

**Charity No: 205658**

**THE CLIFTON SUSPENSION BRIDGE  
TRUST**

**Report and Financial Statements**

**31 December 2018**

# **THE CLIFTON SUSPENSION BRIDGE TRUST**

## **REPORT AND FINANCIAL STATEMENTS 2018**

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**THE CLIFTON SUSPENSION BRIDGE TRUST**  
**CHARITY NUMBER: 205658**

**TRUSTEES AND PROFESSIONAL ADVISERS**

**RESIDENT TRUSTEES**

Chris Booy (Chairman)  
David Walker (Deputy Chairman and Chairman of the Technical Committee)  
John Benson (Chairman of the Property Committee)  
Margaret Cooke  
Steve Denton  
Valerie Harland (Chairman of the Heritage, Engagement and Development Committee)  
Ian Jenkins  
William Mather (Chairman of Investment Committee)  
Ann Metherall  
Professor Colin Taylor

**REPRESENTATIVE TRUSTEES**

Councillor Tom Brook (Bristol City Council)  
Councillor Charles Cave (North Somerset Council)

**BRIDGE MASTER**

Patricia Johnson

**VISITOR SERVICES MANAGER**

Laura Hilton

**CLERK TO THE TRUSTEES**

T J Baines

**REGISTERED OFFICE**

Clifton Suspension Bridge  
Leigh Woods  
Bristol  
BS8 3PA

**CONSULTING ENGINEERS**

COWI UK  
Bridge House  
4 Borough High Street  
London  
SE1 9QQ

**INVESTMENT ADVISORS**

Smith & Williamson Investment Management  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

**AUDITORS**

Bishop Fleming LLP  
16 Queen Square  
Bristol  
BS1 4NT

# THE CLIFTON SUSPENSION BRIDGE TRUST

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees have pleasure in presenting the financial statements on pages 7 to 22 for the year ended 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply 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 published on 16 July 2014.

### History and work of the Trust

The Clifton Suspension Bridge was opened in 1864, and since then has spanned the Avon Gorge from Clifton to Leigh Woods. The Clifton Suspension Bridge Trust is established under the Clifton Suspension Bridge Act 1952 and is responsible for the ongoing maintenance and upkeep of the bridge, for making provision for exceptional repairs, and for considering the eventual replacement of the structure, should that become necessary. The bridge has become an important part of Bristol's urban traffic network and its continuing reputation as an internationally famous landmark is also well recognised. A list of Trustees can be found on page 1. All Trustees served during the year, except where indicated.

### Review of the year and reserves policy

The objectives of the Trust remain the same each year – to maintain the bridge in good order, to provide a good service to the travelling public and visitors, and to plan ahead so that these objectives can be met in future years. The Trust's strategies are therefore designed to achieve these aims. During the year ended 31 December 2018, toll income reduced slightly from £2.2m to £2.1m and Visitor Centre income increased from £99,000 to £141,000. We have recently introduced contactless payment. The bridge is therefore an attractive alternative to queuing on some other routes.

We have continued with our major maintenance projects as part of the £8m 10-year planned engineering and refurbishment work which is necessary to maintain the bridge and preserve it for future generations. The major project in 2018 was preparatory work towards the replacement of the toll houses, which were of considerable age and no longer fit for purpose. This scheme, costing more than £1m, will be completed in 2019. Looking ahead to 2020 the major project is a full repainting of the chains also at a cost of over £1m. Following Bristol City Council's decision to stop maintaining and operating the public conveniences on the Clifton side of the bridge, the Trust has kept these toilets open as a public amenity, pending a wider review of options.

While the primary object of the charity is the preservation of the bridge, the trustees also believe they have a public benefit obligation to collect, safeguard and make accessible historical artefacts related to the Bridge, and to celebrate the Bridge as an icon of human ingenuity, British engineering and Bristolian identity. To further advance this public benefit obligation, at the end of the year the trustees took the decision to work towards museum status.

