

# **Trustees' Annual Report and Financial Statements**

for the year ended 31 March 2019

Company No: 4383269  
Charity No: 1091263

**[londoncf.org.uk](http://londoncf.org.uk)**

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## **Report of the Trustees**

The Trustees present their annual statutory report together with the financial statements of The London Community Foundation for the year ended 31 March 2019. The report has been prepared in compliance with Part 8 of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Trustees' Report is also a Directors' Report for the purposes of the Companies Act 2006 and other company legislation and meets the requirements for a Strategic Report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

## **Legal and administrative information**

### **Name of charity**

The London Community Foundation (LCF)

### **Status**

Charity registered in England and Wales – number 1091263

Company limited by guarantee registered in England & Wales – number 4383269

### **Principal office and registered address**

Unit 1.04, Piano House  
9 Brighton Terrace  
London  
SW9 8DJ

### **Trustees**

The trustees serving during the period of report and up to the date of approval of this report were:

Francis W Salway	Chair
Rosanna M Machado	Vice Chair (from December 2018)
Timothy C Ingram	Chair of Audit, Risk and Investment Committee
Martin E Richards	Vice Chair (until December 2018)
Patricia K Biggers (appointed July 2018)	
Paul G Cattermull	
Gaynor Humphreys	
Sanjay Mazumder	
W Rhys Moore	
Nicholas T J Reid	

### Principal officers / Senior Management Team

The serving principal officers on the date of approval of this report were:

Kate Markey	Chief Executive Officer / Company Secretary (from August 2019)
David Nagle	Director of Business Development and Communications (Appointed July 2019)
Kelly Rust	Director of Grants and Impact

Other principal officers serving during the period were:

Benjamin Clarkson	Director of Finance and Resources/Company Secretary (Resigned August 2019)
Rebecca Croswell	Director of Business Development and Communications (Resigned April 2019)
Mandeep Hothi	Director of Programmes and Strategic Partnerships (Resigned June 2018)

### Auditor

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

### Legal Advisors

Bates Wells & Braithwaite London LLP  
2-6 Cannon Street  
London  
EC4M 6YH

### Bankers

CAF Bank  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

CCLA Investment Management Limited – Cash Deposit Accounts  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

**Investment Managers**

Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London  
EC4M 8BU

CCLA Investment Management Limited – Investment of Endowment  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

## **Chair's Statement**

During this last financial year, we have committed over 1,300 grants to frontline organisations and individuals across London totaling over £7,600,000. Working in partnership with our donors and supporters, we helped to tackle a range of issues affecting London's communities, such as isolation, homelessness, employability for young people and mental health. This diversity is a hallmark of the work of community foundations.

However, one issue which has dominated London's media is youth violence. Our donors have responded with incredible generosity, commitment and collaboration to help address the issue, both in support of young people directly affected by knife crime and helping to tackle its root causes. LCF raised the issue of youth violence in May 2018, producing a hard-hitting report titled 'The Violence Virus'. Our assessment - based on interviews with community organisations working deep at the heart of the issue - argued that knife crime is a virus and needs to be tackled as such. The report has attracted increasing recognition by promoting the compelling reasons why grassroots organisations have a vital and trusted role in engaging young people at risk. LCF has been working with the Mayor's Office for Policing and Crime (MOPAC) to invest in grassroots organisations in this space. And in August 2018, the *Evening Standard* launched a major initiative, 'Save London Lives', in partnership with LCF through the Evening Standard Dispossessed Fund (ESDF). At the time of this report, the initiative has raised over £2.2 million (including future commitments), thanks to the generosity and support from Citi Foundation, L&Q Foundation, the Mohn Westlake Foundation, the Home Office, Simon and Lynne Dodds and Lendlease. And what is inspiring is the growing appetite for public funders, together with social, corporate and individual philanthropy, to sit side by side in tackling this critical issue. We believe this demonstrates a powerful template for collective action.

During the financial year, we set up the Grenfell Children and Young People's Fund with the balance of monies raised following the Grenfell Tower fire and with an additional restricted donations of £410,000 from the Royal Borough of Kensington & Chelsea. At the date these accounts were signed, the fund totaled £1,342,000 and grants will be made over the next 5 years to charities and community groups supporting local children and young people up to the age of 25 - the first £396,000 of 3-year grants have been committed with two further rounds to follow. Critically the fund - and the decisions on how it is spent - has been designed by young people and residents local to Grenfell, with LCF's support. We are immensely proud to be supporting the community on the fund and hope this is a model that can be replicated by other funders.

