

**Text messages between Mike Brown (Commissioner, TfL) and Mervyn Davies (Chair, Garden Bridge Trust)**

**15 August 2018:**

MD (18.29): Mike, sorry to trouble u. Would it be possible to have quick chat tomorrow. Mervyn

MB: Of course – will try to work something out. Mike

**20 September 2018:**

MD (17.06): Garden Bridge. Close to final settlement now so we should maybe put a meeting in diary for 3 weeks or so. Regards Mervyn

MB (22.31): Will do so for sure! Thanks All Best Mike

**Text messages between Andy Brown (Head of Corporate Affairs, TfL) and Paul Morrell (Deputy Chair, Garden Bridge Trust)**

**19 January 2019:**

PM (20:26): Trustee call again on Monday. Can we catch up between 12 and 4pm tomorrow, or before 10am on Monday? Paul M

AB (20:31): Hi Paul – I have just landed back in the UK after a week in the Far East – so if I can find anything out before 10am on Monday I'll call you! Otherwise I may need to give you a ring later in the week I'm afraid.

**20 January 2019:**

PM (17:34): Thanks – best number is [REDACTED]

**22 January 2019:**

PM (12:38): Can we fix a time for a call? I have another chase from the JV – and we must surely be there by now?

**23 January 2019:**

AB (11:53): Hi Paul. I'm not ignoring you I promise. I'm pushing for progress as quickly as possible and am going to raise again with the necessary people in person tomorrow.

**24 January 2019:**

PM (11:19): The line on Monday's call was that we simply have to know where we are by the end of this week, to deal with multiple demands for payment. So is that likely?

AB (11:39): I will know more this afternoon, after a couple of meetings

AB (19:36): Hi Paul – I don't have radical news for you but if you wanted I could speak tomorrow on the phone, between about 10:30 and 13:00?

PM (21:53): I will call at 10.30.

## Garden Bridge Liabilities v2.1 – February 2018

### Contractors

#### **JTRB Communications Limited**

Provision of individual (Wendy Blair) under a consultancy agreement.

£500 plus VAT per day for stakeholder relations/management. Contract of 24.02.15 provided for termination on 2 weeks' written notice. Apparently terminated on 29 September 2017. Subsequent letter of 05.10.17 provided for ongoing consultation services (termination on 1 day's notice).

*Contract and subsequent letter provided, but no evidence to support claim for sums owed (e.g. invoices). NB – presumably these services were no longer required once project was terminated in mid-August? Why did they continue to pay for them? We would not want to pay for anything after the earliest possible termination date, i.e. 2 weeks after cancellation of project?*

*February update is that this is a provision (presumably the £12.6K in the schedule of liabilities), but no invoices provided as yet. They are “responsible for terminating any partnership agreements with third parties eg Oasis Academy and Citi Foundation.” Unclear what this means.*

*UPDATED STATUS – still insufficient evidence provided. Ongoing.*

#### **Monument Consultancy Limited**

Provision of project director (Tony Marley) under a consultancy services agreement.

£750 plus VAT per day. Contract provides for termination on 10 days' written notice. Letter of 18.08.17 terminated contract effective 31.08.17, but with provision to continue to call off further work on an ad hoc basis on the same rate. Confirmed in a subsequent letter of 28.11.17 (1 day's notice of termination required).

*Contract and subsequent letters provided, but no evidence to support claim for sums owed (e.g. invoices).*

*Stated to be a provision for “expected services in terminating third party accounts” (£50.0K) but no invoices as yet.*

*UPDATED STATUS – still insufficient evidence provided. Ongoing.*

#### **Kings College London**

Invoice dated 28.09.17 provided - £14,369.86 + VAT.

Relates to period 22.07.16 to 14.09.16.

*No explanation provided as to what the invoice is for other than “For professional services in connection with Redevelopment of land at Surrey Street.” Where is the legal commitment to pay this money? Is the amount reasonable?*

*Copy (unsigned) agreement between GBT and KCL provided. Under clause 7.5 “The Trust covenants with the College that on or before the date of this Deed it will pay the reasonable legal costs of the College in connection with the negotiation and completion of this Deed.” (The explanatory note says this was capped at £15K although this is not reflected in the agreement). The invoice from BLP (KCL’s solicitors) reflects this.*

*The explanatory note states that the invoice is considered reasonable.*

*UPDATED STATUS – Sufficient evidence provided (subject to seeing signed and dated copy of the agreement).*

### **Arup and Partners Ltd**

Provision of project management, cost management and multi-disciplinary design services.

Contract dated 31.05.16 provides for termination “at any time forthwith” by notice (clause 7.1). On termination, clause 7.3 provides for Arup to “take such steps as are reasonable to bring to an end the services under the Deed...”. Entitled to any instalments (and partial instalments) of the Fee and any amounts which have accrued prior to termination, plus two weeks’ worth of the Fee post-completion.

Exposure assessed as £55k. No evidence provided to support this (e.g. invoices and calculations).

*Stated to be a provision for “assistance/advice terminating the contract with the Joint Venture” but no invoices as yet.*

*UPDATED STATUS – still insufficient evidence provided. Ongoing.*

### **PWC**

Provision of “Project Foliage” services – wind down of Project leading to MVL (“Members’ Voluntary Liquidation.”

Engagement letter dated 09.08.17 (signed 24.08.17). It seems legitimate that advisory costs leading to orderly winding up of GBT should be covered. No invoices as yet.

*Invoices now provided for £15,717 + VAT. However, provision for £120,000 made.*

*UPDATED STATUS – still insufficient evidence provided. Ongoing.*

### **ITV**

Invoices provided for 10.05.17 and 25.08.17 – outstanding balance totalling £178,352.50.

Contract dated 07.03.16 between GBT, ITV London Properties Limited and ITV Services Limited to agree arrangements to protect ITV’s operations at ITV’s Premises during construction and operation of the Garden Bridge and to regulate GBT’s use of land in or adjacent to ITV’s property.

*Further explanation provided as to what the invoices are for. No detail. Is the amount reasonable and justified under the contract (presumably clause 13 "Costs")?*

*Some explanation given as to the costs, together with an assessment that the costs were reasonable*

*UPDATED STATUS – Ongoing. Revised lower invoice expected.*

### **London Borough of Camden**

Invoice provided for £57,500 – relating to professional charges since Jan 2015 in connection with the preparation a revision of S.106 agreement.

*Is there an agreement in place for GBT to meet these costs? Have GBT assessed these costs as reasonable and justified?*

*Costs deemed to be reasonable. Extract of clause 17.4 of Planning Performance Agreement given which sets out obligation to pay costs.*

*UPDATED STATUS – Still insufficient evidence provided. Need to see the actual Planning Performance Agreement. (NOTE – reference is to agreement with Lambeth – presumably an error)? Ongoing.*

### **City of Westminster**

Claim for legal costs for dealing with S.106 agreement (£32,274.00)? GBT appear to dispute the legal basis for these costs being payable, as the matter did not complete.

*UPDATED STATUS – unresolved – currently no claim against TfL. Ongoing.*

### **Bircham Dyson Bell**

Legal fees estimated at £17,000 for "resolving property termination administration".

*Have GBT assessed these costs as reasonable and justified? Are these costs incurred post-termination, and, if so, what is their justification (i.e. are they an inevitable consequence of termination, orderly winding up etc)?*

*Stated to be a provision – "They are inevitable consequence of termination and terminating agreements with third parties".*

*UPDATED STATUS – insufficient evidence provided. Ongoing.*

### **Parsons Brinkerhof – WSP**

Emails relating to liability of £22,479.97. No evidence provided to support this (e.g. terms of appointment or invoices).

*What do these costs relate to, and what period? Have GBT assessed these costs as reasonable and justified?*

*Explanation that WCC have outsourced the management and maintenance of their highways to a PB/WSP JV. As part of WCC's review of the planning and conditions submissions,*

*PB/WSP asked to review the highway proposals etc – and prior to doing so they required GBT to issue a PO for the work.*

*Costs relate to work carried out in 2015/16.*

*UPDATED STATUS – insufficient evidence provided – we should see (i) copy of this PO and (ii) evidence (eg agreement) with WCC that GBT would pay these costs. Ongoing.*

### **McFarlanes**

Legal fees estimated at £10,800.

*Have GBT assessed these costs as reasonable and justified? Are these costs incurred post-termination, and, if so, what is their justification (i.e. are they an inevitable consequence of termination, orderly winding up etc)?*

*Explanation that this is a provision – relating to advice on termination of the joint contract*

*UPDATED STATUS – insufficient evidence provided. Ongoing.*

## **Funders**

### **Leila Govi**

Proposed repayment of £15,000.

Letter from Lord Davies to Leila Govi dated 24.10.16 thanking her for her donation of £15,000, and stating that “In the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.”

This follows a file note of a conversation between Bernadette O’Sullivan of the Trust and LG on 15.09.16, prior to LG making the donation – BO’S confirmed that the funds would be returned if the engraving of names on the Bridge did not take place.

*NB – was there any formal documentation around the donation?*

*No formal documentation. No evidence provided of payment received..*

*UPDATED STATUS – given the repayment commitment given prior to the donation, and the confirmation subsequently, there is a good case to say the Trust is legally obliged to repay the money.*

### **Lawrence Sword**

Proposed repayment of £2,200 bid for “breakfast on the bridge” auction lot.