The Visitor Centre, situated on the Leigh Woods side of the bridge, provides an excellent amenity for both Bristolians and visitors from further afield to appreciate the engineering marvel that a bridge designed and built in the mid 1800s and still having 99% of its original ironwork, can successfully carry three million vehicles annually as a key part of our road traffic network. The launch of a new AIM Biffa Award funded exhibition, 'Hawkshaw and Barlow Untold' was one of the highlights of the year, celebrating the life and work of the two engineers who finally brought the Bridge project to fruition in 1864. Tours of the bridge and the cavernous abutment vaults continue to be popular. Our education programme was fully booked, with just under 2,500 students from schools across the city, and further afield, taking part in tours and curriculum-based workshops. Our volunteers, whose roles focused on front of house, tour guiding and supporting our education workshops, donated 3812 hours, valued at £81,653 (based on National Heritage Lottery Fund guidance on costing volunteer hours).

Investment values declined in 2018 and the Trust's investments now stand at around £10.3m. These provide a reserve for emergency engineering works and an income to subsidise toll levels. The Trust's reserves policy is set out in note 1 to the accounts.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions and deficit payments over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

# **THE CLIFTON SUSPENSION BRIDGE TRUST**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)**

### **Plans for future periods**

The Trustees intend to continue to seek to maintain the bridge in good order, and to carry out whatever maintenance and repair work is necessary to secure the future of the bridge for future generations.

The Trustees view it as self-evident that preserving such an historic monument as the Clifton Suspension Bridge for posterity, whilst allowing it to be used and visited by many millions each year, provides great public benefit to Bristol and Bristolians, to the South West, to the UK, and internationally. In furtherance of these charitable aims the Trustees have complied with the duty under s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published guidance concerning the operation of the Public Benefit requirement under that Act.

### **Investments**

The management of the Trust's investments is delegated to the Investment Committee, advised by the Trust's investment advisors, Smith & Williamson (S&W). The Investment Committee meets quarterly and has established a mechanism to take more urgent decisions in the intervening period. The investment policy is set so as to achieve the optimum total return, based on a medium risk investment approach. Investment performance is monitored by this Committee using suitable benchmarks. During 2018, the value of the Trust's investments advised by S&W returned -5.6% against a fund benchmark performance of -5.4%.

### **Governance and Risk Management**

The Governance of the Trust is carried out by the Trustees, the majority of whom ("Resident Trustees") are selected and appointed by a Nomination Committee of the existing Trustees, aiming to provide the Trust with a breadth of professional experience. In addition, there are two Trustees appointed by the relevant local authorities ("Representative Trustees"). The Trust operates both in general meetings and through sub-committees. These are currently the Technical Committee, the Investment Committee, the Property Committee and the Heritage, Engagement and Development Committee. Trustee induction is by a series of meetings and briefings, and ongoing training is arranged as and when deemed necessary. The Trustees delegate day to day decisions to the Bridge Master, The Clerk, and, for visitor centre matters, to the Visitor Services Manager.

Risk management is very important to the Trust and the Trust has identified that its major risks relate to the integrity of the structure of the bridge and the Trust's obligations to staff, contractors, bridge users and visitors. In relation to these aspects the Trust operates a comprehensive system of risk recognition, mitigation and incident reporting, overseen by our external advisors and insurers. The process and risk register is overseen by the Technical Committee and key issues, where relevant, are reported to full trustees' meetings. In this connection, the Trustees are satisfied that the major risks to which the Trust is exposed, in their opinion, have been considered during the year, and procedures put in place, where appropriate to manage the risks.

### **Remuneration Policy for Key Management Personnel**

The Remuneration Policy for Key Management Personnel is considered annually by the Chairman and Deputy Chairman, bearing in mind the cost of living, local authority pay awards and performance in role. The bridge's unique status precludes effective benchmarking but trustees are alert to pay levels in both the public sector and in other charities.

### **Auditors**

The trustees propose Bishop Fleming LLP's reappointment as auditors.

The Trustees wish to place on record their thanks to the Bridge Master, the Visitor Services Manager and their staff and volunteers for their hard work during the year.

### **Statement of 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 CLIFTON SUSPENSION BRIDGE TRUST**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)**

Charity law 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 the year. In preparing those financial statements the trustees are required to:

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

The trustees are responsible for keeping accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. 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.

