



BRIDGES

Impact Foundation

Trustees' Annual Report & Accounts

For the year ended 31 March 2023

bridgesimpactfoundation.com

Registered Company No. 06864617. Registered Charity No. 1129756

From the Chair



Dear friends,

I am delighted to present the Bridges Impact Foundation's 2022/23 Annual Report & Accounts.

This has been another year of strong progress for the Foundation. A particular highlight was the selection of a new area of focus for our venture philanthropy efforts: the prevention of gender-based violence. I'm pleased to report that we have already selected our first charity partner, Rising Sun (p. 6), which supports women and children affected by domestic abuse across Kent. We're excited to

help them scale this important work; and we're also actively seeking other partners that we can support in the coming years.

Once again, this focus area was selected by the Bridges team via a democratic vote, based on research by members of the team. We believe this is really important: not just because we want the Foundation to support causes that are important to the Bridges team, but also because the team are then more likely to engage through volunteering, pro bono work or other forms of support.

It is of course our second venture philanthropy focus area; our previous one was mental health, particularly to support young people, and we are proud of the impact we have been able to achieve. It's been particularly heartening to see the growth of Shout (p. 5), a 24/7 text message counselling service. The Foundation's financial support, and the fantastic support of Bridges colleagues who have given up their time to volunteer with the service, has helped Shout carry out over 2,000,000 conversations with its users, most of whom are young people, since 2019.

We are also continuing to support The Difference, whose specialist teacher training programmes are helping to create a better model for supporting children at risk of exclusion from mainstream education; and OnSide, whose youth zone 'Future' (and, once opened, new facility 'WEST'), provides thousands of young people with after school and holiday club activities and support.

Beyond venture philanthropy, the Foundation continues to try to utilise its funding to catalyse the impact investment market. Previously, we have provided seed capital for a number of pioneering new Bridges fund strategies, with a view to 'crowding in' other investors – including Bridges Evergreen, its patient capital vehicle (p. 9). This year, we are delighted to have been able to support the SDG Outcomes initiative (p. 8), which Bridges Outcomes Limited (BOL), a not-for-profit entity, is working on in partnership with the UBS Optimus Foundation. A grant from the Foundation helped the BOL team develop and establish this innovative new vehicle, which launched officially in 2023 and will support Development Impact Bonds (DIBs) and other outcomes-based projects in low- and middle-income countries.

As always, the Foundation has also been able to support Bridges team members in their own charitable fundraising efforts via matched funding, through events like the London Marathon, the Alzheimer's Society's Memory Walk, and a 400km cycle ride. Again, this is an important way to ensure that the Foundation continues to support causes close to the hearts of the Bridges team.

I want to end by thanking all of our Trustees; in particular, I wanted to express our gratitude to Kyle Bentwood and Duncan Kellaway, who stood down as trustees during the year. I am also hugely grateful to our Director Barbara Storch, who continues to drive forward the Foundation's strategy and impact. We hope and expect the Foundation can continue to use its resources – including the talents of the Bridges team – to achieve more positive impact in the coming year.

Victoria Hornby

On the cover:

The Difference aims to support children with high levels of need and vulnerability, and reduce the number of children that are excluded from their schools, via specialised teacher training.



About the Foundation

Objectives and Summary of Activities

The Bridges Impact Foundation (“the Foundation”) was set up as an independent charity in 2007 with two primary objectives:

1. Incentivise Bridges’ mission-driven team through social impact, engagement and philanthropy
2. Achieve impact in line with Bridges’ mission through the use of philanthropic capital, supporting projects that fall outside the scope of Bridges’ usual investment activity

In addition, the Foundation (originally the Bridges Charitable Trust) has been granted a ‘golden share’ in Bridges Fund Management, which allows it to protect the social mission of the business via an ownership stake in the management company. Bridges was launched with a clear remit to raise investment vehicles that target both societal and financial returns; the Foundation effectively has power of veto over any change to this mission.

The Foundation receives an important part of its funding through Bridges’ carry-holders, who donate the equivalent of 10% of their carry to the Foundation. As well as this direct financial contribution, the team also contributes to the Foundation’s success by helping to set overall strategy and, in some cases, through volunteering and *pro bono* support – of both the Foundation itself and some of its beneficiary

organisations. Indeed, this team engagement is an essential part of the Foundation’s work.

The Foundation’s mission statement, which is closely aligned with that of Bridges Fund Management, is: ‘To provide catalytic support for innovative solutions that drive better outcomes for underserved people and the planet’. ‘Catalytic support’ refers to both flexible financial capital and non-financial support in the form of *pro bono* work and volunteering, while ‘Innovative solutions’ are those that might not fit Bridges’ traditional investment risk profile but have the potential to be highly effective. ‘Better outcomes’ implies meaningful change in a core impact area for beneficiaries that currently do not receive enough support in that area (viz. ‘underserved people and the planet’).

The Foundation focuses on three areas:

- › Venture Philanthropy
- › Seed-funding & Market-building
- › Family Activities

In the following pages, we outline the Foundation’s key achievements in each of these three areas during the 2022/23 financial year (including the work of our sister foundation, the Bridges Impact Foundation U.S., a separate independent 501(c)3 non-profit organisation; registered charity number 81-3815673).