*What was the nature of the Harrods Fundraising Gala? Did LS pay the money direct to the Trust or to some other party, e.g. Harrods? Has LS asked for his money back?*

*GBT in process of confirming that funds came directly to GBT and not to Harrods. LS not actually asked for his money back. No evidence of payment received.*

*UPDATED STATUS – It seems clear that – contractually – LS is entitled to his breakfast or his money back.*

### **Helen and Tim Throsby**

Proposed repayment of £21,000 bid for a bench at the Harrods Gala.

Letter from BO’S to H&TT of 26.09.16 – after receipt of donation – states that “in the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.

An email requesting repayment of the donation was made by TT on 28.08.17.

*What was the nature of the Harrods Fundraising Gala? Did the Throsbys pay the money direct to the Trust or to some other party, e.g. Harrods?*

*Money paid direct to GBT. No evidence provided of payment received.*

*UPDATED STATUS –It seems clear that – contractually – the Throsbys are entitled to their money back.*

### **Ian and Carol Sellars**

Proposed repayment of £21,000 bid for a bench at the Harrods Gala.

Letter from BO'S to H&TT of 26.09.16 – after receipt of donation – states that “in the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.

Various emails requesting repayment of the donation were made by IS from 30.08.18 to 28.10.18.

*What was the nature of the Harrods Fundraising Gala? Did the Sellars pay the money direct to the Trust or to some other party, e.g. Harrods?*

*Money paid direct to GBT. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – the Sellars are entitled to their money back.*

### **Peggy Yeoh**

Proposed repayment of £17,000 bid for “the Garden Bridge Experience” at the Glitter in the Garden Gala on 01.03.16. Money paid direct to the Trust.

*What was the nature of the Glitter in the Garden Gala? Did PY request repayment?*

*No request for repayment made. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – PY is entitled to her money back.*

### **Carolyn Townsend**

Proposed repayment of £17,000 bid for “the Garden Bridge Experience” at the Glitter in the Garden Gala on 01.03.16. Money paid direct to the Trust.

CT requested repayment in emails dated 23.09.17 and 05.11.17.

*What was the nature of the Glitter in the Garden Gala? This has been explained in a separate email. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – CT is entitled to her money back.*

### **Barratt West/Tiffany & Co**

Proposed repayment of £17,000 bid for “the Garden Bridge Experience” at the Glitter in the Garden Gala on 01.03.16. Indirect evidence that the money was paid. Mention of Tiffany jewellery donated, but unclear of the relevance of this.

CT requested repayment in emails dated 14.08.17 and 15.08.17.

*What was the nature of the Glitter in the Garden Gala?*

*£17,000 paid by Tiffany & Co for various auction prizes. Evidence (screenshot) provided of payment on 30.03.16.*



*UPDATED STATUS – It seems clear that – contractually – T & Co are entitled to their money back.*

### **Glencore**

Proposed repayment of £375,000 donation.

Letter from Glencore dated 26.11.14 set out intention to donate £750,000, exclusively for the purchase of a copper-nickel alloy. Donation to be made on 01.08.15.

Further letter from Glencore dated 12.05.16 confirmed £750,000 donation (in two equal tranches) but on new terms – including:

“The Charity further undertakes and agrees to return our Donation to us in full...if any event...occurs...which in the reasonable opinion of Glencore will result in the...Project not going ahead”.

Glencore requested repayment on 03.05.17 and 06.07.17 (prior to GBT Board decision but after Mayor’s decision not to provide guarantees).

*Evidence provided that funds were paid (screenshot bank transfer) on 01.06.16.*

*UPDATED STATUS – It is clear that – contractually – Glencore is entitled to its money back.*

### **United Way Worldwide**

Proposed repayment of £103,679.77 donation (\$150,000).

Grant Agreement dated 31.08.16 (counter-signed 01.09.16). Under clause 5 “Any grant funds, and any income earned on those funds, that are not spent or committed for the purposes of this grant, must be returned to UWW.”

*Explanation states that funds were received 7 September 2016 (which year?) of £108,514.79 into GBT’s Sterling bank account. Interest earned of £167.17. How do these figures interact? Invoice provided for £4,139 + VAT which was paid. As this is an invoice from Groundwork London to GBT direct so unclear how this relates to the UWW Grant Agreement.*

*UPDATED STATUS – some more information required – e.g. evidence money was paid to GBT – and how the (Sterling) figure of £103,679.77 was calculated. What is the appropriate exchange rate? Is there any income earned on the donation to be repaid? However, in principle, it is clear that – contractually – UWW is entitled to its money back. Ongoing.*

### **Garfield Weston Foundation**

Proposed repayment of £2,000,000 donation.

Original grant letter of 01.06.16 was varied by letter of 24.06.16 to remove restrictions on spending the donation – i.e. to say that the donation (received 03.06.16) could be spent by GBT “on the basis that The Garden Bridge Trust has undertaken to repay the funds in full should the Bridge project not reach completion.”

No evidence provided that funds were received.

*UPDATED STATUS - Contractually, GWF entitled to its money back.*

### **Bloomberg Philanthropies**

Proposed repayment of £2,271,300 (out of £2,500,000 funds received to 31.07.17).

Grant agreement dated 01.05.16 for £3.2m in six instalments.

*Some more information required – e.g. evidence money was paid to GBT – and how the repayment amount was calculated. Where is the contractual obligation to repay the money? I could not find it.*

*Evidence provided of receipt of funds (screenshot of funds transfer) and expenditure of funds received.. Evidence provided of calculations of outstanding amounts owed.*

*UPDATED STATUS –evidence provided..*

### **Victor Lo (Hong Kong Friends)**

Proposed repayment of £500,000.

Letter from Mervyn Davies dated 09.09.16 and counter-signed 14.09.16 (before first of two instalments made) states “In the event the Garden Bridge Trust is not able to complete its project...you will be entitled to require us to repay to you the £1 million donation.”

Request made by VL for repayment in email of 17.08.17.

*Evidence (screenshots) provided that £499,988 was received.*

*UPDATED STATUS – It seems clear that – contractually – VL/HKF are entitled to their money back.*

### **Royal Mail Group**

Proposed repayment of £25,000.

Funding Agreement dated 10.09.15 for £25k donation in return for a bench. Clause 5.1 states “If the Project is cancelled or does not complete by the 31 December 2018, Garden Bridge Trust will notify Royal Mail immediately, return the Donation in full with 60 days of that notification and the Agreement will expire immediately.”

*Evidence (screenshot) provided that £25K paid 23.09.15.*

*UPDATED STATUS – It seems clear that – contractually – Royal Mail is entitled to their money back.*

### **Michael Gross (Euston Estates)**

Proposed repayment of £33,000 (amount paid out of £50,000 donation).

Letter from Lord Davies dated 18.11.15 (before payments made) and stating that “In the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.”

*Evidence (screenshot) provided that £16.5K paid 24.12.15 and £16.5K paid 14.12.16*

*UPDATED STATUS – It seems clear that – contractually – Michael Gross is entitled to his money back.*

### **Susan Li/Roy Massey**

Proposed repayment of £10,000 bid for a bench at an auction.

Letter from BO'S (signed by Mervyn Davies 06.01.17) to SL and Roy Massey of 20.01.17 – prior to first instalment of £50,000 donation – states that “in the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full. No evidence of donors' signatures.

Repayment requested by email (15.11.17)

*What was the nature of the auction? Was the money paid direct to the Trust?*

*Evidence (screenshot) provided that £10K paid to GBT 14.03.17.*

*UPDATED STATUS – It seems clear that – contractually – SL and RM are entitled to their money back.*

### **Florence St George**

Proposed repayment of £10,000 bid for name engraving on a balustrade at Harrods auction.

Receipt dated 13.07.15 for £10,000.

Note of conversation between BO'S and FSG in June 2015 (prior to payment). “Bernadette confirmed that, as GBT were exchanging the funds for an engraving, the funds would be returned if the engraving was unable to be delivered.”

*No evidence yet of payment.*

*UPDATED STATUS – it seems clear that – contractually – FSG is entitled to her money back. Ongoing.*

### **Michael Burton**

Proposed repayment of £10,000 bid for balustrade engraving at Glitter in the Garden event.

File note of BO'S discussion with MB at event on 01.03.16 – confirming that the funds would be returned if the bridge was not able to be completed.

*Evidence (screenshot) provided that £10K paid 05.04.16.*

*UPDATED STATUS – It seems clear that – contractually – MB is entitled to his money back.*

### **Jennifer McSweeney**

Proposed repayment of £20,000 bid for balustrade engraving.

File note of BO'S phone discussion with JM on 01.04.16 – confirming that the funds would be returned if the bridge was not built and the names were not engraved.

Repayment requested by email (20.08.17)

*Evidence (screenshot) provided that £20K paid 24.05.16.*

*UPDATED STATUS – It seems clear that – contractually – JM is entitled to her money back.*

### **Jane and Roger Madelin**

Proposed repayment of £15,000 bid for balustrade engraving.

File note of BO'S discussion with JM at event on 01.03.16 – confirming that the funds would be returned if the bridge was not able to be completed.

*Evidence (screenshot) provided that £15K paid 02.06.16.*

*UPDATED STATUS – It seems clear that – contractually – JM and RM are entitled to their money back.*

### **Mayank Patel**

Proposed repayment of £15,000 bid for balustrade engraving.