Approved by the Chairman  
on behalf of the Trustees on 26 March 2019

**Chris Booy**

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLIFTON SUSPENSION BRIDGE TRUST**

## **Opinion**

We have audited the financial statements of Clifton Suspension Bridge Trust (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is 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 has been 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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

## **Other information**

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLIFTON SUSPENSION BRIDGE TRUST (continued)**

We have nothing to report in this regard.

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

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- 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.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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.

## **Bishop Fleming LLP**

Statutory Auditor  
16 Queen Square  
Bristol BS1 4NT

Date: 21 May 2019

Bishop Fleming LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



# THE CLIFTON SUSPENSION BRIDGE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 December 2018

### INCOME AND EXPENDITURE

	Note	Unrestricted Funds £	Designated Funds £	Endowed Funds £	Total Funds 2018 £	Total Funds 2017 £
<b>Income from:</b>						
Charitable activities	3	2,294,715	-	-	2,294,715	2,410,291
Investments		380,996	-	-	380,996	358,168
Total income		2,675,711	-	-	2,675,711	2,768,459
<b>Expenditure on:</b>						
Charitable expenditure:						
Charitable activities	4	(1,935,907)	-	-	(1,935,907)	(2,135,133)
Total expenditure		(1,935,907)	-	-	(1,935,907)	(2,135,133)
Realised and unrealised gains/(losses) on investment assets		(938,416)	-	-	(938,416)	988,370
<b>Net income / (expenditure)</b>	2	(198,612)	-	-	(198,612)	1,621,696
Transfers between funds	1	(169,000)	(6,331,000)	6,500,000	-	-
<b>Other recognised gains and losses:</b>						
Actuarial gain/ (loss) on pension liability	7	(2,000)	-	-	(2,000)	236,000
<b>Net movement in funds</b>		(369,612)	-	6,500,000	(200,612)	1,857,696
Fund balances brought forward at 1 January 2018		3,580,473	10,469,000	60,008	14,109,481	12,251,785
<b>Fund balances carried forward at 31 December 2018</b>	5	3,210,861	4,138,000	6,560,008	13,908,869	14,109,481

All results relate to continuing activities.

The notes on pages 10 to 22 form part of these financial statements.

# THE CLIFTON SUSPENSION BRIDGE TRUST

## BALANCE SHEET Year ended 31 December 2018

	Note	2018	2017
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	1,469,394	1,541,535
Investments	9	11,273,552	12,250,015
		<u>12,742,946</u>	<u>13,791,550</u>
<b>CURRENT ASSETS</b>			
Stock		46,642	48,620
Debtors	10	30,289	14,057
Cash and cash equivalents	17	2,355,850	1,457,136
		<u>2,432,781</u>	<u>1,519,813</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(856,858)</u>	<u>(825,882)</u>
<b>NET CURRENT ASSETS</b>		<u>1,575,923</u>	<u>693,931</u>
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		14,318,869	14,485,481
Pension liability	7	<u>(410,000)</u>	<u>(376,000)</u>
<b>NET ASSETS</b>		<u>13,908,869</u>	<u>14,109,481</u>
<b>FUNDS</b>			
<b>Endowment Funds</b>			
Permanent Endowment	5	60,008	60,008
Expendable Endowment	5	6,500,000	-
<b>Reserves</b>	5		
Designated Funds		4,138,000	10,469,000
Unrestricted Funds		3,210,861	3,580,473
		<u>13,908,869</u>	<u>14,109,481</u>

These financial statements were approved and authorised for issue by the Trustees on 26 March 2019.

Signed on their behalf by:

**C Booy**  
Chairman

**T J Baines**  
Clerk to the Trustees

# THE CLIFTON SUSPENSION BRIDGE TRUST

## CASH FLOW STATEMENT Year ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	16	517,671	318,140
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		380,996	385,792
Purchase of property, plant and equipment		(6,000)	-
Proceeds from sale of investments		1,023,107	1,216,252
Purchase of investments		(1,017,060)	(2,202,481)
<b>Net cash (used in)/provided by investing activities</b>		381,043	(600,437)
<b>Change in cash and cash equivalents in the year</b>		898,714	(282,297)
Cash and cash equivalents at the beginning of the reporting period	17	1,457,136	1,739,433
<b>Cash and cash equivalents at the end of the reporting period</b>	17	2,355,850	1,457,136