This year we raised total income of £9,255,000 and reported a planned small unrestricted deficit of £23,000. Our free reserves stand at £695,000, which is a little ahead of our reserves target of £630,000. Our mission is to invest in small, local charities and we ourselves remain a relatively small organisation. Yet since our inception in 1995, we have raised a total of £100M which represents a significant contribution to the grassroots organisations in London and to Londoners in need. We will not rest and are committed to inspiring London's generosity further to invest in London's frontline.

Francis Salway,

**Chair**

## Objectives and Activities

**Our vision** is of a strong and generous London where residents, business, government and civil society are inspired to act for the benefit of all who live in their city, leading the way in social action and philanthropic activity.

**Our mission** is to inspire the Capital's generosity and invest in frontline grassroots organisations to help build strong and connected communities.

London is a diverse city, in which complex social problems exist. We believe that communities often characterised as poor and disadvantaged are rich with ideas and assets. When these ideas and assets are maximised, small charities and community groups can make a big difference.

The London Community Foundation is not a traditional grantmaking trust or charitable foundation. Our role is to inspire corporate and individual philanthropy and public bodies to support the Capital's grassroots charities and community groups.

LCF's objects, as defined in the Memorandum and Articles of Association are:

The promotion of any charitable purposes for the benefit of the community in the 'Area of Benefit' and in particular the advancement of education, the protection of good health both mental and physical, the relief of poverty and sickness and the provision, in the interests of social welfare, of:

1. Facilities for recreation or other leisure time occupation with the object of improving the conditions of life of the persons for whom the opportunities and facilities are primarily intended.
2. Other exclusively charitable purposes in the United Kingdom and elsewhere with a preference for those which are in the opinion of the trustees beneficial for the Area of Benefit.

The 'Area of Benefit' for LCF is the London Boroughs and the City of London.

Our core activities are:

### **1. Funding predominantly small charities and community groups which focus on community-based action and projects that do not attract mass public support.**

We strive to make LCF's grantmaking process proportionate and accessible to small organisations. LCF's 'Grantmaking Policy and Procedures' sets out the guiding principles, process for setting fund criteria, and procedures that are common to all of LCF's funds and programmes.

We remain accountable to the sector by regular grantee and non-grantee engagement to ensure our funds are best informed by their needs. We work to build strong evidence base for small charities, their operating environments and their funding needs to demonstrate how best donors can help.



Wherever possible we strive to include community members and people with lived experience in fund design and grantmaking decision panels.

## **2. Inspiring individual and corporate philanthropy to give to London's frontline small charities and community groups.**

We do this by promoting our expertise, reach and understanding of small charities in London. This includes thought leadership, research and visits, providing an expert window on the sector. Through expert research and analysis, we allow donors to get close to the issues affecting London and build a compelling case for how grassroots organisations can help.

## **3. Fund management and grantmaking services:**

Through our donor-advised fund (DAF) model, we provide a professional investment service to donors setting up and managing permanent and expendable endowment funds. LCF works with a third-party investment house to provide this service.

All donors benefit from LCF's established and professional grantmaking services, including fund set up, due diligence, assessment, grant deployment, portfolio management and reporting. We also work with the wider wealth advisory market to inform and support how they engage their clients' giving.

As the primary DAF service dedicated to London, LCF aims to build community assets in the form of endowments which can respond to changing needs over time and provide a sustainable source of funding for charities and community organisations in London. As at 31 March 2019, LCF held £20,900,000 (2018: £20,300,000) in endowment funds.

Endowment funds held have been raised primarily through:

- a. Individuals and companies that want to create a legacy in a particular geography or cause.
- b. Trust transfers. Trusts can be transferred to LCF under the Boost Initiative, with LCF honouring the original objectives and/or reviving them for modern day needs. Trusts may be transferred if they have become dormant or ineffective, or if trustees feel that LCF will help to increase the impact of their charitable assets.

## Structure, governance and management

LCF is a Company Limited by Guarantee (CLG) and a Registered Charity governed by its Memorandum and Articles of Association.

The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are referred to as the Trustees.

## Appointment, induction and training of trustees

As set out in the Articles of Association, new Trustees are appointed by the Trustees in office. There are no powers of appointment or co-option by any external organisation. New Trustees are recruited externally, identified through nomination by other Trustees, recommendations from respected individuals, engagement with LCF through professional networks. The Remuneration & Nominations sub-committee of the Board is responsible for nominations and makes recommendations to the full Board on appointments.

At 31 March 2019 LCF had 10 trustees (maximum 18), including people who were formerly trustees of the other London foundations that have merged with The London Community Foundation since 2011.