File note of BO'S discussion with MP by phone on 15.06.16 – confirming that the funds would be returned if the bridge was not built and the names were not engraved.

Repayment requested by email (14.08.17)

*Evidence (screenshot) provided that £10K paid 21.06.16 and £5K paid 22.06.16.*

*UPDATED STATUS – It seems clear that – contractually – MP is entitled to his money back.*

### **Electra Toub**

Proposed repayment of £10,000 for balustrade engraving.

File note of BO'S discussion with ET at an event in June 2016 – confirming that the funds would be returned if they were unable to deliver the engravings.

Repayment requested by email (on or near 10.11.17).

*Evidence (screenshot) provided that £10K paid 22.07.16.*

*UPDATED STATUS – It seems clear that – contractually – ET is entitled to her money back.*

### **Wallpaper (Tony Chambers)**

Proposed repayment of £10,000.

File note of BO'S discussion with ET at Glitter in the Garden event on 1 March 2016 – confirming that the funds would be returned if the bridge was not completed.

Repayment requested by email (on or near 10.11.17).

*Evidence (screenshot) provided that £10K paid 01.09.16 UPDATED STATUS – slt seems clear that – contractually – TC is entitled to his money back.*

**Kai Yin Lo (Hong Kong Friends)**

See Victor Lo (Hong Kong Friends) – included there.

**Lisa West/Lance West**

Proposed repayment of £3,200 bid for “Table Tennis with Boris”.

Repayment requested e.g. in email of 06.12.17.

*Evidence (screenshot) provided of payment of £107,534.55 from Givergy Ltd to GBT on 31.03.16. Unclear how this relates to £3,200 repayment to LW/LW.*

*UPDATED STATUS – some more information required – e.g. evidence money was paid. However, in principle, it seems clear that – contractually – LW/LW are entitled to their money back. Ongoing*

**Draft – Charles Ritchie 19 February 2018**

## Garden Bridge Liabilities v3.1 – March 2018

### Contractors

#### **JTRB Communications Limited**

Provision of individual (Wendy Blair) under a consultancy agreement.

£500 plus VAT per day for stakeholder relations/management. Contract of 24.02.15 provided for termination on 2 weeks' written notice. Apparently terminated on 29 September 2017. Subsequent letter of 05.10.17 provided for ongoing consultation services (termination on 1 day's notice).

*Contract and subsequent letter provided, but no evidence to support claim for sums owed (e.g. invoices). NB – presumably these services were no longer required once project was terminated in mid-August? Why did they continue to pay for them? We would not want to pay for anything after the earliest possible termination date, i.e. 2 weeks after cancellation of project?*

*February update is that this is a provision (presumably the £12.6K in the schedule of liabilities), but no invoices provided as yet. They are “responsible for terminating any partnership agreements with third parties eg Oasis Academy and Citi Foundation.” Unclear what this means.*

*March update is that liability has been reduced to £4.9K. No invoices yet received by GBT.*

*UPDATED STATUS – still insufficient evidence provided. Ongoing.*

*REQUIRED – (1) final verification of invoice amount (presumably around £4.9K); (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.*

#### **Monument Consultancy Limited**

Provision of project director (Tony Marley) under a consultancy services agreement.

£750 plus VAT per day. Contract provides for termination on 10 days' written notice. Letter of 18.08.17 terminated contract effective 31.08.17, but with provision to continue to call off further work on an ad hoc basis on the same rate. Confirmed in a subsequent letter of 28.11.17 (1 day's notice of termination required).

*Contract and subsequent letters provided, but no evidence to support claim for sums owed (e.g. invoices).*

*Stated to be a provision for “expected services in terminating third party accounts” (£50.0K) but no invoices as yet.*

*March update is that invoices have now been submitted to GBT.*

UPDATED STATUS – still insufficient evidence provided. Ongoing.

REQUIRED – (1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.

### **Kings College London**

Invoice dated 28.09.17 provided - £14,369.86 + VAT.

Relates to period 22.07.16 to 14.09.16.

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Copy (unsigned) agreement between GBT and KCL provided. Under clause 7.5 “The Trust covenants with the College that on or before the date of this Deed it will pay the reasonable legal costs of the College in connection with the negotiation and completion of this Deed.” (The explanatory note says this was capped at £15K although this is not reflected in the agreement). The invoice from BLP (KCL’s solicitors) reflects this.

The explanatory note states that the invoice is considered reasonable.

March update is that engrossed copies of the agreement were prepared but the project was suspended before execution

UPDATED STATUS – ~~Insufficient evidence provided. (subject to seeing signed and dated copy of the agreement).~~ Unclear that there is a legal liability to pay.

REQUIRED – (1) evidence of a legal liability to pay in the absence of a signed agreement – e.g. legal opinion; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.

### **Arup and Partners Ltd**

Provision of project management, cost management and multi-disciplinary design services.

Contract dated 31.05.16 provides for termination “at any time forthwith” by notice (clause 7.1). On termination, clause 7.3 provides for Arup to “take such steps as are reasonable to bring to an end the services under the Deed...”. Entitled to any instalments (and partial instalments) of the Fee and any amounts which have accrued prior to termination, plus two weeks’ worth of the Fee post-completion.

Exposure assessed as £55k. No evidence provided to support this (e.g. invoices and calculations).

Stated to be a provision for “assistance/advice terminating the contract with the Joint Venture” but no invoices as yet.

March update – no invoices yet received by GBT.

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## **PWC**

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Invoices now provided for £15,717 + VAT. However, provision for £120,000 made.

UPDATED STATUS – ~~still insufficient evidence provided.~~ Ongoing.

REQUIRED – (1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.

## **ITV**

Invoices provided for 10.05.17 and 25.08.17 – outstanding balance totalling £178,352.50.

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Further explanation provided as to what the invoices are for. No detail. Is the amount reasonable and justified under the contract (presumably clause 13 “Costs”)?

Some explanation given as to the costs, together with an assessment that the costs were reasonable.

March update – details provided as to the contractual requirements to meet ITV’s costs for legal advisors, property surveyors, etc etc.

UPDATED STATUS – Ongoing. Revised lower invoice expected.

REQUIRED – (1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.



## **London Borough of Camden**

Invoice provided for £57,500 – relating to professional charges since Jan 2015 in connection with the preparation a revision of S.106 agreement.

*Is there an agreement in place for GBT to meet these costs? Have GBT assessed these costs as reasonable and justified?*

*Costs deemed to be reasonable. Extract of clause 17.4 of Planning Performance Agreement given which sets out obligation to pay costs.*

*March update – explanation that agreement is with Lambeth (who contract out s.106 legal duties to Camden). Copy of Planning Performance Agreement between GBT and Lambeth provided (unsigned). This states – at clause 2.1 – “This PPA does not constitute a legally binding contract...Rather, it is a memorandum of understanding between the Council and the Applicant.” However, clause 17.2 sets out a process for Lambeth to submit invoices to GBT’s Project Manager at the end of each month for approval – but there is no contractual obligation to actually pay.*

*UPDATED STATUS – Still insufficient evidence provided. Need to see the actual Planning Performance Agreement. (NOTE – reference is to agreement with Lambeth – presumably an error)? Ongoing.*

*REQUIRED – (1) justification as to why TfL should pay when there is no contractual obligation to do so; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.*

## **City of Westminster**

Claim for legal costs for dealing with S.106 agreement (£32,274.00)? GBT appear to dispute the legal basis for these costs being payable, as the matter did not complete.

*UPDATED STATUS – unresolved – currently no claim against TfL. Ongoing.*

*REQUIRED – dependent on whether GBT intend to pay and then recover from TfL.*

## **Bircham Dyson Bell**

Legal fees estimated at £17,000 for “resolving property termination administration”.

*Have GBT assessed these costs as reasonable and justified? Are these costs incurred post-termination, and, if so, what is their justification (i.e. are they an inevitable consequence of termination, orderly winding up etc)?*

*Stated to be a provision – “They are inevitable consequence of termination and terminating agreements with third parties”.*

*March update – GBT has received invoices totalling £4,304.70 + VAT.*

UPDATED STATUS – ~~insufficient evidence provided.~~ Ongoing.

REQUIRED – (1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.

### **Parsons Brinkerhof – WSP**

Emails relating to liability of £22,479.97. No evidence provided to support this (e.g. terms of appointment or invoices).

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*Explanation that WCC have outsourced the management and maintenance of their highways to a PB/WSP JV. As part of WCC's review of the planning and conditions submissions, PB/WSP asked to review the highway proposals etc – and prior to doing so they required GBT to issue a PO for the work.*

Costs relate to work carried out in 2015/16.

March update – Copy of PO for £10,652.81 (inc. VAT) addressed to City of Westminster – not to WSP - in respect of WSP costs for June 2016. So, this appears to be a liability to Westminster. -Unclear if this is a different workstream to the Westminster workstream identified above (which is disputed). Email chain previously provided states that PO would not be increased, but the invoice would be authorised.

UPDATED STATUS – insufficient evidence provided – we should see (i) copy of this PO and (ii) evidence (eg agreement) with WCC that GBT) would pay these costs. Ongoing.

REQUIRED – (1) further clarification as set out above; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.

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Legal fees estimated at £10,800.

*Have GBT assessed these costs as reasonable and justified? Are these costs incurred post-termination, and, if so, what is their justification (i.e. are they an inevitable consequence of termination, orderly winding up etc)?*

*Explanation that this is a provision – relating to advice on termination of the joint contract*

UPDATED STATUS – insufficient evidence provided. Ongoing.

