox"/>	
<b>Summary of issues (including benefits to citizens/service users):</b>		
The report sets out the key property events that have taken place or are proposed for the Bridge Estate portfolio since the date of the last meeting.		
<b>Recommendation(s):</b>		
<b>1</b>	That the Committee note the updates in the report and Appendix 1a relating to the individual Bridge Estate properties	
<b>2</b>	That the Committee approves the recommended actions as set out in the Exempt Appendix 1b to the report.	

**1. Reasons for recommendations**

- 1.1 Appended to this report is a schedule setting out the recent activity or proposed actions relating to the individual properties within the Bridge Estate portfolio.

**2. Other options considered in making recommendations**

2.1 Not applicable

**3. Consideration of Risk**

3.1 Charity Commission guidance state that the Trust may purchase and lease property for Charity to generate income to meet its purposes, but Trustees must make sure that it is in the Charity's best interests. Trustees are responsible for protecting the Charity's money and assets. Therefore, Trustees should satisfy themselves that:

- the property is suitable for its needs;
- the price is fair, or even discounted, compared with similar properties to the market;
- they understand any legal obligations relating to the land, such as planning restrictions;
- any loan or mortgage terms are reasonable and competitive

**4. Background (including outcomes of consultation)**

4.1 Not applicable

**5. Finance colleague comments (including implications and value for money)**

5.1 Comments provided within the appendices to this report

**6. Legal colleague comments**

6.1 Comments provided within the appendices to this report

**7. Other relevant comments**

7.1 None

**8. Crime and Disorder Implications (If Applicable)**

8.1 N/A

**9. Social value considerations (If Applicable)**

9.1 N/A

**10. Regard to the NHS Constitution (If Applicable)**

10.1 N/A

**11. Equality Impact Assessment (EIA)**

11.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:  
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

**12. Data Protection Impact Assessment (DPIA)**

12.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because:  
in accordance with Section B1, there is no impact to service, community or policy.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

**13. Carbon Impact Assessment (CIA)**

13.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because:  
the report does not concern sensitive data.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

**14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

14.1 None

**15. Published documents referred to in this report**

15.1 None

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Bridge Estate Portfolio Update

Item No.	Property name and address	Surveyors Update	Finance Comments	Legal, Procurement and/or Risk considerations	Action required by Trustees
1	34 Lister Gate, NG1 7DD	The premises are marketed 'to let' with FHP Property Consultants.	Finance comments to be provided in the meeting as required.	Legal comments to be provided in the meeting as required.	For noting
2	36 Lister Gate	The premises are to be marketed 'to let' with FHP Property.	Finance comments to be provided in the meeting as required.	Legal comments to be provided in the meeting as required.	For noting
3	38 Lister Gate	The premises are marketed 'to let' with FHP Property Consultants.	Finance comments to be provided in the meeting as required.	Legal comments to be provided in the meeting as required.	For noting.
4	24-30 Castle Gate, NG1 7AT	Terms have been agreed for the disposal of freehold interest in this asset, solicitors are instructed with completion expected to take effect shortly.	Finance comments to be provided in the meeting as required.	Legal comments to be provided in the meeting as required.	For noting.
5	Governor's House & Judges Retiring Rooms, High Pavement, NG1 1HN	Terms for lease have been agreed with a prospective tenant, solicitors are instructed with the lease expected to complete following the completion of various refurbishment works later this year.	Finance comments to be provided in	Legal comments to be provided in	For noting

			the meeting as required.	the meeting as required.	
5	1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor Premises, Century House, 8 – 18 Chapel Bar, NG1 6JD	The premises are being marketed 'To Let' by HEB Surveyors.	Finance comments to be provided in the meeting as required.	Legal comments to be provided in the meeting as required.	For noting
6	Former Eon Offices, Building 1, Woolsthorpe Close, Woolsthorpe Depot	The premises remain on the market available 'To Let' with Innes England.	Finance comments to be provided in the meeting as required.	Legal comments to be provided in the meeting as required.	For noting
7	Ground Floor 5 Castle Bridge Office Village, Lawrence Way, NG7 1GE	The premises are marketed available 'to Let' by HEB surveyors.	Finance comments to be provided in the meeting as required.	Legal comments to be provided in the meeting as required.	For noting

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