

Registered Company no: 08755461
Registered Charity no: 1155246

GARDEN BRIDGE TRUST
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016

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**GARDEN BRIDGE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

CONTENTS	Page
Trustees' Report – (including Strategic Report and Trustees' Report)	1 - 15
Independent Auditor's Report	16 - 18
Consolidated Statement of Financial Activities	19
Consolidated and Charity Balance Sheets	20
Consolidated Cash Flow Statement	21
Notes to the Financial Statements	22 - 32

**GARDEN BRIDGE TRUST
TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2016**

Company and charity details

Garden Bridge Trust is a registered charity numbered 1155246 and a company limited by guarantee numbered 08755461.

Directors and charity trustees (the "Trustees")

Lord Evan Mervyn Davies	(Chairman)
Julie May Carlyle	
Lucy Rebecca Dimes	
Stephen Fitzgerald	(appointed 20 February 2015)
Clare Foges	
James Murray Gouvenot Gardiner	(resigned 31 October 2016)
John Robert Heaps	
Andrew Simon Lowenthal	(appointed 17 February 2016)
Joanna Lamond Lumley	
Paul Dring Morrell	
Alastair Subba Row	(appointed 11 March 2015)
Roland Dacre Rudd	
Robert Marc Suss	(appointed 29 April 2016)

Executive Director

Bee Emmott

Registered Office

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London
SW1H 0BL

Operational Office

Somerset House
Strand, London
WC2R 1LA

Auditors

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Legal Advisors

Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Macfarlanes
20 Cursitor St
London
EC4A 1LT

Bankers

Citi Bank
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Metro Bank
One Southampton Row
London WC1B 5HA

GARDEN BRIDGE TRUST TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

Overview from the Chairman

The Garden Bridge is a unique and visionary project. It will be a world-class landmark, reinforcing London's status as an ambitious world city and showcasing the UK's expertise in design, engineering, landscaping and as a leading centre for the creative industries. Over the past three years the Garden Bridge Trust has worked tirelessly to deliver what will be an incredibly special project, one that will bring with it strong economic, social and transport benefits.

The Bridge will connect London's South Bank with the Northbank, Covent Garden, the City and beyond. It is a pedestrian walkway across the River Thames, through a garden of 270 trees, hedges, shrubs and plants that is free to use and open to the public 365 days a year. It will help stitch the city together, connecting two very different sides of the river, creating a new place for people to enjoy at their own pace, and a new walking route for commuters.

The Garden Bridge Trust was set up to deliver the Bridge, assuming responsibility from Transport for London (TfL) who established the project and was responsible for the initial phase of investment incurring £9.4m of cost. The Trustees give their time and vast depth of experience for free.

We have continued support from our donors, the government, the Mayor of London and members of the public. We thank them all for their on-going commitment to the project. We have £69m of private funding secured (even without a brick in place) and our fundraising pipeline is strong. We have £60m of public funding from the Department for Transport (DfT) and TfL, £20m of which is being treated as a loan repayable to TfL.

The public investment has been spent, as was always intended, on pre-construction work. We have completed detailed designs for the Bridge, secured planning approvals, and undertaken work to obtain the necessary licences and permits required to do work in the River Thames. Alongside this necessary expenditure, the public investment has also helped kick-start our private fundraising drive.

We have made enormous progress and cleared a great many hurdles, but there remain challenges that must be resolved before construction of the Garden Bridge can start. We must secure rights to the necessary land on both sides of the River and complete the associated planning requirements. Whilst the previous Mayor committed to providing a guarantee for the future maintenance and operations of the Garden Bridge, we are awaiting confirmation from the current Mayor to ensure he will honour this commitment. Finally, we need to increase the unrestricted funding and underwriting available to the project and secure the remaining private sector funding.

Due to the material uncertainties in existence ahead of finalising these Accounts, Trustees are unable to conclude that the Trust is a going concern and feel it only appropriate to flag these risks in this report. It is hoped that these will be resolved over the months ahead but since a number of these matters are outside the control of the Trustees, they recognise that if this is not possible, they will need to consider the further delay to the project, and in a worst case scenario, whether the project remains viable.

The project has been subject to a number of delays at various points throughout its development, resulting from activities outside the control of Trustees. This includes judicial reviews of local council decisions relating to the project, protracted negotiations with third parties and a changing political climate including a new Mayor of London, the EU Referendum and the subsequent change in Government. These delays have led to an increase in total project cost.

However, we are working closely with stakeholders on land matters and following recent progress we anticipate securing agreement on the south side land in the near future. Westminster Council are advancing the necessary process in order for the Trust to secure land rights on the north side. In addition, we have received assurances from the Mayor that he has no objection to providing the guarantee following an assessment of our Operations and Maintenance Business Plan. Finally, given the success we have had so far, we are confident that we will meet our funding targets.

**GARDEN BRIDGE TRUST
TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2016**

The Trustees recognise that these matters are outside of our control and these remain material uncertainties. The Trust continues to manage the resources at its disposal responsibly and prudently by reducing expenditure where possible - including putting our construction contractor on standby - while continuing to develop the funding pipeline required and to be activated once construction begins.

We look forward to starting construction in 2017 and making the Garden Bridge happen.

A handwritten signature in black ink, appearing to read 'Mervyn Davies', with a stylized flourish at the end.

Lord Mervyn Davies

Chairman, Garden Bridge Trust

GARDEN BRIDGE TRUST TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

INTRODUCTION

The Trustees of the Garden Bridge Trust ("the Trust") present their second report for the 17 months ended 31 March 2016 under the Charities Act 2011 and the Companies Act 2006. This document includes the Directors' Report and Strategic Report under the 2006 Act, and the audited financial statements for the period. The year-end has been extended by 5 months from 31 October 2015 to 31 March 2016.

The financial statements comply with current statutory requirements and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (2005).

OUR OBJECTS

The objects for the Trust as set out in the Articles of Association are:

- To provide and maintain a garden-style footbridge spanning the River Thames (the Garden Bridge);
- To promote, for the benefit of the public at large, and those living and working in Greater London the provision of facilities on the Garden Bridge and the surrounding area, for recreation, relaxation or other leisure-time occupation in the interests of social welfare and with the object of improving the condition of life of the said individuals;
- To promote for the benefit of the public the environmental protection, conservation and improvement of the physical and natural environment, including the promotion of plant conservation, horticulture, arboriculture and associated sciences on the Bridge and the surrounding area; and
- To advance public education, training and retraining, with regards to horticulture, arboriculture and associated sciences and the history, culture and architecture of London.

OUR AIMS

The Garden Bridge project is a simple idea – a beautiful new garden floating above the River Thames, connecting the north and south banks. The Trust's mission is to turn this idea into a reality.

The Garden Bridge will be enjoyed by people from London and beyond for generations to come. It will showcase the best of British design, creating a unique experience of both the city and the River Thames, becoming a cherished part of London's landscape.

The 366 metre-long footbridge will stretch across the River Thames, from Temple underground station to the South Bank. The Bridge will hold an expansive garden, featuring an abundance of plants, trees and shrubs, chosen for their biodiversity, bringing wildlife and horticulture into the heart of London. Landscape designer Dan Pearson has carefully designed the planting to ensure it will frame and enhance views of London's iconic skyline. At the north end, planting will be inspired by Temple Gardens' history of ornamental gardening, including wisteria, alliums, and summer snowflakes. The south end will have a more relaxed, aesthetic feel reflecting the South Bank's marshland history, and will feature willow, birch, and primrose.