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 1. ACCOUNTING POLICIES

#### **Basis of preparation of the financial statements**

The financial statements have been prepared on the historical cost basis of accounting, modified to include the revaluation of investments. The accounts have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with FRS102 issued on 16 July 2014 and the Charities Act 2011 and in accordance with applicable accounting standards in the United Kingdom.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust constitutes a public benefit entity as defined by FRS102. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

The Clifton Suspension Bridge Trust is an unincorporated charity, registered in England & Wales. The principal office is Clifton Suspension Bridge, Leigh Woods, Bristol, BS8 3PA

#### **Review of Funds 2018**

The Trust is governed under the Clifton Suspension Bridge Acts 1952, 1980 and 1986 and these Acts define the Trust's obligations in relation to its funds, referring to the Trust's funds using words such as capital funds, sinking funds, reserve funds and general funds, which were presumably in common use at the time. The Acts also encapsulated clauses in relation to a 60-year recoupment of monies spent on opening a museum, based on the presumption that museums were operated for profit and with entrance charges, as was customary.

In 1988 the first Charity Statement of Recommended Practice ("SORP") was published, and this (and subsequent SORP's) introduced a wholly different set of fund principles, defining charity funds under the categories of unrestricted funds, designated funds, restricted funds and endowed funds (both permanent and expendable).

In the 1990's the then trustees of the Trust sought to interpret the Acts in the light of the new SORP's and classified the Trust's funds into a permanent endowment (capital) fund, and unrestricted free and designated funds, and subsequent generations of trustees have continued to use these notations. More recently, within the designated funds category, the trustees established an Emergency Repair Fund and a New Projects Fund, reflecting the need for clarity as to the way in which they saw the trust's reserves being held or used.

However, with both the greater breadth of the Trust's activities in recent years (including the opening of a visitor centre, offering bridge and vault tours, and more recently the taking on and operation of the Clifton Toilets), and the wider public and legal expectations of charities (in relation to aspects such as public benefit, community and disabled access and the public sector operating museums without an entrance fee), it became clear that these ways of categorising our funds were becoming strained and so in 2018 the trustees commissioned independent legal advice in relation to reconciling the trust's obligations under the Acts and Charity SORP's with the greater breadth and scope of its activities and obligations.

As a result of this review the following changes were made in 2018 to the trust's fund structure and uses:

- Making clear that original capital and assets of £60,008 acquired from the Clifton Suspension Bridge Company on 1 January 1953 represent Permanent Endowment as the trust was not able to dispose of the major assets therein

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

- Reclassifying the Emergency Repair Fund from being a designated fund to an Expendable Endowment Fund, to be used only for significant unexpected or emergency work
- Continuing to consider the New Projects Fund as a designated fund, the fund allowing the Trust to proceed with commissioning essential maintenance projects as and when they are necessary
- In relation to net monies expended on operating the visitor centre, no longer having an obligation to recoup the monies under the 60-year rule, but instead obliging the trustees to consider annually whether making good such monies expended was “reasonably practicable”. The outcome of this year’s review is shown in note 15.

### Tangible Fixed Assets

The Trust treats as fixed assets the land, buildings and structure of the suspension bridge which were taken over from the Clifton Suspension Bridge Company on 1 January 1953, together with additions since that date. No depreciation is provided on these assets as, in the opinion of the Trustees, the asset is historical and its economic life is so long, that any depreciation charged would be immaterial. Items costing less than £1,000 are not capitalised. Non ‘bridge’ assets, are depreciated to write off the costs of fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Motor vehicles	3 years
Plant, equipment and fixtures	10 years
Visitor Centre Building/Operations Building	30 years/40 years

With regard to bridge improvements which are replacements of existing items the Trust views that these should only be capitalised if they significantly enhance the economic benefit of the asset in accordance with Section 17 of FRS 102. In most cases this does not take place and so such expenditures are written off as repairs and maintenance as and when incurred.