Directors

The Trustees who served during the year were:

- Victoria Hornby (Chair)
- Alex Pitt
- Giuseppe Catarozzo
- Michele Giddens
- Antony Ross
- Simon Ringer (*appointed September 2022*)
- Tom Mountford (*appointed September 2022*)
- Lucia Santirso-Richards (*appointed September 2022*)
- Tim Simmonds (*appointed October 2022*)
- Kyle Bentwood (*resigned July 2022*)
- Duncan Kellaway (*resigned October 2022*)

Director

Barbara Storch

Secretary

Aaron Vagarwal

Regulatory Details

Company Registration Number: 06864617
Registered Charity Number: 1129756

Registered Office

38 Seymour Street
London
W1H 7BP

Auditors

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Bankers

The Royal Bank of Scotland International Ltd.
1 Princes Street
London
EC2R 8BP

Key achievements in 2022/23 7

Venture Philanthropy: Supporting The Difference

Pioneering teacher training scheme The Difference continues to grow, delivering significant impact

The Difference is a specialised teacher training programme that aims to support children with high levels of need and vulnerability, and reduce the number of children that are excluded from their schools.

Nationally, the quality of Alternative Provision (AP) schools is not improving: Ofsted has reported lower quality offerings, while schools themselves are facing significant financial challenges. The standard of teaching is subsequently lower (AP students are three times more likely to be taught by an unqualified teacher), contributing to the continued achievement of poor results. In 2022, only 4.9% of AP students received a basic Pass in Mathematics and English GCSE (compared to 69% of students in all state-funded schools).

The economic cost to the Exchequer of this wasted potential has been estimated at £370,000 per child.

The Difference provides specialist inclusion training for teachers to move from the mainstream schooling system into Pupil Referral Units (PRUs) and AP schools, where they spend two years teaching vulnerable children dealing with complex issues.

Through The Difference Leadership Programme, teachers learn how to connect with these children effectively; and on completing their placement, they return to leadership positions in mainstream schools. Here, they receive a further year of support from The Difference.

The programme's structure allows teachers to incorporate the experience and teaching practices gained from the PRUs and APs into the mainstream system – with a view to driving positive change more broadly and providing more sensitive support for vulnerable children, preventing them from reaching the point of exclusion.

This year, The Difference recruited its fifth cohort of Difference leaders for its two-year programme, with over 160 applications.

The programme has established that it is a clear route for leadership and career progression: 86% of alumni have gone on to hold more senior

leadership roles, while nine alumni have been appointed to either Headteacher or Deputy Headteacher roles. The scheme is also seeing a measurable impact in the improvements of pupil outcomes in AP schools themselves - in attendance levels, learning improvements, literacy skills, and mainstream re-integration.

The Difference also offers training for mainstream school leaders via its Inclusive Leadership Course (ILC), for six full days across a school year. It has worked with 140 of these school leaders, across 53 Multi-Academy Trusts.

The Difference's direct positive impact on so many individual young people's lives is impressive and critical for improving the life outcomes of many. Additionally, the programme's potential for systemic change continues to be hugely valuable in indirectly benefitting thousands more vulnerable children.

Below: Neena, Difference leader



Key achievements in 2022/23 7

Venture Philanthropy: Backing Shout's innovative crisis text-line service

The Foundation's funding for Shout, a service which involves trained volunteers providing SMS-based support for anyone struggling to cope, comes to an end

The Foundation's support for Shout, the text-messaging support service for people in crisis, has reached its conclusion; we have celebrated our three-year funding relationship and all that the service has achieved over the period.

Shout was the Foundation's first charity partner in our first focus area: Mental Health. We were looking for a preventative, universal, tech-enabled tool - based on best practice and core evidence - where impact would be possible to measure. Among a large pool of potential organisations, Shout was the stand-out candidate to receive our support.

The service offers 24/7 anonymous and confidential crisis support to anyone who needs it, the majority being young people: 69% of users are under 25.

The scalability of Shout's service (it has grown from 167,000 conversations in 2019 to 2,000,000 conversations in 2023), together with its ability to leverage data analytics to generate insights for users, commissioners, volunteers and the wider market, are unique.