REQUIRED – (1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.

## **Funders**

### **Leila Govi**

Proposed repayment of £15,000.

Letter from Lord Davies to Leila Govi dated 24.10.16 thanking her for her donation of £15,000, and stating that “In the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.”

This follows a file note of a conversation between Bernadette O’Sullivan of the Trust and LG on 15.09.16, prior to LG making the donation – BO’S confirmed that the funds would be returned if the engraving of names on the Bridge did not take place.

*NB – was there any formal documentation around the donation?*

*No formal documentation. No evidence provided of payment received..*

*UPDATED STATUS – given the repayment commitment given prior to the donation, and the confirmation subsequently, there is a good case to say the Trust is legally obliged to repay the money.*

### **Lawrence Sword**

Proposed repayment of £2,200 bid for “breakfast on the bridge” auction lot.

*What was the nature of the Harrods Fundraising Gala? Did LS pay the money direct to the Trust or to some other party, e.g. Harrods? Has LS asked for his money back?*

*GBT in process of confirming that funds came directly to GBT and not to Harrods. LS not actually asked for his money back. No evidence of payment received.*

*March update – LS paid £7,200 to GBT, of which £2,200 relates to the breakfast.*

*UPDATED STATUS – It seems clear that – contractually – LS is entitled to his breakfast or his money back.*

### **Helen and Tim Throsby**

Proposed repayment of £21,000 bid for a bench at the Harrods Gala.

Letter from BO’S to H&TT of 26.09.16 – after receipt of donation – states that “in the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.

An email requesting repayment of the donation was made by TT on 28.08.17.

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*Money paid direct to GBT. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – the Throsbys are entitled to their money back.*

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Various emails requesting repayment of the donation were made by IS from 30.08.18 to 28.10.18.

*What was the nature of the Harrods Fundraising Gala? Did the Sellars pay the money direct to the Trust or to some other party, e.g. Harrods?*

*Money paid direct to GBT. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – the Sellars are entitled to their money back.*

### **Peggy Yeoh**

Proposed repayment of £17,000 bid for “the Garden Bridge Experience” at the Glitter in the Garden Gala on 01.03.16. Money paid direct to the Trust.

*What was the nature of the Glitter in the Garden Gala? Did PY request repayment?*

*No request for repayment made. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – PY is entitled to her money back.*

### **Carolyn Townsend**

Proposed repayment of £17,000 bid for “the Garden Bridge Experience” at the Glitter in the Garden Gala on 01.03.16. Money paid direct to the Trust.

CT requested repayment in emails dated 23.09.17 and 05.11.17.

*What was the nature of the Glitter in the Garden Gala? This has been explained in a separate email. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – CT is entitled to her money back.*

### **Barratt West/Tiffany & Co**

Proposed repayment of £17,000 bid for “the Garden Bridge Experience” at the Glitter in the Garden Gala on 01.03.16. Indirect evidence that the money was paid. Mention of Tiffany jewellery donated, but unclear of the relevance of this.

CT requested repayment in emails dated 14.08.17 and 15.08.17.

*What was the nature of the Glitter in the Garden Gala?*

£17,000 paid by Tiffany & Co for various auction prizes. Evidence (screenshot) provided of payment on 30.03.16.

*UPDATED STATUS – It seems clear that – contractually – T & Co are entitled to their money back.*

### **Glencore**

Proposed repayment of £375,000 donation.

Letter from Glencore dated 26.11.14 set out intention to donate £750,000, exclusively for the purchase of a copper-nickel alloy. Donation to be made on 01.08.15.

Further letter from Glencore dated 12.05.16 confirmed £750,000 donation (in two equal tranches) but on new terms – including:

“The Charity further undertakes and agrees to return our Donation to us in full...if any event...occurs...which in the reasonable opinion of Glencore will result in the...Project not going ahead”.

Glencore requested repayment on 03.05.17 and 06.07.17 (prior to GBT Board decision but after Mayor’s decision not to provide guarantees).

*Evidence provided that funds were paid (screenshot bank transfer) on 01.06.16.*

*UPDATED STATUS – It is clear that – contractually – Glencore is entitled to its money back.*

### **United Way Worldwide**

Proposed repayment of £103,679.77 donation (\$150,000).

Grant Agreement dated 31.08.16 (counter-signed 01.09.16). Under clause 5 “Any grant funds, and any income earned on those funds, that are not spent or committed for the purposes of this grant, must be returned to UWW.”

*Explanation states that funds were received 7 September 2016 (which year?) of £108,514.79 into GBT’s Sterling bank account. Interest earned of £167.17. How do these figures interact? Invoice provided for £4,139 + VAT which was paid. As this is an invoice from Groundwork London to GBT direct so unclear how this relates to the UWW Grant Agreement.*

*March update – interest earned and therefore increase in liability to be updated.*

~~*UPDATED STATUS – some more information required – e.g. evidence money was paid to GBT – and how the (Sterling) figure of £103,679.77 was calculated. What is the appropriate exchange rate? Is there any income earned on the donation to be repaid? However, in principle, it is clear that – contractually – UWW is entitled to its money back. Ongoing.*~~

*REQUIRED – (1) final verification of amount owed.*

### **Garfield Weston Foundation**

Proposed repayment of £2,000,000 donation.

Original grant letter of 01.06.16 was varied by letter of 24.06.16 to remove restrictions on spending the donation – i.e. to say that the donation (received 03.06.16) could be spent by GBT “on the basis that The Garden Bridge Trust has undertaken to repay the funds in full should the Bridge project not reach completion.”

No evidence provided that funds were received.

*UPDATED STATUS - Contractually, GWF entitled to its money back.*

### **Bloomberg Philanthropies**

Proposed repayment of £2,271,300 (out of £2,500,000 funds received to 31.07.17).

Grant agreement dated 01.05.16 for £3.2m in six instalments.

*Some more information required – e.g. evidence money was paid to GBT – and how the repayment amount was calculated. Where is the contractual obligation to repay the money? I could not find it.*

*Evidence provided of receipt of funds (screenshot of funds transfer) and expenditure of funds received.. Evidence provided of calculations of outstanding amounts owed.*

*UPDATED STATUS –evidence provided..*

### **Victor Lo (Hong Kong Friends)**

Proposed repayment of £500,000.

Letter from Mervyn Davies dated 09.09.16 and counter-signed 14.09.16 (before first of two instalments made) states “In the event the Garden Bridge Trust is not able to complete its project...you will be entitled to require us to repay to you the £1 million donation.”

Request made by VL for repayment in email of 17.08.17.

*Evidence (screenshots) provided that £499,988 was received.*

*UPDATED STATUS – It seems clear that – contractually – VL/HKF are entitled to their money back.*

### **Royal Mail Group**

Proposed repayment of £25,000.

Funding Agreement dated 10.09.15 for £25k donation in return for a bench. Clause 5.1 states “If the Project is cancelled or does not complete by the 31 December 2018, Garden Bridge Trust will notify Royal Mail immediately, return the Donation in full with 60 days of that notification and the Agreement will expire immediately.”

*Evidence (screenshot) provided that £25K paid 23.09.15.*

*UPDATED STATUS – It seems clear that – contractually – Royal Mail is entitled to their money back.*

### **Michael Gross (Euston Estates)**

Proposed repayment of £33,000 (amount paid out of £50,000 donation).

Letter from Lord Davies dated 18.11.15 (before payments made) and stating that “In the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.”

*Evidence (screenshot) provided that £16.5K paid 24.12.15 and £16.5K paid 14.12.16*

*UPDATED STATUS – It seems clear that – contractually – Michael Gross is entitled to his money back.*

### **Susan Li/Roy Massey**

Proposed repayment of £10,000 bid for a bench at an auction.

Letter from BO’S (signed by Mervyn Davies 06.01.17) to SL and Roy Massey of 20.01.17 – prior to first instalment of £50,000 donation – states that “in the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full. No evidence of donors’ signatures.

Repayment requested by email (15.11.17)

*What was the nature of the auction? Was the money paid direct to the Trust?*

*Evidence (screenshot) provided that £10K paid to GBT 14.03.17.*

*UPDATED STATUS – It seems clear that – contractually – SL and RM are entitled to their money back.*

### **Florence St George**

Proposed repayment of £10,000 bid for name engraving on a balustrade at Harrods auction.

Receipt dated 13.07.15 for £10,000.

Note of conversation between BO’S and FSG in June 2015 (prior to payment). “Bernadette confirmed that, as GBT were exchanging the funds for an engraving, the funds would be returned if the engraving was unable to be delivered.”

*No evidence yet of payment.*

*UPDATED STATUS – it seems clear that – contractually – FSG is entitled to her money back. Ongoing.*

### **Michael Burton**

Proposed repayment of £10,000 bid for balustrade engraving at Glitter in the Garden event.

File note of BO’S discussion with MB at event on 01.03.16 – confirming that the funds would be returned if the bridge was not able to be completed.

*Evidence (screenshot) provided that £10K paid 05.04.16.*



*UPDATED STATUS – It seems clear that – contractually – MB is entitled to his money back.*

### **Jennifer McSweeney**

Proposed repayment of £20,000 bid for balustrade engraving.

File note of BO'S phone discussion with JM on 01.04.16 – confirming that the funds would be returned if the bridge was not built and the names were not engraved.