Footpaths will weave through the garden, creating a new pedestrian route, which will be free and open to all. The Bridge will be open from 6am to midnight, providing a calm and contemplative space in the middle of a busy city. There will be opportunities to enjoy the views, explore the gardens, or walk directly across as part of a longer journey. The Trust will ensure that the Bridge is a place for relaxation, recreation and social interaction: encouraging people to enjoy London on foot - promoting wellbeing and physical exercise, and driving interest in horticulture and nature in the city.

The garden will be supported by a precisely engineered, copper-nickel structure - its warm colour providing a contrast to the stone and steel structures on either side of the river.

The Trustees are passionate about what the Garden Bridge can do for London and the UK. We are committed to working with others who share that vision, so that communities on both sides of the River Thames, and visitors alike, can experience the benefits the project will deliver.

GARDEN BRIDGE TRUST TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

The Trust will be responsible for the maintenance of the Bridge in the long term, safeguarding the future of both bridge and garden. The Trust will continue to nurture long-term sustainable relationships with organisations on both sides of the river to this end.

BENEFITS

The key benefits that the Bridge will deliver for London include:

- 6000m² of new garden space in the centre of London - free for all to use, improving the wellbeing and quality of life for those who live and work in London, as well as visitors to the city.
- A crossing that will link cultural centres and tourist attractions on the North and South Banks.
- A new attraction for tourists and an addition to London's cultural offering.
- New routes between key attractions that avoid busy roads and enable safer walking journeys, improving pedestrian welfare in the city.
- Reduced pedestrian journey times between Temple Underground Station and the South Bank, encouraging more people to travel on foot.
- Increased opportunities for walking, increasing physical activity, which is linked with improved wellbeing and reduced premature mortality levels.
- Rebalanced demand and reducing crowding at Embankment Underground Station and reducing commuter congestion at Waterloo Station.
- A direct connection between the South Bank and Temple Underground Station, enabling the use of the Circle and District line services without the need to change at Embankment or Westminster, reducing demand at these stations and at Waterloo.
- Construction employment of approximately 200 (full time equivalent, or FTE) jobs, bringing employment and opportunities for British businesses and their workers.
- Long-term operational employment of approximately 20 FTE jobs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and membership

The Trust is a UK registered charity (charity number 1155246) and a company limited by guarantee (company number 08755461) that has been established to deliver the Garden Bridge. The Trust was registered as a charity on 8 January 2014. The governing documents of the Trust are its Memorandum and Articles of Association which were amended by special resolution on 20 December 2013 and 17 March 2015. It is governed by a Board of Trustees, who will also be responsible for the maintenance and operations of the Bridge in the future, and fundraising for these activities.

Garden Bridge Trading Limited is the Trust's wholly owned subsidiary, and a separately registered company (number 09172071). The Garden Bridge Trading Limited carries out non-charitable trading activities to raise funds for the work of the Trust.

The Board's work includes setting strategic direction and agreeing financial objectives, as well as agreed charitable objectives and ensuring that all the Trust's activities are within UK law.

The Board acts on advice and information from regular meetings with the Executive Director and staff of the Trust. The Chairman of the Board works closely with the Executive Director on a day-to-day basis, and with other Trustees focusing on particular projects, to maximise the support they can give.

The Board is subject to fixed-term appointment and election or re-election according to procedures set out in its Articles of Association. No Trustee shall serve for a consecutive period of more than six years without the approval of a two-thirds majority of the Trustees.

A review of the Board's skill-set is carried out at regular intervals and additional Trustees are appointed following consultation with the Chairman and other stakeholders. An induction programme is carried out for each new Trustee, covering all aspects of the role and the organisation.

GARDEN BRIDGE TRUST TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

Governance, organisational structure and decision-making process

Chairman and Trustees

The Chairman of the Trust is Lord Mervyn Davies.

The Board comprises a further eleven Trustees, including Joanna Lumley, whose idea inspired the Bridge. The Trustees bring a diverse range of complementary skills to the project. A full list can be found on page 1.

TfL assisted the Trust in seeking the planning permission necessary to build the Bridge. The permission is subject to several planning conditions that must be discharged prior to construction of the Bridge starting.

Committees

The Board has formed five committees:

- The Finance and Audit Committee oversees financial planning and control and risk management as well as the external audit.
- The Development Committee is responsible for oversight of the fundraising strategy.
- The Communications Committee has been tasked with managing communications with the public and key stakeholders.
- The Project Delivery Committee is responsible for the delivery of the project.
- The Maintenance and Operations Committee is responsible for the on-going maintenance and operation of the Bridge.

Trading Subsidiary

Garden Bridge Trading Limited, is the wholly owned trading subsidiary of the Garden Bridge Trust. Its principal purpose is to raise funds for the Charity and all profits are donated under Gift Aid.

The principal activity of the Company during 2015/16 was the licensing of the name and logo of the charity for use in corporate sponsorship agreements.

The trading activities generated operating profit for the 17-month period of £1,158k (2014: £NIL) which will be paid to the Trust under the Gift Aid Scheme. It is anticipated that the trading activity within the subsidiary will continue at a similar or greater level.

Related parties

An internal conflict of interest register is in place, which is based on declaration of interest submissions completed by all Trustees and senior management. Trustee meeting policy is that, where Trustees have an interest in the matter under discussion, they will absent themselves from these discussions and decisions.

GARDEN BRIDGE TRUST TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

STRATEGIC REPORT

OUR ACHIEVEMENTS

Contractors

Following a successful tender process undertaken in 2014 and 2015, the Joint Venture between Waterloo-based Bouygues TP and Cimolai was appointed in April 2015 as the main contractor to build the Bridge. During May to September 2015, the Joint Venture worked with the Trust's Design lead, London-based global engineering group Arup, to finalise the detailed design required to begin construction.

All contractors were stood down on 28 September 2015 following the suspension of negotiations on the land required on the South Bank by Lambeth Council. This matter was subsequently resolved and our contractors were remobilised in November 2015.

In February 2016, the Trustees awarded the main construction contract to the Joint Venture, which enabled the Trust to secure the committed team, as well as a viable programme and price. This also enabled the Joint Venture to be engaged in third party stakeholder dialogue as required, and develop relationships with key parties. The construction contract between the Joint Venture and the Trust included provisions for termination fees should the contract need to be terminated prior to the start of construction, bearing in mind there still remained hurdles to overcome at this stage.

The Joint Venture, having concluded most of the detailed design by June 2016, was in a position to begin large-scale procurement and fabrication of the Bridge. The Trustees took the prudent decision to put the Joint Venture on standby on 1 July 2016, to allow the land negotiations to be concluded and Mayoral guarantee to be obtained before further commitments to the construction were made, thereby keeping expenditure to a minimum.

The Trustees understand that this decision will have an impact on the date that construction will start, the date of completion and the total cost of the project. This is monitored on a regular basis and will be considered prior to re-mobilising the contractors.

Planning and Property

Since planning permission was granted for the Bridge at the end of 2014, the Trust has worked hard to address the planning conditions that must be discharged prior to construction starting.