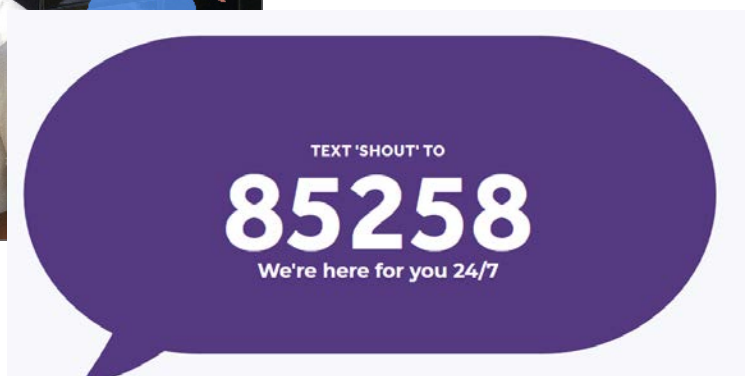
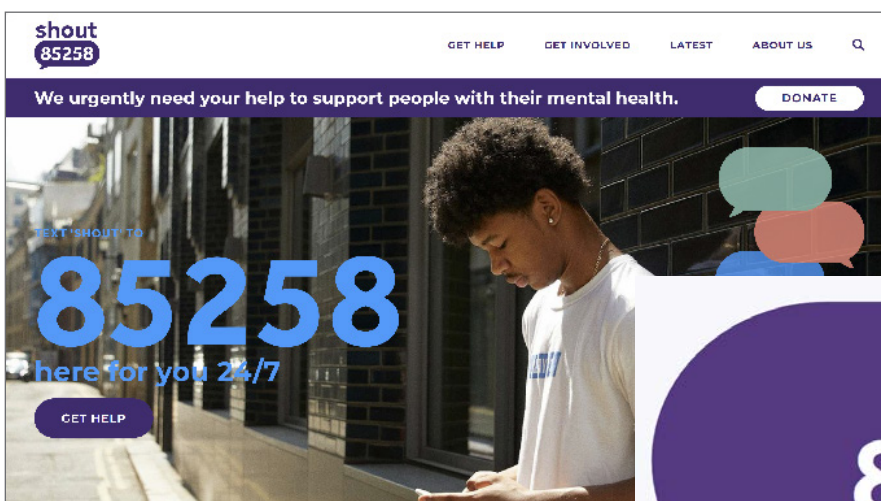
Shout volunteers tend to be the first person in whom Shout's texters confide, supporting them to move from a state of distress to somewhere more calm. People reach out for a variety of reasons, though issues predominantly include suicide & suicidal thoughts, depression &

sadness, anxiety, relationships, loneliness, self-harm, grief, and eating disorders & body image.

Critically, the model appears to deliver good outcomes: over 85% of service users (of the 15% of texters who respond to the post-conversation survey) report that the conversation was helpful, i.e. the user feels calmer and no longer at a crisis point.

Several of our Bridges colleagues continue to give up their time to volunteer with the service. Though at times conversations can be very challenging, our colleagues report that being able to provide this kind of support to those in immediate need is highly rewarding.

We are proud of the success and growth of Shout's service over the period, and the vital support it has been able to provide and positive impact it has been able to make for those texting in need. We hope it continues to lead the way in providing important mental health innovation and support.



Key achievements in 2022/23

Venture Philanthropy: Supporting victims of domestic abuse via Rising Sun

Rising Sun, the Foundation's first charity partner in its second focus area, champions a world free from domestic abuse and violence

Having confirmed our second focus area, Gender-based Violence, via a firm-wide vote, the Foundation researched and narrowed this theme down to two specific areas: Education and prevention of gender-based violence; and Access to justice for victims and survivors. We are pleased to have made our first partnership in the latter thematic focus area: Rising Sun.

Rising Sun is a charity which provides specialist, holistic support to women, children and those affected by domestic abuse across Kent, so that they can recover and move on from the life-shattering impact and trauma, and begin to thrive and experience the freedom they deserve.

The organisation is based in Kent, and offers services across Canterbury, Ashford, Folkestone and Hythe, and Swale. Its programme provides 1-1 Adult support, Adult Independent Domestic Violence Advocates (IDVA) support, survivor helplines, and 1-1 Young Person support, across various services including advice, advocacy, safe accommodation, counselling, mentoring and more.

Alongside providing specialist support to survivors and victims of domestic abuse, Rising Sun also focuses on early intervention for children and young people to prevent or break the cycle of abuse; delivers its award-winning 'Love Shouldn't Hurt' programme to schools and youth groups to educate on the early warning signs of abusive relationships; and provides training to help educate local businesses and voluntary organisations on the understanding of, identification of and response to domestic abuse.

We are excited to partner with Rising Sun and look forward to supporting and scaling its mission to tackle domestic abuse and violence in all forms.



Rising Sun Domestic Violence & Abuse Service



Above: Rising Sun supports women, children and those affected by domestic abuse

Right: Rising Sun took some of its clients' children on an Easter activity day



Key achievements in 2022/23

Venture Philanthropy: Supporting OnSide's high-impact Youth Zones

The Foundation continues to be a proud Founder Patron of two of OnSide's London-based Youth Zones, Future and WEST

Following the success of OnSide's first London-based youth zone, 'Future' in Barking & Dagenham, The Foundation agreed to become a Founder Patron of a second centre, 'WEST' in Hammersmith & Fulham.

OnSide's impact on individuals is significant: 73% of members feel happier about their lives as a result of attending their youth zone, 79% of frequent attenders feel better prepared for the future, and 96% said that their youth zone had made an impact on supporting them to achieve their goals.

We began providing support for OnSide's first London-based youth zone, Future, in 2018, before it opened its doors to local young people in May 2019. By December it already counted over 7,000 members, with an average weekly attendance of over 1,500 young people. This was a much higher number than anticipated – the business plan had estimated 4,000 members by the end of its first year – underlining the huge demand for the services it provides in the local area.

Future, as with all of OnSide's youth zones, provides young people with 'somewhere to go, something to do and someone to talk to', 52 weeks of the year. For £5 annual membership and 50p per session, young people can access sport, arts, music and craft activities, holiday clubs, as well as targeted interventions for c. 25% of participants (e.g. mentoring, health and well-being, employability skills). Post-Covid, in the last 12 months, Future counts over 3,600 members and has provided its services to over 12,500 members since opening in 2019.