Prior to appointment, prospective Trustees meet with the Chair, CEO and at least one other Trustee as well as key staff where appropriate. New Trustees receive an induction pack of information including the Memorandum and Articles, latest statutory and management accounts, business plan, role description, Charity Commission and other literature, and are asked to complete a declaration of eligibility. Introductory briefings with the CEO and key staff are provided, and all Trustees are asked to serve on at least one sub-committee.

## Structure

The Trustees meet quarterly and between these meetings, business is conducted through the three sub-committees. These are **Programmes and Grants**, **Audit, Risk and Investment**, and **Remuneration and Nominations**.

The **Programmes and Grants Committee** meets four times a year and includes a minimum of two Trustees. It has ultimate authority, delegated by the Trustees, to approve grants recommended by the panels. The Committee also has the power to delegate authority to approve grants to senior staff where appropriate. Delegated authority currently sits with the Senior Management Team for standard risk grants under £25,000.

The Programmes and Grants Committee leads on LCF's impact strategy, including its grantmaking policy, operations and best practice.

In addition, in some circumstances LCF invites individuals from the communities in which we work, to provide insight and help inform grantmaking. The Trustees and team wish to express their appreciation to these individuals during the year, including those people involved in the Grenfell Children and Young People's Fund and ESDF Save London Lives.

The **Audit, Risk and Investment Committee** meets four times a year and comprises a minimum of two Trustees. It is responsible for overseeing LCF's finances, risk and investments. The Committee is responsible for:

- monitoring and reviewing the performance of LCF's investments and investment managers;
- recommending the budget, business plan and targets to the Board for approval;
- reviewing the draft statutory financial statements and recommending approval to the Board;
- receiving the reports of LCF's auditor;
- financial policies and controls, reserves policy and investment and endowment spending policies; and
- overseeing risk management.

The **Remuneration and Nominations Committee** meets once a year on a regular basis and at other times as required. The committee is responsible for:

- leading on governance and trustee recruitment; and
- human resources including remuneration of staff.

Day-to-day operation of LCF is the responsibility of the Senior Management Team (SMT). The average number of team members employed during the year using a full-time equivalent basis was 19 staff (2018: 21 staff).

The SMT reports formally to the Board every quarter on progress against targets and the business plan and presents proposals on forward strategy.

LCF is a quality accredited member of UK Community Foundations, the membership body that supports and promotes community foundations in the UK. There are 46 quality accredited community foundations serving most of the UK population. With endowment funds of around £600 million, over 15,000 donors and annual grantmaking in the last year exceeding £98 million, the network is one of the UK's most significant grant makers.

LCF does not have any branches or subsidiaries other than the Pedlar's Acre Trust and the Beaufoy Trust, both of which hold permanent endowments and have LCF as their sole Trustee.

## **Public benefit**

### **Public benefit statement**

Trustees of a charity have a duty to report in their Annual Report on their charity's public benefit. The Trustees of LCF have considered the public benefit requirements which are explained on the Charity Commission website.

The remainder of this report sets out LCF's objectives, and report on the activity and successes in the year to 31 March 2019, as well as explaining the plans for the current financial year. LCF's work benefits a range of small charities and community groups and their beneficiaries.

The Trustees have considered this matter and concluded that:

1. The aims of the organisation continue to be charitable;
2. The aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly benefit individuals in need;
3. The benefits are for the public and are not unreasonably restricted in any way and certainly not by ability to pay; and
4. There is no detriment or harm arising from the aims or activities.

## **Strategic Report**

### **2018/19 Objectives, Achievements and Performance**

Financially, LCF had a stronger year than in the previous year achieving a small deficit of £23,000 on unrestricted funds, which is a reduction against the £36,000 budgeted position, following tight cost control. This was also against year-on-year growth in grantmaking (excluding the exceptional funds raised and deployed for the Grenfell Tower fire) with further detail provided below. High-profile initiatives have featured heavily in LCF's year, evidence of the charity's reputation and position with donors and partners to help tackle some of the Capital's most pressing issues.

This year also saw a new CEO at the helm and a subsequent review, with the Trustees, of LCF's strategy, operating model and role as one of the Capital's primary giving leaders. A central feature of this work has also been the changing and challenging operating environment for small charities and community groups in the Capital and how best LCF can respond in partnership with its donors.