All pre-commencement conditions have now been discharged in Westminster, with only a few remaining in Lambeth. The Trust will be required to discharge obligations under a Section 106 agreement, a legal agreement entered into between the Trust and local authorities that is a condition of the planning permission. This will happen once the Trust has the necessary land interest.

We have the majority of our third party agreements completed or ready to execute once land agreements are finalised, including with the Port of London Authority (PLA), Thames Tideway Tunnels, London Underground, ITV and IBM. In addition, we have reached agreement with the Worshipful Company of Master Mariners for the relocation of HQS Wellington. Finally, we have now secured the necessary Marine Management Organisation (MMO) License required prior to construction. Negotiations continue with relevant stakeholders and local authorities in order to secure the land required to build the Bridge, allowing our Section 106 agreements to be signed and obligations discharged. Provision of the Mayoral guarantee is also a requirement of our planning permission, which will expire in December 2017. For construction to commence prior to this, remobilisation of the construction team will be required during early summer 2017.

Fundraising

The Trust continues the capital campaign to raise the funds required to build the bridge. We have either received funds or pledges amounting to £129m towards the total cost. This includes £60m of public funding from the Department for Transport (DfT) and TfL, £20m of which will be treated as a loan repayable to TfL.

GARDEN BRIDGE TRUST TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

In addition, £69m has been raised or pledged from the private sector, including trusts, foundations, corporates and individuals.

Fundraising has been successful during the reporting period, with several major gifts secured in support of major and medium gardens on the bridge, benches and balustrades. The Trust also held its first major fundraising event during this period, which was attended by over 450 guests and raised £863k.

The Trust will continue to focus on securing major gifts over the next period with the aim of closing the gap on the overall capital target. The Trust will also consider a public fundraising campaign, which will offer a range of ways in which the public can get involved and support the project. This is expected to generate funds but also raise public awareness and support.

Once the capital campaign is completed, the Trustees intend to launch an Endowment Fund in order to secure funds for the on-going operations and maintenance of the Bridge. The Fund is expected to be in place by the time the bridge opens and the Trustees have already received a pledge of £2 million towards this.

The Trustees have developed an Operations and Maintenance Business Plan (OMBP) for the first five years of the Bridge, and this will be further developed and refined until Bridge opening. The Trustees will also develop the plan to look further ahead. The OMBP includes a range of revenue streams that will generate income to cover the operational costs of the Garden Bridge from the moment it opens. These methods will include corporate membership, programme sponsorship, contactless donations, event hire and retail.

The project has been subject to a number of delays at various points throughout its development, resulting from activities outside the control of Trustees. This includes judicial reviews of decisions relating to the project, made by the Local Authorities, protracted negotiations with third parties and a changing political climate including a new Mayor of London, the EU Referendum and subsequent change in Government.

The last external estimate of the total project cost of the Garden Bridge was £185m but due to the hurdles still to be cleared and the ensuing delays the final cost could substantially exceed the formal estimate. Until the hurdles have been overcome and the subsequent programme refined we will not obtain a definite estimate. Nevertheless we have developed an updated fundraising strategy that reflects the increased costs. This has included re-evaluating the number of funding opportunities and their value.

Youth Engagement, Collaboration and Partnerships

Our schools programme is up and running, with a Youth Board of around 40 local students from both Lambeth and Westminster meeting once per term to gain an understanding of career opportunities in, for example, engineering, design and horticulture that projects such as this may offer. The Youth Board, made up of both primary and secondary students, will also take an active role in the development of our education and schools programme as we move towards operation.

We have a formal partnership in place with Oasis Academy in Lambeth, particularly supporting their Oasis Farm project, where we are very excited to be involved in the design and planting of a garden on their site, which will reflect design and planting elements from the Bridge. We are also working in partnership with the charity Connection at St Martin-in-the-Fields, and with Westminster City Council to establish a horticulture and gardening programme for homeless and long-term unemployed people in Westminster.

We remain committed to ensuring strong collaborative partnerships with local organisations, schools and charities to ensure the benefits of the Bridge are maximised.

GARDEN BRIDGE TRUST TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

Review of Activities since the period end

- The Joint Venture, concluded most of the detailed design by June 2016, and is in a position to begin large-scale procurement and fabrication of the Bridge. The Trustees decided to put the Joint Venture on standby on 1 July 2016 in order to allow the remaining land negotiations to be concluded before making further commitments to construction, thereby eliminating unnecessary expenditure.
- The construction contract between the Joint Venture and the Trust included provisions for termination fees should the contract need to be terminated prior to the start of construction.
- The Trust has discharged the remaining of our pre commencement planning conditions; secured agreements with ITV and IBM; agreed the form of license with the PLA; obtained a license from the MMO.
- The Trustees requested the provision of an underwriting by Government to cover potential termination liabilities for the period of 1 June to 30 September 2016 prior to construction starting.
- In September 2016 the Trust was granted an underwriting by DfT of up to £9m of the project's cancellation costs up to a day preceding the day which the main contractor commences the construction of the Garden Bridge.
- The Mayor has commissioned Dame Margaret Hodge to undertake a review into procurement and value for money associated with the public-sector funding of the project. We understand that this review is unlikely to be completed until March 2017, contributing to uncertainty for the project programme and our ability to raise private sector funds.
- The Charity Commission opened a compliance case on the Garden Bridge Trust in the summer of 2016 focusing on the level of governance, financial conduct and trustee engagement and oversight, following a complaint received. Trustees provided their full cooperation and understand that the report will be issued in the very near future. Nothing emerged from the process or verbal feedback which caused the Trustees to be concerned.
- An "American Friends" group was established on 15 May 2015. This is a publicly-supported charity exempt from tax under Internal Revenue Code Section 501(c)(3). The group's charitable purpose, broadly, is to support the goals of Garden Bridge Trust in the United Kingdom. The roles and responsibilities of board members of a "Friends" group are typical of board membership of many US charitable corporations and will be largely familiar to individuals with prior experience in UK registered charities.

Public Benefit

The Trustees confirm that they have complied with their duty as per the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

Risk management and internal control

Senior management and the Trustees have continually identified the major risks that could affect the Trust's work and put in place controls to manage these risks wherever possible. Identifying and managing risks is an integral part of the roles of both the Executive Director, the Senior Management Team and the Trust's Project Team and forms part of their daily work.

Key controls include:

- Established organisational and governance structure and reporting lines.
- A formal agenda and minutes for meetings of the Trustees and the Board Committees.
- Regular meetings of Trustees and Board Committees.
- Weekly Trustee updates from the Executive Director.
- A formal risk assessment updated and reviewed by Trustees on a regular basis.
- Rolling cash forecasts, weekly review, funding pipeline, constant monitoring of contingent liabilities.

GARDEN BRIDGE TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2016

The Finance and Audit Committee regularly reviews the Trust's risk register and reports back to the Board of Trustees. In addition, policies and procedures have been developed across most operations, monitored by the Finance and Audit Committee.

The Trustees recognise that systems can only provide reasonable, and not absolute, assurance that major risks are being adequately managed. The Trustees confirm that the major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed and they are satisfied that systems or procedures have been established to manage those risks.

The following table summarises the key project risks which must be surpassed before construction can commence.