Below: Some of the activities available to young people at the Future Youth Zone in Dagenham



As part of Future's holiday club, a number of Bridges colleagues volunteered to support and engage with Future attendees during its evening and Easter week sessions. Our team spent time supporting and leading sessions in sports, arts & crafts, cooking and more, alongside mealtimes and general breaks. Naturally, the experience pushed some volunteers out of their comfort zone, and it proved to be a rich and rewarding period. Bridges' Volunteering Policy, offering two days' paid leave per year, allows for opportunities such as this to happen.

WEST is currently under construction and will be OnSide's fourth London youth zone, located in the socially and economically polarised borough of Hammersmith & Fulham. The site is in North Hammersmith, where youth poverty in some wards ranges from 35-53% (compared to a national average of 30%). In the borough, 24% of households subsist on less than £20,000 p.a., and there are several areas that fall within the top 10% of the most deprived areas nationally, including major public housing estates. Intended as a space "Where Everyone Sticks Together" and named accordingly by local young people, WEST will be a brand new, purpose-built facility staffed with skilled and dedicated youth workers - helping young people to see and believe in their own potential. It will be part of an innovative education hub called 'EdCity' and is currently under construction, aiming to open in Spring 2024.

Right: Bridges employees volunteer during Future Youth Zone's Easter holiday club



Key achievements in 2022/23

Seed funding & Market-building: SDG Outcomes

Backing a pioneering approach to generating education outcomes in sub-Saharan Africa, collecting plastic waste in Nigeria, and more

In 2021, the Foundation provided Bridges Outcomes Limited, a not-for-profit subsidiary of Bridges Fund Management, with grant funding as it established its SDG Outcomes initiative - a new strategy dedicated to contributing towards achieving the UN Sustainable Development Goals (SDGs) - alongside UBS Optimus Foundation.

A first-of-its-kind vehicle, the SDG Outcomes initiative invests in Development Impact Bonds and other outcomes-based partnerships globally to generate positive social and environmental impact for those who need it most. It uses a new model of service delivery to design and execute innovative projects that target the SDGs in lower and middle-income countries.

Outcomes partnerships can play a key role in achieving the SDGs by improving the effectiveness of government and donor spending, leading to better life outcomes for vulnerable people and better value for funders. As such, the initiative's projects focus on health, education, employment, livelihoods and the environment, aiming to achieve both systemic impact (via systems change and ecosystem development) and direct impact (successful outcomes will generate payments).

Alongside fundraising activities in the period, the Bridges Outcomes team continued delivery of education-based programmes in Sierra Leone, launched delivery of education-based programmes in Ghana, and finalised its commitment to a waste collection programme in Nigeria:

- In Sierra Leone, the government has partnered with the Education Outcomes Fund and UNICEF to support an outcomes partnership targeting an improvement in learning outcomes in primary schools. The Fund supported three delivery partners (EducAid, StreetChild and Rising Academies) which have mobilised 195 schools (above target of 193) and delivery is on track, supporting 42,000 students.
- In Ghana, the government has partnered with the Education Outcomes Fund and the World Bank to design a similar education-focused outcomes contract

to increase schooling access for out-of-school children, and improve in-school learning for school-going students. Delivery launched in January 2023, with delivery partners Rising Academies and School for Life on track, having supported over 44,000 students thus far.

- In March 2023, the initiative signed a commitment for its first combined environmental and social outcomes programme, in partnership with Unilever Nigeria and Nigerian social enterprise Wecyclers. The aim of the programme is to collect 34,000 tonnes of plastic waste over the next five years, while also creating 780 jobs within plastic collection and recycling franchises and improving the wages of workers in the waste economy.

The team also continues to develop a strong pipeline of projects across multiple themes, including education, employment, health and climate.

Bridges Outcomes Partnerships has world-leading experience, having supported over 70 outcomes partnerships in the UK over the last decade; its distinctive approach has already earned over £129m of successful outcomes payments, with an estimated value of over £1bn to the public purse. The Foundation is excited to see this pioneering vehicle continue its progress and expand its approach into new markets.

Below: Wecyclers activity (photo: Nyancho Nwanri)



Key achievements in 2022/23 7

Seed funding & Market-building: Bridges Evergreen

The Foundation was an anchor investor in Bridges' pioneering patient capital fund, which is an ideal partner for some impact-driven businesses

One of the Foundation's major seed investments was in Bridges Evergreen, a patient capital vehicle that partners with highly impactful businesses that also enjoy commercial success.

For some high-impact businesses – particularly in regulated sectors – the standard private equity funding model doesn't quite work. They want a flexible, long-term, values-aligned investment partner, who can support them to deliver more impact and achieve their growth ambitions over time. Evergreen was created by Bridges to meet this need, becoming the first fund of its type in the market.

Although Evergreen's portfolio companies were inevitably affected by the difficult economic environment of the last year, the companies in the portfolio continue to deliver powerful positive impact.

AgilityEco, for example, which provides energy-efficient solutions to vulnerable households, continues to play a vital role in tackling fuel poverty – a challenge that has been exacerbated hugely this year by soaring energy bills and broader cost inflation. AgilityEco's energy-saving measures have now delivered nearly £75m of lifetime bill savings for fuel-poor

households, while also abating around 113,000 tonnes of carbon emissions from inefficient homes.