Repayment requested by email (20.08.17)

*Evidence (screenshot) provided that £20K paid 24.05.16.*

*UPDATED STATUS – It seems clear that – contractually – JM is entitled to her money back.*

### **Jane and Roger Madelin**

Proposed repayment of £15,000 bid for balustrade engraving.

File note of BO'S discussion with JM at event on 01.03.16 – confirming that the funds would be returned if the bridge was not able to be completed.

*Evidence (screenshot) provided that £15K paid 02.06.16.*

*UPDATED STATUS – It seems clear that – contractually – JM and RM are entitled to their money back.*

### **Mayank Patel**

Proposed repayment of £15,000 bid for balustrade engraving.

File note of BO'S discussion with MP by phone on 15.06.16 – confirming that the funds would be returned if the bridge was not built and the names were not engraved.

Repayment requested by email (14.08.17)

*Evidence (screenshot) provided that £10K paid 21.06.16 and £5K paid 22.06.16.*

*UPDATED STATUS – It seems clear that – contractually – MP is entitled to his money back.*

### **Electra Toub**

Proposed repayment of £10,000 for balustrade engraving.

File note of BO'S discussion with ET at an event in June 2016 – confirming that the funds would be returned if they were unable to deliver the engravings.

Repayment requested by email (on or near 10.11.17).

*Evidence (screenshot) provided that £10K paid 22.07.16.*

*UPDATED STATUS – It seems clear that – contractually – ET is entitled to her money back.*



### Wallpaper (Tony Chambers)

Proposed repayment of £10,000.

File note of BO'S discussion with ET at Glitter in the Garden event on 1 March 2016 – confirming that the funds would be returned if the bridge was not completed.

Repayment requested by email (on or near 10.11.17).

Evidence (screenshot) provided that £10K paid 01.09.16 UPDATED STATUS – *islt* seems clear that – contractually – TC is entitled to his money back.

### Kai Yin Lo (Hong Kong Friends)

See Victor Lo (Hong Kong Friends) – included there.

### Lisa West/Lance West

Proposed repayment of £3,200 bid for “Table Tennis with Boris”.

Repayment requested e.g. in email of 06.12.17.

Evidence (screenshot) provided of payment of £107,534.55 from Givergy Ltd to GBT on 31.03.16. Unclear how this relates to £3,200 repayment to LW/LW.

UPDATED STATUS – *some more information required – e.g. evidence money was paid. However, in In principle, itlt* seems clear that – contractually – LW/LW are entitled to their money back. *Ongoing*

### Petr Aven

£800,000 received by 31 July 2017 (first of five £800k donations, to total £4m).

Donation restricted to the construction of Garden Number 13 and if the funds cannot be used for that restricted purpose they will need to be returned, unless agreed otherwise.

Letter of 22 January 2016 from B O'S to PA provided – signed by Mervyn Davies and PA. Refers to “offering to support Garden Bridge Trust by contributing to the creation of Garden Number 13...of the Garden Bridge.”

STATUS – although the letter agreement does not state this explicitly, it is implicit in the wording that the donation is for a specific purpose and therefore is contractually repayable if the purpose is not achieved (as is the case).

Draft – Charles Ritchie 19 February-March 2018

## Garden Bridge Liabilities v4 – April 2018

### Contractors

#### **JTRB Communications Limited**

Provision of individual (Wendy Blair) under a consultancy agreement.

£500 plus VAT per day for stakeholder relations/management. Contract of 24.02.15 provided for termination on 2 weeks' written notice. Apparently terminated on 29 September 2017. Subsequent letter of 05.10.17 provided for ongoing consultation services (termination on 1 day's notice).

*Contract and subsequent letter provided, but no evidence to support claim for sums owed (e.g. invoices). NB – presumably these services were no longer required once project was terminated in mid-August? Why did they continue to pay for them? We would not want to pay for anything after the earliest possible termination date, i.e. 2 weeks after cancellation of project?*

*February update is that this is a provision (presumably the £12.6K in the schedule of liabilities), but no invoices provided as yet. They are “responsible for terminating any partnership agreements with third parties eg Oasis Academy and Citi Foundation.” Unclear what this means.*

*March update is that liability has been reduced to £4.9K. No invoices yet received by GBT.*

*UPDATED STATUS – still insufficient evidence provided. Ongoing.*

*REQUIRED – (1) final verification of invoice amount (presumably around £4.9K); (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.*

#### **Monument Consultancy Limited**

Provision of project director (Tony Marley) under a consultancy services agreement.

£750 plus VAT per day. Contract provides for termination on 10 days' written notice. Letter of 18.08.17 terminated contract effective 31.08.17, but with provision to continue to call off further work on an ad hoc basis on the same rate. Confirmed in a subsequent letter of 28.11.17 (1 day's notice of termination required).

*Contract and subsequent letters provided, but no evidence to support claim for sums owed (e.g. invoices).*

*Stated to be a provision for “expected services in terminating third party accounts” (£50.0K) but no invoices as yet.*

*March update is that invoices have now been submitted to GBT.*

~~UPDATED STATUS—still insufficient evidence provided. Ongoing.~~

~~REQUIRED—(1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.~~

### **Kings College London**

~~Invoice dated 28.09.17 provided—£14,369.86 + VAT.~~

~~Relates to period 22.07.16 to 14.09.16.~~

~~No explanation provided as to what the invoice is for other than “For professional services in connection with Redevelopment of land at Surrey Street.” Where is the legal commitment to pay this money? Is the amount reasonable?~~

~~Copy (unsigned) agreement between GBT and KCL provided. Under clause 7.5 “The Trust covenants with the College that on or before the date of this Deed it will pay the reasonable legal costs of the College in connection with the negotiation and completion of this Deed.” (The explanatory note says this was capped at £15K although this is not reflected in the agreement). The invoice from BLP (KCL’s solicitors) reflects this.~~

~~The explanatory note states that the invoice is considered reasonable.~~

~~March update is that engrossed copies of the agreement were prepared but the project was suspended before execution~~

~~UPDATED STATUS—Insufficient evidence provided. Unclear that there is a legal liability to pay.~~

~~REQUIRED—(1) evidence of a legal liability to pay in the absence of a signed agreement—e.g. legal opinion; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.~~

### **Arup and Partners Ltd**

Provision of project management, cost management and multi-disciplinary design services.

Contract dated 31.05.16 provides for termination “at any time forthwith” by notice (clause 7.1). On termination, clause 7.3 provides for Arup to “take such steps as are reasonable to bring to an end the services under the Deed...”. Entitled to any instalments (and partial instalments) of the Fee and any amounts which have accrued prior to termination, plus two weeks’ worth of the Fee post-completion.

Exposure assessed as £55k. No evidence provided to support this (e.g. invoices and calculations).

*Stated to be a provision for “assistance/advice terminating the contract with the Joint Venture” but no invoices as yet.*

*March update – no invoices yet received by GBT.*

*UPDATED STATUS – still insufficient evidence provided. Ongoing.*

*REQUIRED – (1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.*

## **PWC**

Provision of “Project Foliage” services – wind down of Project leading to MVL (“Members’ Voluntary Liquidation.”

Engagement letter dated 09.08.17 (signed 24.08.17). It seems legitimate that advisory costs leading to orderly winding up of GBT should be covered. No invoices as yet.

*Invoices now provided for £15,717 + VAT. However, provision for £120,000 made.*

*UPDATED STATUS –Ongoing.*

*REQUIRED – (1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.*

## **ITV**

Invoices provided for 10.05.17 and 25.08.17 – outstanding balance totalling £178,352.50.

Contract dated 07.03.16 between GBT, ITV London Properties Limited and ITV Services Limited to agree arrangements to protect ITV’s operations at ITV’s Premises during construction and operation of the Garden Bridge and to regulate GBT’s use of land in or adjacent to ITV’s property.

*Further explanation provided as to what the invoices are for. No detail. Is the amount reasonable and justified under the contract (presumably clause 13 “Costs”)?*

*Some explanation given as to the costs, together with an assessment that the costs were reasonable.*

*March update – details provided as to the contractual requirements to meet ITV’s costs for legal advisors, property surveyors, etc etc.*

*UPDATED STATUS – Ongoing. Revised lower invoice expected.*

*REQUIRED – (1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.*

## **London Borough of Camden**

Invoice provided for £57,500—relating to professional charges since Jan 2015 in connection with the preparation a revision of S.106 agreement.

*Is there an agreement in place for GBT to meet these costs? Have GBT assessed these costs as reasonable and justified?*

*Costs deemed to be reasonable. Extract of clause 17.4 of Planning Performance Agreement given which sets out obligation to pay costs.*

*March update—explanation that agreement is with Lambeth (who contract out s.106 legal duties to Camden). Copy of Planning Performance Agreement between GBT and Lambeth provided (unsigned). This states—at clause 2.1—“This PPA does not constitute a legally binding contract...Rather, it is a memorandum of understanding between the Council and the Applicant.” However, clause 17.2 sets out a process for Lambeth to submit invoices to GBT’s Project Manager at the end of each month for approval—but there is no contractual obligation to actually pay.*

*UPDATED STATUS—Still insufficient evidence provided. Ongoing.*

*REQUIRED—(1) justification as to why TfL should pay when there is no contractual obligation to do so; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.*

## **City of Westminster**

Claim for legal costs for dealing with S.106 agreement (£32,274.00)? GBT appear to dispute the legal basis for these costs being payable, as the matter did not complete.