Key Risks	Progress
Reaching agreement with Coin Street Community Builders (CSCB) regarding the South Landing land and building design, including settlement of terms between Lambeth and CSCB.	We must secure rights to the necessary land on both sides of the River and complete the associated planning requirements, including discharging our obligations under a Section 106 agreement entered into with both local authorities north and south of the River. CSCB has expressed public support for the Bridge. The CSCB Board of Directors has consistently stated that as long as the elected authorities want the project delivered, they will not stand in its way. Significant progress has been made towards reaching agreement, particularly over the last two months. Recent discussions about the land transaction and technical meetings to work through design issues have been positive and agreement is considered achievable. However, Trustees recognise that without agreement with CSCB, the bridge cannot be built so it remains a significant risk to the delivery of the Garden Bridge.
Reaching agreement as to the form of the GLA guarantee required by Westminster City Council and the Port of London Authority	GLA guarantees are a requirement of planning approval. The previous Mayor signed off the guarantees and the Trust has been in dialogue with the current Mayor to seek assurances that he will honour that commitment. We have assurances from the Mayor that he has no objection to providing the guarantee following an assessment of our operations and maintenance business plan (OMBP). The Mayor has advised the Trust that he will ask the GLA officers to complete a formal assessment of the Trust's OMBP once this has been reviewed by Lambeth Council.
Meeting shorter-term cash flow requirement through to the date of commitment to construction	We are actively seeking donors to convert a portion of their existing pledges to monies to be spent at risk prior to construction starting. In addition the Trust will continue to focus on securing major gifts over the next period with the aim of closing the gap on the overall capital target. The Trust will also consider a public fundraising campaign, which will offer a range of ways in which the public can support the project and get involved. This is expected to generate funds but also raise public awareness and support..
The Trust needs to raise sufficient additional funding in time for the Trustees to be able to formally agree the contract with the Joint Venture and work to commence before current	The Development Committee was established to focus attention on fundraising and regularly reports to the Board. The Trust has a pipeline of advanced discussions and a number of significant gifts are

**GARDEN BRIDGE TRUST
TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2016**

planning consents expire in December 2017.	<p>being considered.</p> <p>The Trust will continue to focus on securing major gifts over the next period with the aim of closing the gap on the overall capital target. The Trust will also consider a public fundraising campaign, which will offer a range of ways in which the public can get involved and support the project. This is expected to generate funds but also raise public awareness and support.</p>
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The table below highlights the key project hurdles being actively managed by the Trust, that are necessary to overcome prior to the commencement of construction. These activities are not unusual for a project of this scale and are not considered to present major risk in their current status.

Key project hurdles	Progress & Management
Finalising realistic working programme to enable works to commence before the end of 2017	The programme will be revised to enable the Joint Venture's remobilisation, attend to outstanding matters and enable development to commence by December 2017. We have a committed contractor who is keen to deliver the Garden Bridge as a flagship UK project.
Finalising revised contract price with the Joint Venture, based on new programme, and therefore overall budget, including payment security measures.	A negotiated deed of variation will be executed with the Joint Venture to revise the price and programme in light of delays.
Finalising on-going cash flow and ensuring that sufficient funds are available to meet the needs of the project throughout its life.	Public sector grant funding has enabled the Trust to to have a £9m underwriting in place. The Trust continues to take a prudent approach and ensure expenditure is kept to a minimum.
Agreement between CSCB and London Borough of Lambeth (LBL) regarding the South Landing land – first in principle (Heads of Terms) and then in detail (Head Lease).	LBL has already undertaken the necessary variation to the lease to allow the land transaction to go ahead. This was subject to a Judicial Review which was thrown out of the courts in September 2016.
Securing the position with Westminster City Council (WCC) regarding consents required for work at the Temple Station landing	The Trust has submitted all the necessary information and documentation to Westminster County Council (WCC) for this to go ahead. WCC advise they expect to resolve the Section 203/241 by the end of 2016. The current programme can allow for this process to commence in early 2017. The Trust has a good relationship with WCC, who continue to assure the Trust that they remain in support of the project and will continue to progress the necessary to consents to enable construction to start.
Reaching agreement with London Underground Limited (LUL) re work required at Temple Station	The LUL Development Agreement is in agreed form. Once a revised programme has been agreed, this can be executed. The Trustees believe this is resolvable.
Satisfying conditions attached to the release of public funds, including	The Trust has demonstrable, robust project management and assurance capability and a Project

GARDEN BRIDGE TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2016

demonstrating ability to obtain all necessary consents, clearance of "go/no go" gateway review, plans for operation and maintenance and the Trust being in a position to fund the first 5 years of operation	Execution Plan that has been approved by Transport for London. Significant hurdles have already been cleared. In addition, £129m has been raised towards the capital cost of the Bridge without a brick being laid. There is a strong fundraising pipeline and a strategy in place for attracting new donors. The Operations and Maintenance Business Plan demonstrates how operating and maintenance costs can be met for the first five years and a small surplus generated. This plan will be developed further leading up to and throughout construction.
Reaching agreement with ITV and IBM regarding construction access and rights of light. This requires LBL to lift or modify a restrictive covenant barring closure of the access lane between ITV and IBM for more than 12 hours	The Trust has worked closely with ITV and IBM on construction access and rights to light issues. We have an agreement in place with ITV on construction issues and constructive working relationships with both organisations, with agreement on remaining issues considered achievable. We have submitted the relevant documents to LBL in relation to the covenant and expect that they will consider the issue in the first half of 2017.
Executing an Asset Protection Agreement with Thames Tideway, and agreeing implications of a new programme	Thames Tideway remain supportive and co-operative. Entering into an Asset Protection Programme is not mandatory.
Executing a temporary River Works Licence (RWL) with the Port of London Authority, and agreeing in principle terms of a permanent licence	The RWL is in agreed form, but additional mitigation measures demanded due to increased river traffic may import additional cost.

Enormous progress has been made towards addressing these risks and clearing these hurdles required prior to the commencement of construction. To the extent that these matters are within the Trustees' control they are satisfied that they are doing all that they can to ensure all necessary land rights are acquired and planning conditions satisfied.

The Trustees have considered and will continue to review and consider risks that the Project may face throughout construction, completion and on-going maintenance phases.

FINANCIAL REVIEW

Full accounts are found on pages 19 - 32. They comprise the results for the period-ended 31 March 2016. The Statement of Financial Activities can be found on page 19.

To achieve its charitable objective of building and running the Garden Bridge, the Trust raised £39.2 million of income of which £3.6 million was unrestricted. The Trust expects to be able to deliver the Garden Bridge although this is dependant on securing the Mayoral Guarantee and land rights along with other risks as identified. The last external estimate of the total project cost of the Garden Bridge was £185m but due to the hurdles still to be cleared and the ensuing delays the final cost could substantially exceed the formal estimate. Until the hurdles have been overcome and the subsequent programme refined we will not obtain a definite estimate. Nevertheless we have developed an updated fundraising strategy that reflects the increased costs. This has included re-evaluating the number of funding opportunities and their value.

Types of funds are shown on the balance sheet, on page 20. Analysis of the restricted funds is shown in note 9.