New Reflexions, Evergreen's first investment back in 2017, provides integrated education, therapy and care to young people with incredibly complex emotional and behavioural needs across the country. It continues to steadily increase the number of children in its care – boosted this year by the opening of its third (and potentially largest) specialist residential school, The Fitzroy Academy.

In Teesside, Evergreen has also been backing the Ethical Housing Company (EHC), which is accumulating a portfolio of decent, affordable homes to rent. Almost three-quarters of its tenants are in receipt of benefits to pay their rent, a clear indicator of the level of need in the region – again, a situation that has only worsened with the recent cost-of-living crisis.

Challenges like these will not be solved overnight; a patient, long-term approach is required. The Foundation believes that Evergreen's patient, long-term capital can play a vital role in scaling these solutions over the coming years.

Below:
AgilityEco, a Bridges Evergreen investment, provides energy efficiency and fuel poverty services to vulnerable households



Key achievements in 2022/23 7

Seed funding & Market-building: Highlighting The Turner MIINT MBA programme, the work of another non-profit in the Bridges Group

Thanks to the support of the Foundation's U.S.-based sister organisation, the Turner MIINT Masters programme inspires more graduates with impact

The Foundation has supported the development of sustainable and impact investing, both in the UK and globally, by funding a number of market-building initiatives and publications.

This year, Bridges Impact Foundation U.S., our U.S. sister organisation, continues to support the thriving Turner MIINT programme.

day immersive experience. Over 450 students participated in total, with 137 competing in this year's investment committee event.

Finalist pitches ranged from businesses creating healthy cultivated meat products to tracking cardiac health outcomes in remote areas via technology and reporting. First place was awarded to a team from Saïd School of Business at Oxford University for a health outcomes business - Sunfox Technologies, an Indian-based medical devices company. This earns them the Moelis Prize, which means this company is eligible for a \$50,000 investment. This year's best diligence award, celebrating strongly executed and well-researched diligence, went to Columbia University. The cohort of seven finalists featured six from outside the United States.

N.B. The Foundation has regular updates with its sister organisation in the U.S., as we look to align our efforts and engagement opportunities. More information on the Turner MIINT programme at www.turnermiint.org.



The Turner MIINT programme (U.S.)

The MIINT (MBA Impact Investing Networking and Training) programme is run by the Bridges Impact Foundation U.S., the Foundation's U.S. sister organisation, in partnership with the Wharton ESG Initiative at the University of Pennsylvania.

It is an experiential education programme designed to give students a hands-on education in investing for impact. It takes place each academic year and involves top business and graduate schools from around the world, encouraging the flow of talented young people into impact investing.

The programme was renamed as the Turner MIINT, in recognition of a generous \$2.5m donation from philanthropists Bobby & Lauren Turner.

Via teaching and mentorship, students are guided through their journey as impact investors-in-training. The program culminates in a competition where students pitch for investment for a real-life impact start-up.

This year, for the first time since 2019, participating students from around the globe travelled to the University of Pennsylvania to present their selected ventures over a two-

Below and above left: Turner MIINT 2023 winners from Saïd School of Business, Oxford University



Key achievements in 2022/23

Bridges Family Activities

Youth Zone young musicians were stars of the show at Bridges' 20th Anniversary event

The Foundation's Family Activities supplement our other work by encouraging and rewarding Bridges' colleagues' philanthropic activities, and by providing financial support in cases of financial hardship to close stakeholders.

The Matched Giving Facility

The Matched Giving Facility was started in 2014 with an allocation of £80,000. In September 2022, Trustees approved an additional £20,000 to boost this allocation to £100,000, as we had almost fully utilised the £80,000.

It encourages Bridges employees in their own philanthropic activities by matching their fundraising contributions to the cause of their choice by up to £1,000. There were four requests in the year, with subsequent donations of £3,506 - taking the total up to £73,592.

The Foundation was proud to match-fund four Bridges employees individually, as they took part in events in aid of various charitable causes, including the 2022 London Marathon, Alzheimer's Society's Memory Walk, and a cycle ride totalling almost 400km.

A performance from Future OnSide

In summer 2022, Bridges celebrated its 20th anniversary. This milestone was marked with a special anniversary Annual Investor Meeting at Kings Place in North London, where the Foundation was delighted to be able to share some information about the amazing work Future youth zone is doing with its support, with attendees. The event culminated in a live musical performance from the young people of OnSide's Future youth zone: musicians performed 'Running out of Time', having collaborated on the song together to



Above:
Young musicians from OnSide's Future performing live at Bridges' 20th Anniversary Meeting

touch on issues they currently face, alongside feelings about the future. One band member "very much enjoyed the crowd interaction" and is "grateful that Bridges gave [him] the opportunity to share [his] story through music".

Supporting disadvantaged people through the power of sport

In February 2020, BIF trustees, alongside an investor of Bridges Fund Management, made a donation towards a £25,000 shirt sponsorship for Team England in advance of the Homeless World Cup 2020. Due to the pandemic, the global tournament was unable to take place that year.

In its place, Street Soccer - which runs Street Soccer London (representing Team England) - organised the Nations Cup in Dundee, Scotland in September 2022. It brought together teams from England, Scotland, Wales, Northern Ireland, Ireland, Sweden, Ukraine, the Netherlands and Afghanistan to compete.

Over 160 players who have experienced social exclusion in various forms, including homelessness, poor mental health, criminal justice, substance abuse, or refugee status, came together to experience something totally different from their everyday.