*UPDATED STATUS—unresolved—currently no claim against TfL. Ongoing.*

*REQUIRED—dependent on whether GBT intend to pay and then recover from TfL.*

## **Bircham Dyson Bell**

Legal fees estimated at £17,000 for “resolving property termination administration”.

*Have GBT assessed these costs as reasonable and justified? Are these costs incurred post-termination, and, if so, what is their justification (i.e. are they an inevitable consequence of termination, orderly winding up etc)?*

*Stated to be a provision – “They are inevitable consequence of termination and terminating agreements with third parties”.*

*March update – GBT has received invoices totalling £4,304.70 + VAT.*

*UPDATED STATUS –Ongoing.*

*REQUIRED – (1) final verification of invoice amount; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.*

### **Parsons Brinkerhof – WSP**

Emails relating to liability of £22,479.97. No evidence provided to support this (e.g. terms of appointment or invoices).

*What do these costs relate to, and what period? Have GBT assessed these costs as reasonable and justified?*

*Explanation that WCC have outsourced the management and maintenance of their highways to a PB/WSP JV. As part of WCC's review of the planning and conditions submissions, PB/WSP asked to review the highway proposals etc – and prior to doing so they required GBT to issue a PO for the work.*

*Costs relate to work carried out in 2015/16.*

*March update – Copy of PO for £10,652.81 (inc. VAT) addressed to City of Westminster – not to WSP - in respect of WSP costs for June 2016. So, this appears to be a liability to Westminster. Unclear if this is a different workstream to the Westminster workstream identified above (which is disputed). Email chain previously provided states that PO would not be increased, but the invoice would be authorised.*

*UPDATED STATUS – insufficient evidence provided – we should see (i) copy of this PO and (ii) evidence (eg agreement) with WCC that GBT) would pay these costs. Ongoing.*

*REQUIRED – (1) further clarification as set out above; (2) confirmation from Trustee that amount invoiced was properly incurred and is reasonable.*

### **McFarlanes**

Legal fees estimated at £10,800.

*Have GBT assessed these costs as reasonable and justified? Are these costs incurred post-termination, and, if so, what is their justification (i.e. are they an inevitable consequence of termination, orderly winding up etc)?*

*Explanation that this is a provision – relating to advice on termination of the joint contract*

*UPDATED STATUS – insufficient evidence provided. Ongoing.*

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## **Funders**

### **Leila Govi**

Proposed repayment of £15,000.

Letter from Lord Davies to Leila Govi dated 24.10.16 thanking her for her donation of £15,000, and stating that “In the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.”

This follows a file note of a conversation between Bernadette O’Sullivan of the Trust and LG on 15.09.16, prior to LG making the donation – BO’S confirmed that the funds would be returned if the engraving of names on the Bridge did not take place.

*NB – was there any formal documentation around the donation?*

*No formal documentation. No evidence provided of payment received..*

*UPDATED STATUS – given the repayment commitment given prior to the donation, and the confirmation subsequently, there is a good case to say the Trust is legally obliged to repay the money.*

### **Lawrence Sword**

Proposed repayment of £2,200 bid for “breakfast on the bridge” auction lot.

*What was the nature of the Harrods Fundraising Gala? Did LS pay the money direct to the Trust or to some other party, e.g. Harrods? Has LS asked for his money back?*

*GBT in process of confirming that funds came directly to GBT and not to Harrods. LS not actually asked for his money back. No evidence of payment received.*

*March update – LS paid £7,200 to GBT, of which £2,200 relates to the breakfast.*

*UPDATED STATUS – It seems clear that – contractually – LS is entitled to his breakfast or his money back.*

### **Helen and Tim Throsby**

Proposed repayment of £21,000 bid for a bench at the Harrods Gala.

Letter from BO’S to H&TT of 26.09.16 – after receipt of donation – states that “in the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.

An email requesting repayment of the donation was made by TT on 28.08.17.

*What was the nature of the Harrods Fundraising Gala? Did the Throsbys pay the money direct to the Trust or to some other party, e.g. Harrods?*

*Money paid direct to GBT. No evidence provided of payment received.*



*UPDATED STATUS – It seems clear that – contractually – the Throsbys are entitled to their money back.*

### **Ian and Carol Sellars**

Proposed repayment of £21,000 bid for a bench at the Harrods Gala.

Letter from BO'S to H&TT of 26.09.16 – after receipt of donation – states that “in the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.

Various emails requesting repayment of the donation were made by IS from 30.08.18 to 28.10.18.

*What was the nature of the Harrods Fundraising Gala? Did the Sellars pay the money direct to the Trust or to some other party, e.g. Harrods?*

*Money paid direct to GBT. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – the Sellars are entitled to their money back.*

### **Peggy Yeoh**

Proposed repayment of £17,000 bid for “the Garden Bridge Experience” at the Glitter in the Garden Gala on 01.03.16. Money paid direct to the Trust.

*What was the nature of the Glitter in the Garden Gala? Did PY request repayment?*

*No request for repayment made. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – PY is entitled to her money back.*

### **Carolyn Townsend**

Proposed repayment of £17,000 bid for “the Garden Bridge Experience” at the Glitter in the Garden Gala on 01.03.16. Money paid direct to the Trust.

CT requested repayment in emails dated 23.09.17 and 05.11.17.

*What was the nature of the Glitter in the Garden Gala? This has been explained in a separate email. No evidence provided of payment received.*

*UPDATED STATUS – It seems clear that – contractually – CT is entitled to her money back.*

### **Barratt West/Tiffany & Co**

Proposed repayment of £17,000 bid for “the Garden Bridge Experience” at the Glitter in the Garden Gala on 01.03.16. Indirect evidence that the money was paid. Mention of Tiffany jewellery donated, but unclear of the relevance of this.

CT requested repayment in emails dated 14.08.17 and 15.08.17.

*What was the nature of the Glitter in the Garden Gala?*



*£17,000 paid by Tiffany & Co for various auction prizes. Evidence (screenshot) provided of payment on 30.03.16.*

*UPDATED STATUS – It seems clear that – contractually – T & Co are entitled to their money back.*

### **Glencore**

Proposed repayment of £375,000 donation.

Letter from Glencore dated 26.11.14 set out intention to donate £750,000, exclusively for the purchase of a copper-nickel alloy. Donation to be made on 01.08.15.

Further letter from Glencore dated 12.05.16 confirmed £750,000 donation (in two equal tranches) but on new terms – including:

“The Charity further undertakes and agrees to return our Donation to us in full...if any event...occurs...which in the reasonable opinion of Glencore will result in the...Project not going ahead”.

Glencore requested repayment on 03.05.17 and 06.07.17 (prior to GBT Board decision but after Mayor’s decision not to provide guarantees).

*Evidence provided that funds were paid (screenshot bank transfer) on 01.06.16.*

*UPDATED STATUS – It is clear that – contractually – Glencore is entitled to its money back.*

### **United Way Worldwide**

Proposed repayment of £103,679.77 donation (\$150,000).

Grant Agreement dated 31.08.16 (counter-signed 01.09.16). Under clause 5 “Any grant funds, and any income earned on those funds, that are not spent or committed for the purposes of this grant, must be returned to UWW.”

*Explanation states that funds were received 7 September 2016 of £108,514.79 into GBT’s Sterling bank account. Interest earned of £167.17. How do these figures interact? Invoice provided for £4,139 + VAT which was paid. As this is an invoice from Groundwork London to GBT direct so unclear how this relates to the UWW Grant Agreement.*

*March/April update – interest earned and therefore increase in liability to be updated in final submission.*

*UPDATED STATUS –Ongoing.*

*REQUIRED – (1) final verification of amount owed.*

### **Garfield Weston Foundation**

Proposed repayment of £2,000,000 donation.

Original grant letter of 01.06.16 was varied by letter of 24.06.16 to remove restrictions on spending the donation – i.e. to say that the donation (received 03.06.16) could be spent by GBT “on the basis that The Garden Bridge Trust has undertaken to repay the funds in full should the Bridge project not reach completion.”

No evidence provided that funds were received.

*UPDATED STATUS - Contractually, GWF entitled to its money back.*

### **Bloomberg Philanthropies**

Proposed repayment of £2,271,300 (out of £2,500,000 funds received to 31.07.17).

Grant agreement dated 01.05.16 for £3.2m in six instalments.

*Some more information required – e.g. evidence money was paid to GBT – and how the repayment amount was calculated. Where is the contractual obligation to repay the money? I could not find it.*

*Evidence provided of receipt of funds (screenshot of funds transfer) and expenditure of funds received.. Evidence provided of calculations of outstanding amounts owed.*

*UPDATED STATUS –evidence provided..*

### **Victor Lo (Hong Kong Friends)**

Proposed repayment of £500,000.

Letter from Mervyn Davies dated 09.09.16 and counter-signed 14.09.16 (before first of two instalments made) states “In the event the Garden Bridge Trust is not able to complete its project...you will be entitled to require us to repay to you the £1 million donation.”

Request made by VL for repayment in email of 17.08.17.

*Evidence (screenshots) provided that £499,988 was received.*

*UPDATED STATUS – It seems clear that – contractually – VL/HKF are entitled to their money back.*

### **Royal Mail Group**

Proposed repayment of £25,000.