The Trust has received a £60 million commitment from The Mayor of London and Her Majesty's Treasury. The Trust has agreed to a reduction in the investment received from Government. £20m of the £60m is now being treated as a loan repayable to TfL, meaning that more funds are being raised

GARDEN BRIDGE TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2016

privately. Approximately £69 million has been received or pledged from other sources, for example: trusts, philanthropic institutions, corporate organisations, individuals and the wider community.

The Trust is leading the fundraising and is committed to raising the monies needed to deliver the Bridge. The remaining funding required will be raised through private sources. In addition, the Trust will launch a major public appeal in 2017. This will offer an opportunity for local communities and the wider public to help deliver an exciting new garden for the UK. Fundraising has been impacted by the uncertainty of the delays arising from the various hurdles as outlined within the table above.

In addition, the Trust is also committed to delivering the funds required to maintain the Bridge to a high standard for at least 125 years after opening. Operating and maintenance costs are predicted at approximately £3 million per annum, which includes both garden and infrastructure maintenance, provision of security, cleaning and rubbish collection, as well as repairs and renewals. This does not include operations of the Trust. The Trust will continue to revise this figure as operational plans are developed and refined through to opening.

This estimate will be confirmed between now and opening as the Trust engages with the contractors and organisations that will assist the Trust in managing the Bridge. A close working relationship with neighbouring institutions and both boroughs will ensure any collaborative opportunities and integration into existing activities are maximised.

RESERVES POLICY

During the Trust's pre-construction phase, its Group policy is to raise sufficient funds to enable the Bridge to be built and to fund the on-going maintenance while ensuring that sufficient funds exist to meet all existing and contingent liabilities. The Trust is working hard to make the Bridge a reality and details of progress to date on fundraising are provided in note 9. The Trust expects to achieve its remaining fundraising target in accordance with its fundraising forecasts. In addition, it aims to raise a further £15 million expendable endowment fund to secure funding towards the maintenance and repair of the Garden Bridge.

GOING CONCERN

The Trust, like many charities, is dependent on voluntary income to fund its charitable objects. In addition to the income pledged by the public sector, the Trust is committed to raising the remaining balance through private sources, for example, trusts, philanthropic institutions, corporate organisations, individuals and the wider community. The Trustees receive forecasts and financial projections which detail variations in the level and timing of future income and funding. As explained in note 9, income raised and pledged to date is £129m. This includes £60m of public funding from the Department for Transport (DfT) and TfL, £20m of which will be treated as a loan repayable to TfL.

The Trustees have considered both the short and longer term funding requirement and other risks that have been highlighted in the Risk Management section on page 9. They have considered the key risks that could negatively impact the going concern nature of the project many of which are outside the direct control of the Trustees. This makes the going concern assessment extremely difficult to conclude. There has been good progress with the land negotiations and we are working to conclude these in the near future. In addition, a recent letter from the Mayor of London, explains he has, in principle, no objection to providing the required Mayoral guarantee once he has reviewed our OMBP. However, there still remains uncertainty. In determining whether the Trust can technically be viewed as a going concern the Trustees have considered the cash flow projections, risks and hurdles to be cleared over the next 18 month period.

The key areas causing material uncertainty are outlined below:

1. Securing the land on the South Bank. While negotiations regarding this have recently progressed and both parties are working towards concluding an agreement, until such time as the agreement is reached there remains an uncertainty. Without the land deal on the South Bank, the Bridge cannot be built and Trustees recognise the significant risk that remains until such time as the outcome of negotiations become clearer.

**GARDEN BRIDGE TRUST
TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2016**

2. Receiving confirmation from the Mayors' office that the Mayoral guarantee committed by the previous Mayor will be honoured. The Trustees requested confirmation and have now received a response in which the Mayor confirms this is subject to a review of the Trust's OMBP. Until such time as this review has taken place and confirmation provided to Trustees, a significant risk remains to the project, as the guarantee is a condition of the planning approval.
3. To be able to continue to develop the project, following satisfaction of the aforementioned risks, the Trust will need additional cash funding that is not subject to repayment if the project is not able to proceed in the first two quarters of 2017. Trustees have engaged in active dialogue with a number of supporters. These discussions are continuing and subject to contractual agreements aimed at providing the Trustees with sufficient cash resource to enable the project to continue. The Trustees recognise that it is unlikely that the final outcome from these discussions will be finalised before the filing date of the accounts.
4. The Trust will need to raise sufficient additional funding in time for the trustees to be able to formally agree the contract with the Joint Venture and work to commence before current planning consents expire in December 2017.

Despite these uncertainties the Trustees have continued to prepare the financial statements on the going concern basis. They continue to seek to resolve outstanding issues and raise the necessary funding to construct the Bridge although they are aware that the outcome of one or more of the risks set out above could change their decision. The financial statements do not include any adjustments that would be necessary if the Trust is unable to continue as a going concern.

AUDITORS

Crowe Clark Whitehill LLP has expressed its willingness to continue as auditor for the next financial year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. The trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- make judgments 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 a going-concern basis unless it is inappropriate to presume that the charity will continue to operate.


The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

**GARDEN BRIDGE TRUST
TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2016**

As far as each of the Trustees of the charitable company at the date of approval of this report is aware, all relevant audit information (information needed by the charitable company's auditor in connection with preparing the audit report) has been shared with the charitable company's auditor. Each Trustee has taken all the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees of Garden Bridge Trust on 21 December 2016, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Chairman
Lord Mervyn Davies

Date: ²¹20.12.2016

Independent Auditor's Report to the Members of Garden Bridge Trust

We have audited the financial statements of Garden Bridge Trust for the period ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group and Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures in note 1 in the financial statements concerning the Trust's ability to continue as a going concern.

The Trustees have identified that there are a number of key risks that could prevent the project from proceeding which would mean the Trust is unable to continue as a going concern. Many of these factors are outside the direct control of the Trustees.

Emphasis of matter – Going Concern (continued)

The Trustees have continued to prepare the financial statements on the going concern basis as, at present, they continue to seek to resolve the outstanding issues and raise the necessary funding to construct the bridge. That decision may have been different if the outcome of one or more of the risks set out below was known at the date of approval of the financial statements.

The key risks that the Trustees have identified are:

- Securing the land on the South Bank. While negotiations regarding this have recently progressed and both parties are working towards concluding an agreement, until such time as the agreement is reached there remains an uncertainty. Without the land deal on the South Bank, the Bridge cannot be built and Trustees recognise the significant risk that remains until such time as the outcome of negotiations become clearer.
- Receiving confirmation from the Mayors' office that the Mayoral guarantee committed by the previous Mayor will be honoured. The Trustees requested confirmation and have now received a response in which the Mayor confirms this is subject to a review of the Trust's Operational and Maintenance Business Plan. Until such time as this review has taken place and confirmation provided to Trustees, a significant risk remains to the project, as the guarantee is a condition of the planning approval.
- To be able to continue to develop the project, following satisfaction of the aforementioned risks, the Trust will need additional cash funding that is not subject to repayment if the project is not able to proceed in the first two quarters of 2017. Trustees have engaged in discussions with a number of supporters who have initially expressed a willingness to provide this additional cash funding. These discussions are continuing and subject to contractual agreements are aimed at providing the Trustees with sufficient cash resource to enable the project to continue.
- The Trust will need to raise sufficient additional funding in time for the Trustees to be able to formally agree the contract with the Joint Venture and work to commence before current planning consents expire in December 2017.