Left:
Street Soccer London players representing Team England

Key achievements in 2022/23 7

Bridges Family Activities

The Foundation is also supporting a bursary in order to promote greater diversity and inclusion in the real estate sector

The Benevolent Fund

The Foundation's Benevolent Fund was launched to provide short-term financial support grants to members of the broader Bridges network (such as portfolio company employees) who find themselves in difficult circumstances. £20,000 has been allocated to this fund. There were no requests during the year and therefore the total spend to date remains £13,108.

The Donor-advised Pool

The Foundation has established a Donor-Advised Pool, a pool of funds capped at 20% of Bridges' carry whereby the carry holders can make a request to the Trustees on how to allocate this portion of the funds. In total, sixteen requests were made during the year, totalling £30,931 (2022: £22,710).

Bursaries & Scholarships

Having worked closely with the Diversity & Inclusion Working Group established by the team at Bridges, the Foundation has explored

practical ways in which we can support efforts to create more diverse, inclusive and equitable culture within the industry.

One of Bridges' specialist investment areas is in real estate, one of the least diverse sectors in the UK. With this in mind, we are delighted to be sponsoring a student on a three-year bursary programme run by the Worshipful Company of Chartered Surveyors.

The WCCS' programme supports underprivileged students studying a real estate degree, both financially and through mentoring and work experience opportunities. This student was introduced to the Foundation by members of the Property team, and gained several weeks' work experience over the summer, last year. After the three-year bursary, the Foundation decided to also fund this student's Master's degree.

We are keen to improve access to equal opportunities in the surveyor and real estate industry, and hope that this programme, and others like it, will help to attract a broader range of talented people into the sector.



Right: The WCCS works to broaden access to careers in the property sector

Future Plans

The Foundation will continue to focus on its three core areas in the coming year:

- › [Venture Philanthropy](#)
- › [Seed-funding & Market-building](#)
- › [Bridges Family Activities](#)

In particular, we are also expanding our work in key ways:

Venture Philanthropy:

Last year, the team established two specific themes within our second focus area of Gender-based Violence:

- Education and prevention of gender-based violence; *and*
- Access to justice for victims and survivors.

Having this year selected our charity partner (Rising Sun) for the latter theme, we are looking to identify a school-based gender-based violence prevention programme to deliver progress in the former theme of education and prevention.

We have identified a promising Pilot Trial which we may support. The feasibility study would be led by two professors, and its primary aim would be to test if the new intervention is feasible and could progress to a larger-scale impact evaluation (which would seek to measure the

impact of the intervention on DRV (dating and relationship violence) and GBV (gender-based violence) victimisation and perpetration).

This would contribute to building an evidence base in this hugely important area, which is currently lacking.

Seed-funding & Market-building:

Bridges Impact Foundation has a long history of supporting outcomes-based contracts and partnerships, from its investment in the first ever outcomes contracts (via the Social Entrepreneurs Fund which it catalysed), to support for Bridges' first dedicated outcomes fund through the Social Impact Bond Fund, to its investment in the Village Enterprise Development Impact Bond, to its support and investment in the SDG Outcomes initiative. We are now exploring plans for how we could support an effort to catalyse outcomes-based contracting further in the UK and globally, through policy shaping and sharing of data and best practice.

Below: Kirklees Better Outcomes Partnership, a project to support people experiencing or at risk of homelessness, is one of the outcomes partnerships made possible by the support of BIF (and others)



Financial Review

Fundraising

The current Bridges team, as well as some former Bridges employees that have now moved on to other workplaces, have committed to donate a portion of their carry to benefit the Impact Foundation.

There were donations of £84,282 in the year to March 2023 (2022: £163,387). As a result, £16,739 Gift Aid was claimed (2022: £33,891).

A number of exit processes delayed by Covid are now underway again. The Foundation expects this to create a steady funding stream for the Foundation that is likely to rise over time.

This should allow the Foundation to expand its activities further in the coming years.

Investments

Bridges Social Entrepreneurs Fund ("SEF") made no drawdowns this year (2022: £41,981). The Foundation is fully committed, and the Fund has come to the end of its life and is now in liquidation.

SEF distributed £62,092 to the Foundation in October 2022. This increased total distributions, net of PPS, by year-end to £6.69m, which equates to 82% of the capital and loan drawn down net of recalled PPS (£8.19m).

There is currently one active investment forecast to run until 2024, at which point the Fund will be liquidated. The gross value of SEF at the year-end was £139,542.

Bridges Evergreen Holdings (BEH) made no drawdowns this year (2022: £506,083) and distributions of £90,114 have been received in the year to March 2023 (2022: £129,222) in the form of a dividend payment.

As at 31 March 2023, £54m had been drawn down from investors since the commencement of BEH on 6 July 2016, against £66m total commitments. This represents 82% of current commitments, and has been used to fund investments into New Reflexions, Shaw Healthcare, the Ethical Housing Company, Skills Training UK and AgilityEco, as well as Priority Profit Share and other fund expenses.

In the year, Evergreen made a dividend distribution to investors of £1.6m, or 3% of invested cost, in March 2023.

The Foundation has granted £150,000 to date towards setting up the SDG Outcomes initiative.