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 1. ACCOUNTING POLICIES (continued)

#### **Income**

Income, in the form of toll and visitor centre income, is accounted for on a receipt basis, with the exception of card crossings which are accounted for when the crossing takes place. Grant income is included in the Statement of Financial Activities when the charity has entitlement to the funds, probability of receipt and the amount can be measured with sufficient reliability. Investment income is accounted for when receivable.

#### **Investment Income**

Dividend income from investments is included as income in the year in which it is received.

#### **Investments**

Listed stocks and shares are shown at market value at the balance sheet date. The surplus or deficit arising on each annual valuation is credited or debited direct to the Statement of Financial Activities.

The net book profit or loss on realisation of investments is arrived at by comparing the consideration with the market value at the previous year end or the cost if the investments were purchased during the year.

#### **Stock**

Stock represents both the cost of history booklets held for resale at the year end and goods for resale at the Visitor Centre. Provision has been made where necessary for obsolete or slow moving stocks.

#### **Taxation**

As a registered charity, the Trust is potentially exempt from taxation on its income and gains to the extent that they fall within section 505 of the Income and Corporation Taxes Act 1988 and section 256 of the Taxation and Chargeable Gains Act 1992. No tax charge has arisen in the year.

#### **Resources expended**

All expenditure is accounted for on an accruals basis. All direct and support costs of the Charity's operations have been shown under direct charitable expenditure. Expenditure associated with strategic management of the Charity and compliance with constitutional and statutory requirements has been separately identified as governance costs. The Trust is not able to make any meaningful split between its direct charitable activities and its support costs for those activities, and therefore such a split is not provided.

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 1. ACCOUNTING POLICIES (continued)

#### **Pension costs**

The Charity operates defined contribution and defined benefit pension schemes. Employees who have been with the Trust for many years participate in a funded defined benefit pension scheme, Avon Pension Fund. More recent employees are enrolled in a defined contribution scheme administered by Scottish Widows. In relation to the Avon Scheme, the assets of the Avon Pension Fund are held independently from the Trust and the cost of providing benefits is based on annual actuarial valuations. Actuarial gains and losses are recognised in full in the year in which they occur. The present value of the defined benefit obligation net of the fair value of fund assets is recognised on the balance sheet. The Scottish Widows Scheme is participatory, with both the employer and employee contributing, with rates set as a proportion of salary.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

#### **Debtors**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

#### **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

#### **Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

<b>2.</b>	<b>NET INCOME FOR THE YEAR</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Net income is arrived at after charging/(crediting)		
	Depreciation	78,141	76,141
	Auditor's remuneration – audit services	5,740	5,100
		<hr/>	<hr/>

### 3. INCOME FROM CHARITABLE ACTIVITIES

	<b>Total funds</b>	<b>Total funds</b>
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Toll income	2,146,971	2,183,405
Other income (note 13)	7,026	127,569
Visitor Centre	140,718	99,317
	<hr/>	<hr/>
	2,294,715	2,410,291
	<hr/>	<hr/>

Included within Visitor Centre income is £25,558 of restricted grant income that was fully spent within the year on its specific purpose.

### 4. TOTAL RESOURCES EXPENDED

<b>Charity</b>	<b>Staff</b>		<b>Other</b>	<b>Total</b>	<b>Total</b>
	<b>Costs</b>	<b>Depreciation</b>	<b>costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Direct Charitable Expenditure	726,696	78,141	1,105,114	1,909,951	2,109,241
Governance	-	-	25,956	25,956	25,892
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	726,696	78,141	1,131,070	1,935,907	2,135,133
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included in direct charitable expenditure is investment management fees of £45,104 (2017: 40,486).

Included in governance costs are meeting costs, management charges and audit fees.



# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 5. ANALYSIS OF NET ASSETS BETWEEN FUNDS

<b>Fund balances at 31 December 2018 are represented by:</b>	<b>Unrestricted funds</b>	<b>Endowed funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	1,422,475	46,919	1,469,394
Investments	4,773,552	6,500,000	11,273,552
Current assets	2,419,692	13,089	2,432,781
Current liabilities	(856,858)	-	(856,858)
Pension liability	(410,000)	-	(410,000)
	<u>7,348,861</u>	<u>6,560,008</u>	<u>13,908,869</u>