Funding Agreement dated 10.09.15 for £25k donation in return for a bench. Clause 5.1 states “If the Project is cancelled or does not complete by the 31 December 2018, Garden Bridge Trust will notify Royal Mail immediately, return the Donation in full with 60 days of that notification and the Agreement will expire immediately.”

*Evidence (screenshot) provided that £25K paid 23.09.15.*

*UPDATED STATUS – It seems clear that – contractually – Royal Mail is entitled to their money back.*

### **Michael Gross (Euston Estates)**

Proposed repayment of £33,000 (amount paid out of £50,000 donation).

Letter from Lord Davies dated 18.11.15 (before payments made) and stating that “In the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full.”

*Evidence (screenshot) provided that £16.5K paid 24.12.15 and £16.5K paid 14.12.16*

*UPDATED STATUS – It seems clear that – contractually – Michael Gross is entitled to his money back.*

### **Susan Li/Roy Massey**

Proposed repayment of £10,000 bid for a bench at an auction.

Letter from BO’S (signed by Mervyn Davies 06.01.17) to SL and Roy Massey of 20.01.17 – prior to first instalment of £50,000 donation – states that “in the unlikely event the Garden Bridge does not progress as planned, your donation will be returned to you in full. No evidence of donors’ signatures.

Repayment requested by email (15.11.17)

*What was the nature of the auction? Was the money paid direct to the Trust?*

*Evidence (screenshot) provided that £10K paid to GBT 14.03.17.*

*UPDATED STATUS – It seems clear that – contractually – SL and RM are entitled to their money back.*

### **Florence St George**

Proposed repayment of £10,000 bid for name engraving on a balustrade at Harrods auction.

Receipt dated 13.07.15 for £10,000.

Note of conversation between BO’S and FSG in June 2015 (prior to payment). “Bernadette confirmed that, as GBT were exchanging the funds for an engraving, the funds would be returned if the engraving was unable to be delivered.”

*No evidence yet of payment.*

*UPDATED STATUS – it seems clear that – contractually – FSG is entitled to her money back. Ongoing.*

### **Michael Burton**

Proposed repayment of £10,000 bid for balustrade engraving at Glitter in the Garden event.

File note of BO’S discussion with MB at event on 01.03.16 – confirming that the funds would be returned if the bridge was not able to be completed.

*Evidence (screenshot) provided that £10K paid 05.04.16.*

*UPDATED STATUS – It seems clear that – contractually – MB is entitled to his money back.*

**Jennifer McSweeney**

Proposed repayment of £20,000 bid for balustrade engraving.

File note of BO'S phone discussion with JM on 01.04.16 – confirming that the funds would be returned if the bridge was not built and the names were not engraved.

Repayment requested by email (20.08.17)

*Evidence (screenshot) provided that £20K paid 24.05.16.*

*UPDATED STATUS – It seems clear that – contractually – JM is entitled to her money back.*

**Jane and Roger Madelin**

Proposed repayment of £15,000 bid for balustrade engraving.

File note of BO'S discussion with JM at event on 01.03.16 – confirming that the funds would be returned if the bridge was not able to be completed.

*Evidence (screenshot) provided that £15K paid 02.06.16.*

*UPDATED STATUS – It seems clear that – contractually – JM and RM are entitled to their money back.*

**Mayank Patel**

Proposed repayment of £15,000 bid for balustrade engraving.

File note of BO'S discussion with MP by phone on 15.06.16 – confirming that the funds would be returned if the bridge was not built and the names were not engraved.

Repayment requested by email (14.08.17)

*Evidence (screenshot) provided that £10K paid 21.06.16 and £5K paid 22.06.16.*

*UPDATED STATUS – It seems clear that – contractually – MP is entitled to his money back.*

**Electra Toub**

Proposed repayment of £10,000 for balustrade engraving.

File note of BO'S discussion with ET at an event in June 2016 – confirming that the funds would be returned if they were unable to deliver the engravings.

Repayment requested by email (on or near 10.11.17).

*Evidence (screenshot) provided that £10K paid 22.07.16.*

*UPDATED STATUS – It seems clear that – contractually – ET is entitled to her money back.*

**Wallpaper (Tony Chambers)**

Proposed repayment of £10,000.

File note of BO'S discussion with ET at Glitter in the Garden event on 1 March 2016 – confirming that the funds would be returned if the bridge was not completed.

Repayment requested by email (on or near 10.11.17).

*Evidence (screenshot) provided that £10K paid 01.09.16 UPDATED STATUS – ~~is~~ it seems clear that – contractually – TC is entitled to his money back.*

### **Kai Yin Lo (Hong Kong Friends)**

See Victor Lo (Hong Kong Friends) – included there.

### **Lisa West/Lance West**

Proposed repayment of £3,200 bid for “Table Tennis with Boris”.

Repayment requested e.g. in email of 06.12.17.

*Evidence (screenshot) provided of payment of £107,534.55 from Givergy Ltd to GBT on 31.03.16. Unclear how this relates to £3,200 repayment to LW/LW.*

*UPDATED STATUS – It seems clear that – contractually – LW/LW are entitled to their money back.*

### **Petr Aven**

£800,000 received by 31 July 2017 (first of five £800k donations, to total £4m).

Donation restricted to the construction of Garden Number 13 and if the funds cannot be used for that restricted purpose they will need to be returned, unless agreed otherwise.

Letter of 22 January 2016 from B O'S to PA provided – signed by Mervyn Davies and PA. Refers to “offering to support Garden Bridge Trust by contributing to the creation of Garden Number 13...of the Garden Bridge.”

*STATUS – although the letter agreement does not state this explicitly, it is implicit in the wording that the donation is for a specific purpose and therefore is contractually repayable if the purpose is not achieved (as is the case).*

### **Aldama Foundation**

Funds received to 31 July 2017 is £50,000.

Letter from GBT (signed by Lord Davies) of 21 October 2016 states “In the unlikely event the Garden Bridge does not progress as planned, the donation will be returned in full.”

UPDATED STATUS – It seems clear that – contractually – the Aldama Foundation is entitled to its money back.

26 July 2018

Mr Andy Brown  
Head of Corporate Affairs  
Palestra  
197 Blackfriars Road  
London  
SE1 8NJ

Dear Mr Brown,

I attach a schedule which produces, at the bottom line, the Exit Payment payable to the Trust by virtue of the Deed of Variation dated 28 September 2016, to enable the repayment of donors who qualify for clawback – a net total of **£5,490,193**.

The calculation simply lists all such donors, and then deducts from the total, the surplus of cash that we believe the Trust will have in hand after settling all known and estimated liabilities. We have provided separate figures for those costs that have been ascertained, which include virtually all expenditure incurred up to a cut-off date of Friday 15 June (with the exception of legal fees payable in respect of ITV and IBM, for which final invoices have not yet been received, but will be funded from the balance of an undertakings account held by BDB, and a claim for 2016/17 audit fees); and then a separate figure for an estimate of costs after 15 June, essentially covering the process of producing accounts for 2017/18, as required by the Charity Commission, and then implementing the winding-up process – again following agreement with the Charity Commission.

We have, in addition, allowed a contingency to cover the risk of any further liabilities being established during the liquidation process – or, if not required, to be credited back to reduce the final draw on the Guarantee.

Bank statements, invoices etc relating to the ascertained numbers have all been provided to you.

We have every reason to believe the total amount scheduled to be adequate to cover the risk of any further liabilities arising, but the Trustees reserve their position in respect of continuing to rely upon the Guarantee for payment of any liabilities that are properly established as payable, but which are in excess of the allowances made in the attached schedule.

In terms of the process hereafter, you discussed arranging for funds, once formally agreed, to be paid into an escrow account. That would certainly be acceptable to us, and please let us know whether you would like to suggest an Escrow Agent, or whether we should organise that (and we have made financial provision for it in the attached figures for future costs).

We believe this, and the information already provided, gives you everything that you need in order to confirm agreement to the amount of the application and the process for handling it, but please let us know if any further information is required. As you know, we are under considerable pressure from a number of donors to obtain the release of their funds, and we would therefore ask for such agreement to be reached, and the funds to be released, as quickly as possible. Can we suggest that it would be reasonable to ask that we get to that point within 2 weeks of receipt of this letter, given that the Deed provides for payment within 10 days of all supporting documentation being provided?

Finally, we are, as a courtesy, copying this letter and its attachment to the Secretary of State at the Department for Transport.