Governance costs for the Foundation were £12,902 compared to £10,603 from the prior year. Administration and investment services are performed by Bridges Fund Management Limited on a *pro bono* basis. It is not possible to quantify the value of this work.

Public benefit

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard for the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act, including the guidance 'public benefit: running a charity (PB2)'.

The Trustees consider that the activities of the charity provide significant public benefit, in a number of important ways.

By acting as the original cornerstone investor in the Bridges Social Entrepreneurs Fund, which in turn co-invests alongside the Bridges Social Impact Bond Fund, and more recently by investing in Bridges Evergreen Holdings, the Foundation has helped to channel capital to innovative and ambitious social sector organisations looking to create long-term, sustainable impact at scale.

The ongoing work of the Bridges Outcomes team to build capacity in the social outcomes market also has significant potential to improve public sector services, both in the UK and beyond, by delivering better outcomes and better value for the public purse.

The Matched Giving facility amplifies and thus incentivises individual charitable fundraising by members of the Bridges team.

The Foundation does not engage in fundraising activities and no donations are sought from the public. The Foundation does not use third-parties to assist with fundraising and the charity received no complaints in this year regarding its fundraising practices.

Relationship with other entities

Bridges Fund Management Limited

Bridges Impact Foundation is connected to Bridges Fund Management Limited (“BFM Ltd”) by virtue of the fact that it holds B ordinary shares in the company. The Foundation does not exercise significant control or influence over BFM Ltd, as the B ordinary shares are non-voting shares, except in certain situations governing a change of the mission of the company. Under the terms of BFM Ltd’s Articles of Association, it has no right to any of the profits or losses of the company even in the event of a sale or liquidation (only to capital).

The Foundation occupies office space and shares management personnel with BFM Ltd. In addition, BFM Ltd is the appointed manager to the private funds in which the Foundation has invested. BIF benefits from its relationship with Bridges Fund Management, for which it is not charged. The Foundation is administered by the staff of BFM Ltd, who support it by offering time, resource and support to charitable activities.

At the year-end, Trustee Michele Giddens was also a director of BFM Ltd. In addition, Kyle Bentwood, Aaron Vagarwal, Lucia Santirso Richards, Tom Mountford and Simon Ringer were employees of BFM Ltd, while Giuseppe Catarozzo was a consultant to BFM Ltd and Antony Ross was a senior advisor to BFM Ltd. Kyle resigned as a board member in July 2022.

Bridges Social Entrepreneurs Fund LP

Bridges Social Entrepreneurs Fund LP was constituted under a limited partnership agreement. It attracted funding that was invested in social enterprise initiatives with strong potential philanthropic benefit.

The general and controlling partner of Bridges Social Entrepreneurs Fund LP was Bridges Social Entrepreneurs Fund (General Partner) Ltd, a wholly-owned subsidiary of Bridges Fund Management Ltd. The investments of Bridges Social Entrepreneurs Fund LP were managed by Bridges Fund Management Ltd. The investors in the Bridges Social Entrepreneurs Fund, including the Bridges Impact Foundation, were members of the Fund’s advisory board, whereby the Manager updated the investors on the Fund’s progress.

The investment period of Bridges Social Entrepreneurs Fund LP ended in 2016; the Fund’s term was due to expire in 2019, but this was subsequently extended to August 2021,

so Bridges could continue driving impact and financial value in the remaining assets. The Fund is now in liquidation.

Bridges Evergreen Capital LP

Bridges Evergreen Capital LP is constituted under a limited partnership agreement and attracts funding which is invested in highly impactful businesses. The general and controlling partner of Bridges Evergreen Capital LP is Bridges Evergreen Capital (General Partner) LLP, a wholly-owned subsidiary of Bridges Fund Management Ltd. The investments of Bridges Evergreen Holdings are managed by Bridges Fund Management Ltd.

The investors in Bridges Evergreen Capital, including the Bridges Impact Foundation, are members of the Fund’s advisory board where the Manager updates the investors on progress to date and future plans for the Fund.

Bridges Impact Foundation U.S.

Bridges Impact Foundation U.S. is a U.S.-based 501(c)3 nonprofit organisation, and an independent organisation within the Bridges Group. The Foundation has regular updates with this entity, as we look to collaborate on opportunities where possible.

SDG Outcomes Fund SCSp

Bridges Outcomes Limited acts as the portfolio manager for the SDG Outcomes Fund SCSp, the first vehicle of its kind dedicated to creating social and environmental outcomes through projects focused on health, education, women’s economic empowerment and the environment to benefit the world’s most vulnerable populations.

The Fund aims to achieve direct impact through potential positive outcomes estimated to be worth more than \$250m. The Fund also aims to achieve systemic impact through transforming the way donors commission and fund services for vulnerable people, as well as transforming the ecosystem of delivery partners, improving outcome payer engagement by achieving more outcomes and better value for money, and increasing the availability of more flexible, impact-focused capital through the establishment of a broader investor base.

Organisation and appointment of Trustees

The Bridges Impact Foundation is administered by the Board of Trustees.

The Trustees ensure that the Foundation is carrying out its purposes for the public benefit, that it manages its resources responsibly, and that it is fully accountable and compliant with the law.

There must be at least four Trustees and no more than ten in office at any given time.

The Foundation's Board is comprised of elected employee representatives from Bridges Fund Management, senior Bridges partners, and independent trustees.