### 6. INFORMATION REGARDING TRUSTEES AND EMPLOYEES:

<b>Employee costs during the year:</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	593,827	561,338
Social security costs	52,620	48,906
Pension costs	80,249	98,177
	<u>726,696</u>	<u>708,421</u>
<b>Average number of persons employed:</b>	<b>No.</b>	<b>No.</b>
	<u>26</u>	<u>25</u>

In accordance with the Clifton Suspension Bridge Act 1952, the Trustees were entitled to receive fees for attending meetings. Total fees for 2018 totalled £Nil (2017 £Nil). Out of pocket expenses totalling £0 were paid in total in 2018 to all Trustees relating to the recharge of telephone, meals and travel expenses (2017: £200). Amounts paid to third parties in respect of Trustees meetings were £4,375 (2017: £4,347). No Trustees received any remuneration (2017: none). There was one employee with emoluments between £60,000 and £70,000 during the financial year (2017: one). During the year, the Trust purchased £Nil (2017: £2,758) of services from Burges Salmon, a legal firm in which Ms A. Metherall, a trustee, is a partner. There was no balance outstanding at year end.

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 7. PENSION SCHEMES

The Charity operates defined contribution and defined benefit pension schemes.

The assets of the defined contribution schemes are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions payable by the Charity to the funds and amounted to £49,980 (2017: £35,766). Contributions totalling £1,167 (2017: £3,987) were payable to the funds at the balance sheet date and are included in creditors.

The Charity contributes to the Avon Pension Fund administered by Bath and North East Somerset Council on behalf of its employees. The scheme is a defined benefit scheme providing pension and lump sums at retirement based on final salary and length of service. The scheme is a multi-employer scheme; the Charity's share of the assets and liabilities disclosed below are as advised by the scheme's actuary.

The Charity provides pension arrangements to full time employees through a defined benefit scheme and the related costs are assessed in accordance with the advice of professionally qualified actuaries.

The amounts recognised in the balance sheet are as follows:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets	2,691	2,729
Present value of scheme liabilities	<u>(3,101)</u>	<u>(3,105)</u>
Defined benefit pension liability	<u>(410)</u>	<u>(376)</u>

Analysis of amount charged in Statement of Financial Activities:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	62	63
Net interest cost	10	14
Administration expenses	<u>1</u>	<u>1</u>
Defined benefit scheme charge recognised	<u>73</u>	<u>78</u>
Actual return on scheme assets	<u>11</u>	<u>(300)</u>

Changes in the present value of the defined benefit obligation are as follows:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Defined benefit obligation at beginning of the year	3,105	3,052
Current service cost	62	63
Interest on pension liabilities	78	78
Member contributions	11	11
Benefits paid	(101)	(99)
Actuarial loss	<u>(54)</u>	<u>-</u>
Defined benefit obligation at end of the year	<u>3,101</u>	<u>3,105</u>

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 7. PENSIONS (continued)

Changes in the fair value of schemes assets is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets at beginning of the year	2,729	2,478
Interest on plan assets	68	64
Administration expenses	(1)	(1)
Employer contributions	41	40
Member contributions	11	11
Benefits paid	(101)	(99)
Actuarial gain/loss	<u>(56)</u>	<u>236</u>
Fair value of scheme assets at end of the year	<u>2,691</u>	<u>2,729</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a loss of £46,000 (2017: loss of £44,000).

The charity expects to contribute approximately £48,000 to the defined benefit scheme in 2019.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2018</b>	<b>2017</b>
Equities	39.2%	43.7%
Government bonds	11.6%	11.2%
Other bonds	12.3%	4.6%
Property	9.3%	9.4%
Cash/liquidity	3.8%	3.1%
Other	23.8%	28.0%

Principal actuarial assumptions at the balance sheet date are as follows:

	<b>2018</b>	<b>2017</b>
Discount rate	2.8%	2.5%
Rate of increase in salaries	3.8%	3.7%
Rate of increase in pensions	2.4%	2.2%
Inflation assumption (CPI)	2.3%	2.2%

Amounts for the current and previous four periods are as follows:

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of scheme liabilities	(3,101)	(3,105)	(3,052)	(2,600)	(2,609)
Fair value of scheme assets	<u>2,691</u>	<u>2,729</u>	<u>2,478</u>	<u>2,290</u>	<u>2,271</u>
Pension deficit	<u>(410)</u>	<u>(376)</u>	<u>(574)</u>	<u>(310)</u>	<u>(338)</u>
Experience adjustments on scheme liabilities	<u>(54)</u>	-	<u>(489)</u>	<u>(80)</u>	<u>(214)</u>
Experience adjustments on scheme assets	<u>(56)</u>	<u>236</u>	<u>248</u>	<u>(20)</u>	<u>80</u>

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 8. TANGIBLE FIXED ASSETS

	Freehold Property £	Inherited Land and Buildings £	Plant Equipment and Fixtures £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2018	1,424,251	46,919	331,986	5,934	1,809,090
Additions	-	-	-	6,000	6,000
Disposals	-	-	-	(5,934)	(5,934)
At 31 December 2018	1,424,251	46,919	331,986	6,000	1,809,156
<b>Depreciation</b>					
At 1 January 2018	128,829	-	132,792	5,934	267,555
Charge for the year	42,943	-	33,198	2,000	78,141
Disposals	-	-	-	(5,934)	(5,934)
At 31 December 2018	171,772	-	165,990	2,000	339,762
<b>Net book value</b>					
<b>At 31 December 2018</b>	1,252,479	46,919	165,996	4,000	1,469,394
At 31 December 2017	1,295,422	46,919	199,194	-	1,541,535

All assets of material value are held for use on a continuing basis in the charity's activities. Included above is £46,919, which represents inherited land and buildings and which is not depreciated.

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 9. FIXED ASSET INVESTMENTS

	Listed Investments and Unit Trusts £	Charity property fund £	Short term deposits £	Total £
Market value 1 January 2018	11,400,236	820,883	28,896	12,250,015
Additions	918,354	-	98,706	1,017,060
Disposals	(1,044,795)	-	-	(1,044,795)
Net unrealised investment gains/(losses)	(971,598)	22,870		(948,728)
<b>Market value 31 December 2018</b>	<b>10,302,197</b>	<b>843,753</b>	<b>127,602</b>	<b>11,273,552</b>
Historical cost as at 31 December 2018	8,648,351	687,500	127,602	9,463,453
Investment income derived from the above	341,873	35,406	3,717	380,996

No single investment is held which is material in the context of the investment portfolio.

### 10. DEBTORS

	2018 £	2017 £
Sundry debtors	9,000	9,400
Prepayments	20,549	3,570
Trade debtors	740	1,087
	<u>30,289</u>	<u>14,057</u>

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Deferred income – cards (see note 13)	770,313	735,067
Trade creditors and other accruals	68,946	71,267
HMRC, pension and VAT	17,599	19,548
	<u>856,858</u>	<u>825,882</u>

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

12.	FINANCIAL INSTRUMENTS	2018 £	2017 £
	<b>Financial assets that are measured at fair value</b>		
	Listed investments	11,273,552	12,250,015
	<b>Financial assets that are measured at amortised cost</b>		
	Cash and cash equivalents	2,355,850	1,457,136
	Sundry debtors	9,000	9,400
	Trade debtors	740	1,087
		<hr/>	<hr/>
		2,365,590	1,467,623
		<hr/>	<hr/>
	<b>Financial liabilities that are measured at amortised cost</b>		
	Trade creditors and other accruals	68,946	71,267
		<hr/>	<hr/>

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 13. PREPAYMENT CARD PROVISION RELEASE

Prepayment cards have been issued by the Trust since 1999 and, since these are prepayment cards, the Trust used to account for the full creditor. However, it became increasingly clear that since cards which have been lost and cards belonging to persons who have died or have moved away are unlikely to ever be used, that continuing to accrue for the full level of card creditor will increasingly overstate the “true” level of outstanding crossings which are likely to be claimed. Therefore, in order to seek to include within these accounts a more accurate outstanding crossing creditor figure, from 2015 onwards, any outstanding crossings on cards whose price categories have been withdrawn and which in total for that category, exceed two years’ usage of crossings, will be released from the crossings creditor and netted off toll income in the statement of financial activities. The 2018 year-end position is therefore as follows;

	£
Gross level of crossings outstanding	1,128,427
Released to other income prior years	(351,088)
Released to other income 2018	<u>(7,026)</u>
Net level of crossings outstanding	<u>770,313</u>

### 14. COMMITMENTS

The Charity is committed to pay the supplier of the toll system purchased in 2012 in quarterly amounts for maintenance until 2022. These payments total £127,171, with £30,212 payable within one year and the remainder payable in more than one year.