Yours sincerely



Lord Mervyn Davies, Chairman

Cc Secretary of State, Department for Transport

**Commercially confidential**

**Garden Bridge Trust**

**Calculation of Exit Payment under Deed of Variation dated 28 September 2016**

| Ref      | Item                                                                                    | £            | £                | £         |
|----------|-----------------------------------------------------------------------------------------|--------------|------------------|-----------|
| <b>1</b> | <b>Donor repayments (excluding ring-fenced donations, to be returned direct)</b>        |              |                  |           |
| 1.1      | Bloomberg                                                                               |              | 2,273,321        |           |
| 1.2      | Garfield Weston Foundation                                                              |              | 2,000,000        |           |
| 1.3      | Petr Aven                                                                               |              | 800,000          |           |
| 1.4      | Victor Lo (Hong Kong Friends)                                                           |              | 500,000          |           |
| 1.5      | The Taylor Family Foundation                                                            |              | 450,000          |           |
| 1.6      | Glencore                                                                                |              | 375,000          |           |
| 1.7      | United Way Foundation                                                                   |              | 103,818          |           |
| 1.8      | Aldama Foundation                                                                       |              | 50,000           |           |
| 1.9      | Michael Gross (Euston Estates)                                                          |              | 33,000           |           |
| 1.10     | Royal Mail Group                                                                        |              | 25,000           |           |
| 1.11     | Ian & Carol Sellars                                                                     |              | 21,000           |           |
| 1.12     | Helen & Tim Throsby                                                                     |              | 21,000           |           |
| 1.13     | Kai Yin Lo                                                                              |              | 20,000           |           |
| 1.14     | Jennifer McSweeney                                                                      |              | 20,000           |           |
| 1.15     | Caroline Townsend                                                                       |              | 17,000           |           |
| 1.16     | Barratt West                                                                            |              | 17,000           |           |
| 1.17     | Peggy Yeoh/Lee Seng Hung                                                                |              | 17,000           |           |
| 1.18     | Lelia Govi                                                                              |              | 15,000           |           |
| 1.19     | Jane & Roger Madelin                                                                    |              | 15,000           |           |
| 1.20     | Mayank Patel                                                                            |              | 15,000           |           |
| 1.21     | Michael Burton                                                                          |              | 10,000           |           |
| 1.22     | Susan Li                                                                                |              | 10,000           |           |
| 1.23     | Florence St George                                                                      |              | 10,000           |           |
| 1.24     | Electra Toub                                                                            |              | 10,000           |           |
| 1.25     | Tony Chambers (Wallpaper)                                                               |              | 10,000           |           |
| 1.26     | Lisa & Lance West                                                                       |              | 3,200            |           |
| 1.27     | Lawrence Sword                                                                          |              | 2,200            |           |
| 1.28     | Total                                                                                   |              | <u>6,843,539</u> | 6,843,539 |
| 2        | Amount covered by balance of Trust cash                                                 |              |                  |           |
| 2.1      | Total cash at bank as at 27 June 2018                                                   | 2,989,975    |                  |           |
| 2.2      | Cash held by BDB for third party undertakings                                           | <u>9,294</u> |                  |           |
| 2.3      | Total cash available as at 27 June 2018                                                 |              | 2,999,269        |           |
| 2.4      | <b>Less</b> ascertained unpaid liabilities (excluding Donor repayments) to 15 June 2018 |              | 1,072,829        |           |
| 2.4.1    | Consultant team - Arup                                                                  | 7,605        |                  |           |
| 2.4.2    | Main Contractor - Bouygues/Cimolai JV                                                   | 774,550      |                  |           |
| 2.4.3    | Third party - ITV                                                                       | 137,907      |                  |           |
| 2.4.4    | Third party - City of Westminster                                                       | 32,300       |                  |           |
| 2.4.5    | Third party - London Borough of Camden                                                  | 57,500       |                  |           |
| 2.4.6    | Third party - Parsons Brinkerhof                                                        | 22,480       |                  |           |
| 2.4.7    | Legal fees - Macfarlanes                                                                | 32,737       |                  |           |
| 2.4.8    | Gift Aid to be repaid                                                                   | 7,750        |                  |           |
| 2.5      | <b>Less</b> ongoing/future liabilities (estimated)                                      |              | 173,094          |           |
| 2.5.1    | Third party legal fees (re IBM and ITV)                                                 | <u>9,294</u> |                  |           |

|       |                                                   |        |                         |
|-------|---------------------------------------------------|--------|-------------------------|
| 2.5.2 | Legal fees - BDB/Pinsent Masons                   | 10,000 |                         |
| 2.5.3 | Legal fees - Macfarlanes                          | 3,000  |                         |
| 2.5.4 | Accountancy/audit fees, 2016/17 - Clark Whitehill | 32,400 |                         |
| 2.5.5 | Accountancy/audit fees, 2017/18 - Clark Whitehill | 26,400 |                         |
| 2.5.6 | Liquidation/advisory fees - PcW                   | 50,000 |                         |
| 2.5.7 | Accountancy/audit support staff costs             | 25,000 |                         |
| 2.5.8 | Document filing/storage                           | 12,000 |                         |
| 2.5.9 | Escrow Agent's fees                               | 5,000  |                         |
|       |                                                   |        |                         |
| 2.6   | <b>Less</b> provision for contingent liabilities  |        | <u>400,000</u>          |
| 2.7   | Net cash available                                |        | 1,353,346               |
| 3     | <b>Exit Payment due</b>                           |        | <u><b>5,490,193</b></u> |

**GBT - 20 July 2018**



14 September 2018

Alex Williams  
Transport for London  
Director of City Planning  
5 Endeavour Square  
Westfield Avenue  
Stratford, London  
E20 1JN

Dear Mr Williams

Many thanks for your letter dated 14 August in response to our application for the Exit Payment in our letter dated 27 July, about which there has been some subsequent discussion.

This letter is to deal with the principal issues raised.

## 1. The Exit Payment

We quite understand that TfL needs to be assured that liabilities to be taken into account in the calculation and release of the Exit Payment are properly due, and that has of course been the subject of extensive discussions between TfL and the Trust. We have provided detailed evidence in respect of all ascertained liabilities which, subject to the one point addressed in section 2 below, TfL has confirmed as meeting all the requirements of the Deed of Variation.

In respect of estimated liabilities (and anything that might be set against the contingency), again we understand that the same evidence must be provided, and that payment should be made only when the requirements of the Deed have been met to TfL's reasonable satisfaction. This would have been effected through the operation of an escrow account, the possibility of which has been discussed between us.

As discussed, however, if the amount to be released shortly as a first instalment of the Exit Payment is to be limited to ascertained liabilities, and the figure is to be netted down to take account of the full amount of the Trust's cash reserves, then the Trust will have no working capital once it has settled those liabilities. In the meantime, liabilities continue to accrue (for example, in producing audited accounts for the period after March 2017, in implementing a resulting of a solvent liquidation etc), and invoices and supporting evidence will come forward for some historic liabilities, as scheduled in our calculation of the Exit Payment. Settlement of those amounts cannot await a second, final instalment - and of course the position has moved on even since our letter dated 27 July.

That was the reason for proposing the payment into an escrow account of an amount that covered anticipated future liabilities (with settlement subject to ascertainment and TfL approval, as above), as well as established historic ones.

If that is not to be the agreed way forward (and we think it still could be), then we would propose as an alternative **either** that we follow the practice of funded development, and have a monthly drawdown, with applications for further instalments of the Exit Payment backed by the evidence required by the Deed of Variation – and we think this would be the most straightforward process; **or** that working capital is maintained within the Trust by not deducting the full amount of cash reserves in calculating the first instalment of the Exit Payment. If the latter route is favoured, and the intention is to make only one more, final payment, then we believe the amount reserved needs to match the allowance made in our calculation of the Exit Payment for estimated liabilities and a contingency, or there needs to be a provision for interim payments in the event that whatever is retained proves inadequate and liabilities are both ascertained and need to be settled.

We also accept that there needs to be a sunset date to the liability implicit in the Deed of Variation, but there are certain dates over which we have no control – such as the Charity Commission’s call to approve the implementation of the voluntary liquidation process, and HMRC clearance to closure. To provide some float for this, we would propose that the date for the final instalment should be 4 months from payment of the first instalment but qualified to the extent that it will be extended if the final ascertainment of all liabilities and closure of the Trust is not achieved within that time for reasons beyond the reasonable control of the Trustees.

## **2. Escrow account**

As discussed, because of regulations now relating to “Know Your Customer”, it is now both difficult and relatively expensive to arrange an escrow account, and the only proposal we have secured to date looks like accumulating to a cost of £20,000. That does not seem to us to represent value for money, so if TfL is not proposing to deposit an amount that includes un-ascertained liabilities, then we would suggest exploring a much simpler banking arrangement by which payments are made from a designated account only with TfL’s knowledge and approval. We understand that this would be acceptable to TfL, and Citibank would be able to set it up with a designated representative from TfL as signatory, with limited KYC requirements re the designated signatory – so can we proceed to organise that?

## **3. Donations by Kai-Yin Lo**

I attach an extract from the notes submitted to TfL by the Trust, via BDB, on 6 March 2018. This makes clear that the Kai-Yin Lo donation is in addition to the general donation from the Hong Kong Friends, with separate receipts of £20,000 for Kai Yin Lo (actually £19,968 after bank charges) and £500,000 for Hong Kong Friends.

On the other two matters you raise, we confirm that the IPR package has now been delivered to you; and we re-confirm that we will produce a full summary of total project cost, in the continuing interests of transparency, as soon as the report and accounts for 2017/18 (which are now in the course of preparation) are available.



In the meantime, your letter also stated that you were still considering the latest of the evidence and would have completed this task shortly. We understand that the only issues now are as above, and we would appreciate your confirmation of that.

For our part, we believe that all of the conditions precedent to the payment of the Exit Payment, as set down in the Deed of Variation, have now been satisfied, again subject only to agreement on the points covered above (and any necessary adjustment to the amount of the first instalment, given the passage of time); and we would appreciate confirmation of when the payment will now be made, as we are under considerable pressure from those due for repayment, and will need to let them know if there is likely to be further delay, the reasons for it, and the date by which they can expect resolution.

Yours sincerely,

A solid black rectangular box redacting the signature of Lord Mervyn Davies.

**Lord Mervyn Davies**  
**Chariman**