Victoria Hornby is our Chair. The Foundation is lucky to benefit from her not-for-profit experience and expertise. Her support, challenge and guidance are invaluable, and ensure the effective and smooth running of the Foundation's Board.

In October 2022, Duncan Kellaway stood down as Trustee, while Simon Ringer joined the Board as a senior member of the Bridges team in September 2022.

In addition, Tom Mountford and Lucia Santirso Richards were elected as Bridges Employee Representatives, also in September 2022, as a result of a company-wide election which saw a number of colleagues put themselves forward for selection. The Foundation welcomes Tom and Lucia's expertise and enthusiasm!

Independent Trustees are appointed by a resolution of the Board of Trustees and serve for three years, at which point they can be reappointed for a further three-year term.

Alex Pitt, co-founder and Director of Growth at Mustard Seed, an early-stage generalist impact fund, has served as an independent trustee since 2020.

Tim Simmonds, a partner at law firm Osborne Clarke, was formally approved as another independent Trustee in October 2022.

The Foundation is actively searching for another independent Trustee to join the Board.

Trustee Induction and Training

New Trustees of the Bridges Impact Foundation take part in a mandatory induction meeting to understand their legal obligations as a Trustee under charity law. Trustees who are not employees of Bridges Fund Management Ltd are also briefed on the company's activities and philosophy, governance, decision-making process, and recent financial reports.

All Trustees are invited to join a meeting of the Bridges Evergreen Holdings advisory board (and previously the Bridges Social Entrepreneurs Fund advisory board) as part of their induction and training.

All Trustees are encouraged to undergo external training that can better inform them of their role as Trustee or enhance their expertise/skills to contribute to the work of the Foundation.

Other Key Personnel

Barbara Storch is Director of the Foundation; she is responsible for developing and directing strategy for the deployment of the funds of the Foundation on a day-to-day basis.

Aaron Vagarwal is Secretary of the Foundation.



Risks and Risk Management

The key risks faced by the Foundation relate to the performance of funds managed by Bridges Fund Management.

The value of the Foundation's investment in SEF, and its investment in Evergreen, may rise or fall depending on the performance of the companies in which these funds choose to invest.

Equally, an important funding stream for the Foundation derives from the Bridges Fund Management team (both past and present), who have committed to donate the equivalent of 10% of their individual 'carried interest' (profits) arising from the funds managed by Bridges Fund Management to the Foundation. If the funds fail to generate carried interest, the funding of the Foundation will be adversely affected.

The Trustees work to proactively manage risks by reviewing potential financial, reputational and other risks on an annual basis and developing and implementing strategies to pre-empt or minimise these risks. They also maintain close communication with the Bridges Fund Management team to monitor any potential risks pertaining to the funds' investment activity.

A key element in the management of financial risk is the frequent review of quarterly finance updates presented at each board meeting – which analyse cashflow forecasts to manage financial risk – and of the amounts and terms of donations made to the Foundation.

Reserves Policy

The Bridges Impact Foundation's policy is to hold reserves that will enable the organisation to:

- › Ensure there is sufficient money to continue its core activities during a period of unforeseen difficulty
- › Undertake special projects and one-off activities in keeping with Foundation's mission

The Foundation incurs minimal costs of operation, including governance costs. It considers that the unrestricted reserves at the year-end totaling £899,837 (2022: £924,416) of which £28,553 is designated and £871,284 is general, will be more than sufficient to cover ongoing expenses associated with its current operations.

The Trustees continue to explore with the Bridges team other avenues of charitable activity that are aligned with the skills, interests and activities of the team.

Restricted funds at year-end totaled £4,533,302 (2022: £5,184,546).

Structure

Bridges Trust (company number 06864617) was incorporated on 31 March 2009 under a Memorandum and Articles of Association, with all existing Trustees in the unincorporated charity Bridges Charitable Trust (charity number 1118391) becoming directors of the newly incorporated Bridges Trust.

Bridges Trust was registered as a charity with the Charity Commission on 20 May 2009 (charity number 1129756); changed its name to Bridges Charitable Trust on 17 August 2009; and changed its name to the Bridges Impact Foundation Ltd. on 22 February 2017.

In 2021, the Foundation adopted revised Articles of Association which clarified and extended the number and composition of the Board of Trustees.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Bridges Impact Foundation for the purposes of company law) 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), including FRS 102, the financial reporting standards applicable to the UK and Republic of Ireland.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- › Select suitable accounting policies and then apply them consistently
- › Observe the methods and principles in the Charities SORP
- › Declare any conflict of interest following the Foundation's Conflict of Interest policy
- › Make judgements 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 proper accounting records that 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

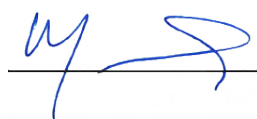
Insofar as the Trustees are aware:

- › There is no relevant audit information of which the charitable company's auditor is unaware
- › The Trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor was aware of that information

Auditors

Moore Kingston Smith LLP have been appointed as auditors in the year and have expressed their willingness to continue in that capacity.

Signed on behalf of the Trustee Board by:



Victoria Hornby

Chair of Board

7th December 2023

BRIDGES

Impact Foundation

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Company Registration Number: 06864617.
Registered Charity Number: 1129756.

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Bridges Impact Foundation, December 2023