At the balance sheet date, the Charity was committed to paying £810,056 for capital expenditure over the next 12 months in relation to the construction of the new toll houses.

### 15. FUNDS

As set out in note 1, in 2018 the trustees carried out a full review of the trust’s funds, which included taking independent legal advice on our practices and obligations. Details of the changes made are set out in that note. The Trust’s funds, totalling £13,908m at 31 December 2018 now comprise the following:

#### **Permanent Endowment**

The original capital and assets of £60,008 acquired from the Clifton Suspension Bridge Company on 1 January 1953 represent Permanent Endowment as they are not able to dispose of the major assets therein.

#### **Expendable Endowment**

This comprises an Emergency Repair Fund, to be used only for unexpected or emergency work. This reserve was originally set at £4million and is increased by building inflation each year. The fund now stands at £6.5million (2017: £6.3million).

#### **Designated Fund**

This comprises a New Projects Fund for new maintenance projects, of £4.138m (2017: £4.169m), representing the scheduled new maintenance projects currently scheduled for the next 3 years. This fund allows the Trust to proceed with commissioning essential projects as and when they are necessary.

#### **Unrestricted Funds**

The remaining funds are held as free reserves and to cover short-term deficiencies in income as and when they arise. At 31 December 2018 they totalled £3,210m (2017: £3,580m). In relation to net monies expended on providing a visitor centre at present the trustees do not view making good such monies (in the way set out in note 1) as being reasonably practicable, based on the current custom and practice of museums not charging entrance fees and also the wider public interest and community demands on our operations, but intend to keep this under review annually.

# THE CLIFTON SUSPENSION BRIDGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

### 16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(166,612)	1,621,696
<b>Adjustment for:</b>		
Depreciation charges	78,141	76,141
Loss/(Gain) on investments	938,416	(988,370)
Dividends, interest and rents from investments	(380,996)	(358,168)
Decrease in stocks	1,978	173
(Increase) / decrease in debtors	(16,232)	11,822
Increase / (decrease) in creditors	30,976	(83,154)
Defined benefit pension scheme	32,000	38,000
<b>Net cash provided by operating activities</b>	<u>517,671</u>	<u>318,140</u>

### 17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	<u>2,355,850</u>	<u>1,457,136</u>

### 18. RELATED PARTIES

The remuneration of key management personnel (including employers' pension contributions) for the year was £116,957 (2017: £118,311).



## 2017 Statement of Financial Activities

		General Funds £	Designated Funds £	Capital Funds £	Total Funds 2017 £	Total Funds 2016 £
	Note					
<b>Income from:</b>						
Charitable activities	3	2,410,291	-	-	2,410,291	2,301,374
Investments		358,168	-	-	358,168	308,612
Total income		2,768,459	-	-	2,768,459	2,609,986
<b>Expenditure on:</b>						
Charitable expenditure:						
Charitable activities	4	(2,135,133)	-	-	(2,135,133)	(2,706,944)
Total expenditure		(2,135,133)	-	-	(2,135,133)	(2,706,944)
Realised and unrealised gains/(losses) on investment assets		988,370	-	-	988,370	838,182
<b>Net income</b>	2	1,621,696	-	-	1,621,696	741,224
Transfers between funds		126,000	(126,000)	-	-	-
<b>Other recognised gains and losses:</b>						
Actuarial gain/ (loss) on pension liability	7	236,000	-	-	236,000	(241,000)
<b>Net movement in funds</b>		1,983,696	(126,000)	-	1,857,696	500,224
Fund balances brought forward at 1 January 2017		1,596,777	10,595,000	60,008	12,251,785	11,751,561
<b>Fund balances carried forward at 31 December 2017</b>	5	3,580,473	10,469,000	60,008	14,109,481	12,251,785