The financial statements do not include any adjustments that would be necessary if the Trust is unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

N. Hashemi

Naziar Hashemi

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Chartered Accountants and Statutory Auditors
London, United Kingdom

Date 22/12/16

GARDEN BRIDGE TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE PERIOD ENDED 31 MARCH 2016

	Notes	Unrestricted Funds £	Restricted Funds	Total 2016	Total 2014 £
INCOMING RESOURCES					
Incoming resources from funds generated					
Voluntary	2	3,610,668	35,576,453	39,187,121	12,653,295
Investment income		<u>9,195</u>	<u>-</u>	9,195	<u>380</u>
TOTAL INCOMING RESOURCES		<u>3,619,863</u>	<u>35,576,453</u>	39,196,316	<u>12,653,675</u>
RESOURCES EXPENDED					
Cost of generating funds					
Fundraising activities	3	17,500	1,586,554	1,604,054	231,928
Charitable activities					
Pre-Construction Costs		-	26,096,665	26,096,665	6,982,310
Operational		<u>27,226</u>	<u>396,149</u>	423,375	<u>74,067</u>
		27,226	26,492,814	26,520,040	7,056,377
Governance costs	3	<u>267,113</u>	<u>237,370</u>	504,483	<u>364,488</u>
TOTAL RESOURCES EXPENDED	3	<u>311,839</u>	<u>28,316,738</u>	28,628,577	<u>7,652,793</u>
Net income for the year		3,308,024	7,259,715	10,567,739	5,000,882
Funds brought forward		<u>381,257</u>	<u>4,619,625</u>	5,000,882	<u>-</u>
FUNDS CARRIED FORWARD	10	<u>3,689,281</u>	<u>11,879,340</u>	15,568,621	<u>5,000,882</u>

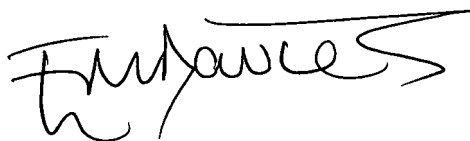
All the activities are continuing. There were no recognised gains or losses other than those stated above.

The notes on pages 22 to 32 form part of these financial statements.

**GARDEN BRIDGE TRUST
BALANCE SHEETS
AS AT 31 MARCH 2016**

	Notes	Group 2016 £	Charity 2016 £	2014 £
FIXED ASSETS				
Tangible fixed assets	5	<u>144,994</u>	<u>144,994</u>	<u>69,953</u>
CURRENT ASSETS				
Debtors: amounts falling due after one year	6	2,199,000	2,199,000	2,782,161
Debtors: amounts falling due within one year	6	4,085,469	4,740,010	1,493,588
Cash at bank and in hand		<u>16,116,990</u>	<u>13,756,667</u>	<u>825,918</u>
		<u>22,401,459</u>	<u>20,695,677</u>	<u>5,101,667</u>
CREDITORS: amounts falling due within one year	7	<u>(6,977,832)</u>	<u>(5,272,052)</u>	<u>(170,738)</u>
NET CURRENT ASSETS		<u>15,423,627</u>	<u>15,423,625</u>	<u>4,930,929</u>
NET ASSETS		<u>15,568,621</u>	<u>15,568,619</u>	<u>5,000,882</u>
FUNDS				
Restricted	9	11,879,340	11,879,340	4,619,625
Unrestricted		<u>3,689,281</u>	<u>3,689,279</u>	<u>381,257</u>
	10	<u>15,568,621</u>	<u>15,568,619</u>	<u>5,000,882</u>

Approved by the Trustees and authorised for issue on ~~December 26th~~ 2016
and signed on their behalf: 21st



Lord Mervyn Davies
Chairman

The notes on pages 22 to 32 form part of these financial statements.

GARDEN BRIDGE TRUST
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2016

	Period ended 31 March 2016 £	Year ended 31 October 2014 £
Net cash Inflow from operating activities (Note A)	15,425,135	898,208
Returns on investments and servicing of finance		
Investment income	9,195	380
Capital expenditure and financial investment		
Purchase of fixed assets	<u>(143,258)</u>	<u>(72,670)</u>
Increase in cash (Note B)	<u>15,291,072</u>	<u>825,918</u>

NOTES TO CASHFLOW STATEMENT

A. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016 £	2014 £
Net incoming resources	10,567,739	5,000,882
Depreciation	68,217	2,717
Investment income	(9,195)	(380)
(Increase) in debtors	(2,008,720)	(4,275,749)
Increase in creditors	<u>6,807,094</u>	<u>170,738</u>
	<u>15,425,135</u>	<u>898,208</u>

B. ANALYSIS OF CHANGES IN NET CASH RESOURCES DURING THE YEAR

	At 1 November 2014 £	Cashflow £	At 31 March 2016 £
Cash at bank & in hand	<u>825,918</u>	<u>15,291,072</u>	<u>16,116,990</u>

**GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Companies Act 2006.

Structure

Garden Bridge Trust is the ultimate parent company. It has one subsidiary: Garden Bridge Trading Limited. Garden Bridge Trust owns the whole of the share capital of the Garden Bridge Trading Limited, a company registered in England and Wales, number 09172071. The consolidated financial statements incorporate the results of Garden Bridge Trust and Garden Bridge Trading Limited using the line by line basis.

The main activity of the Company is licensing of the name and logo of the charity for use in corporate sponsorship agreements.

The Trust has taken exemption from presenting its unconsolidated profit and loss account under section 408 of Companies Act 2006.

Going Concern

The Trust, like many charities, is dependent on voluntary income to fund its charitable objects. In addition to the income pledged by The Mayor of London and Her Majesty's Treasury, the Trust's aim is to raise the remaining balance through other sources, for example, trusts, philanthropic institutions, corporate organisations, individuals and the wider community. The Trustees receive forecasts and financial projections which consider variations in the level and timing of future income and funding. As explained in note 9, income raised and pledged to date is £129m. This includes £60m of public funding from the Department for Transport (DfT) and TfL, £20m of which will be treated as a loan repayable to TfL.

The Trustees have considered both the short and longer term funding gap and other risks that have been highlighted in the Risk Management section on page 6. They have considered the key risks that could negatively impact the going concern nature of the project many of which are outside the direct control of the Trustees. This makes the going concern assessment extremely difficult to conclude. There has been good progress with the land negotiations and we are working to conclude these in the near future. In addition, in a recent letter received from the Mayor of London, he explains he has in principle no objection to providing the required Mayoral guarantee once he has reviewed our Operational and Maintenance Business Plan (OMBP). However, there still remains uncertainty. In determining whether the Trust can technically be viewed as a going concern the Trustees have considered the cash flow projections over the next 18 month period along with the various risks that the Trust actively monitors and manages wherever possible.

**GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (Continued)

Going Concern (continued)

The key areas causing material uncertainty are outlined below:

1. Securing the land on the South Bank. While negotiations regarding this have recently progressed and both parties are working towards concluding an agreement, until such time as the agreement is reached there remains an uncertainty. Without the land deal on the South Bank, the Bridge cannot be built and Trustees recognise the significant risk that remains until such time as the outcome of negotiations become clearer.
2. Receiving confirmation from the Mayors' office that the Mayoral guarantee committed by the previous Mayor will be honoured. The Trustees requested confirmation and have now received a response in which the Mayor confirms this is subject to a review of the Trust's Operational and Maintenance Business Plan (OMBP). Until such time as this review has taken place and confirmation provided to Trustees, a significant risk remains to the project, as the guarantee is a condition of the planning approval.
3. To be able to continue to develop the project, following satisfaction of the aforementioned risks, the Trust will need additional cash funding that is not subject to repayment if the project is not able to proceed in the first two quarters of 2017. Trustees have engaged in discussions with a number of supporters. These discussions are continuing and subject to contractual agreements are aimed at providing the Trustees with sufficient cash resource to enable the project to continue. The Trustees recognise that it is unlikely that the final outcome from these discussions will be finalised before the filing date of the accounts.
4. The Trust will need to raise sufficient additional funding in time for the trustees to be able to formally agree the contract with the Joint Venture and work to commence before current planning consents expire in December 2017.

Despite these uncertainties the trustees have continued to prepare the financial statements on the going concern basis. They continue to seek to resolve the outstanding issues and raise the necessary funding to construct the Bridge although they are aware that the outcome of one or more of the risks set out above could change their decision. The financial statements do not include any adjustments that would be necessary if the Trust is unable to continue as a going concern.

**GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (Continued)

Fund Accounting

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust. Restricted funds are subject to specific restrictions imposed by the donors. These funds are accounted for separately and are only available to be used for the specific purposes for which they were given.

Income recognition

Incoming resources are included when the Trust is legally entitled to the income, is reasonably certain of receipt and the amount can be measured with reasonable accuracy.

Donations and similar income are recognised as incoming resources when the conditions for their receipt have been met.

Grant income is accounted for as the Trust earns the right to consideration by its performance. Where the grant is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.

Gifts in Kind and donated services

Donated services and gifts in kind to the Trust are recognised as incoming resources where the benefit to the Trust is reasonably quantifiable and measurable. They are valued at open market value, i.e. what it would have cost the organisation to acquire the same or similar products or services on the open market. An equivalent amount is also included as either expenditure under the appropriate heading in the Statement of Financial Activities, or capitalised as fixed assets in the Balance Sheet. Amounts that cannot be reasonably quantified and measured are excluded from the Statement of Financial Activities. No amounts are included for services donated by volunteers.

Taxation

Garden Bridge Trust, as a registered charity, is exempt from taxation of income falling within Section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that this is applied to its charitable objectives. No tax charge has arisen in the year.

Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Cost of fundraising activities are those costs incurred in attracting voluntary income.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and costs linked to the strategic management of the Trust.

Support costs have been allocated to the expenditure categories based on the management's estimate of the proportion of time and resources consumed by each of the key activities of the Trust.

**GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (Continued)

Fixed assets and depreciation

Tangible fixed assets, with a value of £250 or more, are stated at cost or valuation when acquired. Items costing less than £250 are expensed in the year of purchase. The cost of acquisition includes all costs (including any irrecoverable VAT) that are directly attributable to bringing the assets into working condition for their intended use.

Tangible fixed assets are depreciated from the month of acquisition at the following rates in order to write off each asset over its estimated useful life:

Office equipment	over 3 years
Furniture and fittings	over 3 years
Website development	over 3 years

GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016

2. INCOMING RESOURCES FROM GENERATED FUNDS

	Unrestricted £	Restricted £	2016 £	2014 £
Voluntary				
Individuals	261,900	537,875	799,775	45,178
Trusts and Foundations	259,966	5,500,000	5,759,966	332,500
Patrons	75,000	-	75,000	-
Corporate	1,182,000	25,000	1,207,000	5,001,000
Government	-	26,720,492	26,720,492	-
Events & Auction proceeds	1,431,578	-	1,431,578	-
Donated Services and Facilities	400,224	2,793,086	3,193,310	7,274,617
	<u>3,610,668</u>	<u>35,576,453</u>	<u>39,187,121</u>	<u>12,653,295</u>
Donated Services and Facilities				
TfL			2,767,253	6,917,255
EY			266,077	285,787
IBM			75,395	-
Bircham Dyson Bell			-	20,000
Macfarlanes			57,552	-
Staff secondment			25,833	49,375
Other			1,200	2,200
			<u>3,193,310</u>	<u>7,274,617</u>

- TfL represents value of work completed up to 31 March 2015 when the management of the project was passed to the Garden Bridge Trust.
- EY pro-bono expenditure involved with Trust setup and tax advice.
- Macfarlanes pro-bono expenditure relates to legal and professional advice.
- IBM represents the value of work carried out to create and develop the website.
- Staff secondment and other represents the value of staff seconded from TfL during the year.
- Bircham Dyson Bell pro-bono legal advice during 2014.

GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs (note 4) £	Direct costs £	Depreciation £	Support Cost £	Total 2016	Total 2014 £
Fundraising costs	<u>336,273</u>	<u>1,176,858</u>	<u>-</u>	<u>90,923</u>	<u>1,604,054</u>	<u>231,928</u>
Pre-construction	439,785	25,578,245	-	78,635	26,096,665	6,982,310
Operational	<u>240,826</u>	<u>-</u>	<u>68,217</u>	<u>114,332</u>	<u>423,375</u>	<u>74,067</u>
	680,611	25,578,245	68,217	192,967	26,520,040	7,056,377
Governance costs	<u>-</u>	<u>504,483</u>	<u>-</u>	<u>-</u>	<u>504,483</u>	<u>364,488</u>
Total Resources Expended	<u>1,016,884</u>	<u>27,259,586</u>	<u>68,217</u>	<u>283,890</u>	<u>28,628,577</u>	<u>7,652,793</u>

SUPPORT COST BY ACTIVITY

	Charitable Activity				
	Fundraising £	Pre- construction £	Operational £	Total	Total £
Rent	31,805	31,805	38,987	102,597	12,052
Other running costs	48,430	46,830	64,657	159,917	9,750
Website development	<u>10,688</u>	<u>-</u>	<u>10,688</u>	<u>21,376</u>	<u>13,560</u>
	<u>90,923</u>	<u>78,635</u>	<u>114,332</u>	<u>283,890</u>	<u>35,362</u>

Support costs have been analysed by activity as shown above, with direct cost allocated by activity and indirect costs being allocated by time spent.

Governance costs	2016 £	2014 £
Auditors' Remuneration - audit	29,350	14,400
- other - accounts preparation	3,250	1,200
- under provision prior year and irrecoverable VAT	15,900	-
Financial monitoring/reporting	18,600	-
Legal and professional fees	115,963	43,101
Legal fees - BDB donated services	-	20,000
Secretariat function - BDB	1,036	-
Professional fees - EY invoiced services	54,307	-
Professional fees - EY donated services	<u>266,077</u>	<u>285,787</u>
	<u>504,483</u>	<u>364,488</u>

During the period insurance to indemnify the Trustees against the consequences of neglect or default on the part of the Trustees was purchased at a cost of £6,618 which has been included within support costs.

GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016

4. STAFF COSTS	2016	2014
	£	£
Wages and salaries	477,471	64,000
Social security costs	48,409	6,100
Seconded staff (pro-bono)	25,833	49,375
Temporary and contracted staff	465,171	67,825
	<u>1,016,884</u>	<u>187,300</u>
	No.	No.
£60,001 - £70,000	1	-
£80,001 - £90,000	1	-
£110,001 - £120,000	1	-

Other staff costs include staff who have been seconded during the period and an estimation has been made in relation to the salary costs. A corresponding entry has been included within donated services and facilities income.

The average number of contracted employees during the period was as follows:

	2016	2014
	Number	Number
Fundraising	4.00	1.25
Charitable Activities	3.90	0.75
Support	1.00	-
	<u>8.90</u>	<u>2</u>

The Trustees receive no remuneration and were not reimbursed expenses during the period.

5. TANGIBLE FIXED ASSETS

	Office equipment £	Furniture & fixtures £	Website Development £	Total £
Cost				
At 1 November 2014	10,306	2,964	59,400	72,670
Additions	<u>34,820</u>	<u>3,343</u>	<u>105,095</u>	<u>143,258</u>
At 31 March 2016	<u>45,126</u>	<u>6,307</u>	<u>164,495</u>	<u>215,928</u>
Depreciation				
At 1 November 2014	(1,067)	(1,650)	-	(2,717)
Charge for the year	<u>(11,775)</u>	<u>(1,679)</u>	<u>(54,763)</u>	<u>(68,217)</u>
At 31 March 2016	<u>(12,842)</u>	<u>(3,329)</u>	<u>(54,763)</u>	<u>(70,934)</u>
Net book value				
At 31 March 2016	<u>32,284</u>	<u>2,978</u>	<u>109,732</u>	<u>144,994</u>
<i>At 31 October 2014</i>	<u>9,239</u>	<u>1,314</u>	<u>59,400</u>	<u>69,953</u>

GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016

6. DEBTORS	Group 2016 £	Charity 2016 £	2014 £
Amounts falling due after one year			
Accrued Income	<u>2,199,000</u>	<u>2,199,000</u>	<u>2,782,161</u>
Amounts falling due within one year			
Amounts due from subsidiary	-	657,852	-
Other debtors – VAT recoverable	3,311	-	-
Accrued Income	4,052,400	4,052,400	1,491,000
Prepayments	<u>29,758</u>	<u>29,758</u>	<u>2,588</u>
	<u>4,085,469</u>	<u>4,740,010</u>	<u>1,493,588</u>
	<u>6,284,469</u>	<u>6,939,010</u>	<u>4,275,749</u>
7. CREDITORS			
Trade creditors	2,754,213	2,753,013	135,494
Accruals and deferred income	<u>4,223,619</u>	<u>2,519,039</u>	<u>35,244</u>
	<u>6,977,832</u>	<u>5,272,052</u>	<u>170,738</u>

8. RELATED PARTY DISCLOSURES

The Trust is not required to disclose transactions with fellow group undertakings under the exemptions provided by Financial Reporting Standards ("FRS") number 8.

The Trustees are not aware of any related party transactions during the year with the exception of £266,077 (2014- £285,787) pro-bono services received from Ernst Young and £54,307 real estate and tax advice fees paid to Ernst Young. The payments are made under the authorities provided in the Trust's governing documents. These disclosures are required under the Statement of Recommended Practice 'Accounting by Charities' (2005) as Julie Carlyle, a Trustee, is a partner at Ernst Young.

**GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

9. MOVEMENT ON RESTRICTED FUNDS

	At 1 November 2014 £	Incoming Resources £	Resources Expended	At 31 March 2016 £
Trust Operations	4,619,625	-	(2,521,020)	2,098,605
Delivery of Bridge (TfL In Kind)	-	2,793,086	(2,793,086)	-
Delivery of Bridge (TfL funds)	-	26,720,492	(21,502,632)	5,217,860
The Wellcome Trust	-	1,500,000	(1,500,000)	-
Other	-	4,562,875	-	4,562,875
	<u>4,619,625</u>	<u>35,576,453</u>	<u>(28,316,738)</u>	<u>11,879,340</u>

Purposes of Restricted Funds

The Trust received donations from a variety of sources towards funding the project to construct the Garden Bridge and support Trust operations with donated services and costs covered by TfL in the period to 31 March 2016 being recognised as income and expenditure.

The Wellcome Trust provided funding towards pre-construction activities and professional fees in relation to legal, property and planning advice.

Other restricted funds include funding from Garfield Weston Foundation and The Taylor Family Foundation towards the construction of the bridge as well as donations from individuals whereby an engraving on the garden bridge balustrade or a plaque on a bench will be included on completion of the bridge.

The fundraising progress and income recognition of the Garden Bridge Trust project is as follows:

	2016 £
Income recognised in the year ended 31 October 2014	12,653,675
Income recognised in the period ended 31 March 2016	39,196,316
Pledges or received since the period end	<u>77,150,009</u>
	129,000,000

The last external estimate of the total project cost of the Garden Bridge was £185m but due to the hurdles still to be cleared and the ensuing delays the final cost could substantially exceed the formal estimate.

The further income pledged will be recognised as income in future financial years in accordance with the relevant income recognition policies, as conditions of the funding are fulfilled. The pledged amount includes the element of the £60 million grant from TfL and Her Majesty's Treasury not yet recognised as income £20m of which will be treated as a loan repayable to TfL. The Trust will continue to fundraise to achieve the remaining project costs. In addition, it aims to raise a further £15 million expendable endowment fund to secure funding to maintain and repair the Garden Bridge.

GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Net Current Assets	Total 2016	Total 2014
	£	£	£	£
Restricted Funds	96,825	11,782,515	11,879,340	4,619,625
Unrestricted Funds	<u>48,169</u>	<u>3,641,112</u>	<u>3,689,281</u>	<u>381,257</u>
	<u>144,994</u>	<u>15,423,627</u>	<u>15,568,621</u>	<u>5,000,882</u>

11. SUBSIDIARY COMPANY

The Trust owns the whole of the issued ordinary share capital of the Garden Bridge Trading Limited a company, which is incorporated in England and Wales. The Garden Bridge Trading Limited share capital is £1 divided into 1 share. The subsidiary is used for non-primary purpose trading activities, including obtaining corporate sponsorships. The company was incorporated on 12 August 2014 and started to trade during the period ended 31 March 2016. Any taxable profits made by Garden Bridge Trading Limited are donated to Garden Bridge Trust under gift aid.

The profit and loss account for the period ended 31 March 2016 is as follows:

	2016 £
Turnover	1,175,000
Administrative expenses	<u>(17,650)</u>
Operating profit	1,157,350
Interest Receivable	<u>502</u>
Profit on ordinary activities before gift aid and taxation	<u>1,157,852</u>

12. CAPITAL COMMITMENTS

The contract with the contractors authorised by the Board which has been put on standby for future capital expenditure not provided for in these accounts was approximately £120m.

13. OPERATING LEASE COMMITMENTS

At 31 March 2016 the company had the following annual commitments under non-cancellable operating leases.

	2016 £
Property leases	
Within two to five years	<u>52,002</u>

**GARDEN BRIDGE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

14. POST BALANCE SHEET EVENTS

On 28 September 2016, TfL confirmed that the pledged amount of the £60 million grant from TfL and Her Majesty's Treasury would include a £20m loan facility.