We report below against our primary strategic objectives:

#### **Strategic objective 1 – FUNDING FOR LONDON**

**To maintain and grow the level of funds under The London Community Foundation's management for the benefit of communities across London.**

LCF raised £8,455,000 in grant funding, donations, and legacies to support London's grassroots organisations during the year. This was achieved through funds raised from the following supporters and donors:

Trusts and Foundations	31%
Corporate Philanthropy	28%
Local Government	9%
Individual Philanthropy	6%
Central Government	26%

Grantmaking during 2018/19 totalled £7,696,431 with 1,335 grants made to individuals and small charities or community groups. The specific breakdown of grants is:

- Grant awards to individuals      553      £75,441
- Grant awards to institutions      782      £7,620,990

During 2019/20, LCF will do less grantmaking to individuals as the charity focuses its efforts predominantly on supporting small charities and community groups.

During the year, we saw an increase in average grant sizes committed to organisations to £13,377 (compared to £10,300 in 2017/18). These figures include multi-year commitments made subject to receipt of funding from our partners, but the future year commitments are excluded from these accounts. This signals a long-term drive to work with donors to raise the value of grantmaking to support the resilience of frontline organisations. And almost 221,000 Londoners will be touched by the funds invested in grassroots organisations this year.

LCF received 2,776 applications for funding (compared to 2,940 in 2017/18) with a total value of almost £27,000,000 (compared to £34,500,000 in 2017/18). It is positive that LCF is experiencing a reduction in applications for funding, evidence of our gradual move to multi-year funds and more specific fund design to manage eligibility and success ratios.

During the year, several high-profile initiatives between LCF and its donors raised significant income to support London's grassroots. These include:

### **Grenfell Children and Young People's Fund**

On the first anniversary of the Grenfell Tower fire (14 June 2018), LCF announced the launch of the Grenfell Children and Young People's Fund from the remaining funds. Since then, additional funds have been provided by Kensington and Chelsea Borough Council, further proceeds from the Artists for Grenfell single and several public donations. At the point of approving this report, the fund totaled £1,342,000 to be disbursed over five years in three tranches of three-year funding. The first tranche saw £396,000 awarded, with the remaining £946,000 to be awarded across two further rounds. Importantly, LCF has supported a panel of young people and local residents to both design and make decisions about the fund.

We are grateful for the generosity of our donors in helping to create this fund, which consists of the following restricted donations:

<b>Grenfell Children and Young People Fund Donors</b>	<b>£</b>
Funds raised from the Artists for Grenfell single, <i>Bridge Over Troubled Water</i> (consisting of the remaining balance from the emergency appeal, and new revenue raised from royalties)	335,000
The Royal Borough of Kensington and Chelsea	410,000
Donations from the general public and businesses under the Evening Standard Dispossessed Fund (consisting of the remaining balance from the emergency appeal, and new donations received since)	597,000
<b>Total restricted funding raised</b>	<b>1,342,000</b>

We are also grateful to the Royal Borough of Kensington and Chelsea for an unrestricted donation of £21,500 to contributing to the costs of administering the fund.

## **Youth Violence in London**

In May 2018, LCF published 'The Violence Virus', highlighting the unique and powerful role community-based organisations have in tackling youth violence. During this year, LCF continued to manage the Knife Crime Seed Fund (launched in 2017 by MOPAC, the Mayor's Office for Policing and Crime), as part of the Mayor of London's Knife Crime Strategy. The £1.4m fund gives grants to grassroots community groups working to reduce knife crime in those communities disproportionately affected.

Evening Standard Dispossessed Fund – Save London Lives:-

In August 2018, Evening Standard and LCF launched the ESDF Save London Lives initiative (part of the Evening Standard Dispossessed Fund partnership that has raised over £25,000,000 in the last eight years). At the time of the Trustees' Report approval, ESDF Save London Lives had raised £2,229,000 to invest in grassroots organisations working deep in the Capital's communities to help reduce youth violence and knife crime. This includes pledges of multi-year funding and donations received after the balance sheet date of 31 March 2019.

Importantly this multi-year initiative will provide grant funding, capacity-building training – designed by the grassroots organisations involved - evaluation and paid networking for hyper local groups to come together from across London. Importantly the initiative has been able to pool funds from across different sources: ESDF endowment, corporate foundation, individual philanthropy, social housing and central government. We believe this kind of donor collaboration sends a powerful message of how London's generosity can come together to help tackle key issues.

We are grateful for the generosity of our donors in helping to create this fund, which consists of the following donations:

### **Save London Lives Donors**

Evening Standard Dispossessed Fund  
Mohn Westlake Foundation  
Simon and Lynn Dodds  
Lendlease  
Citi  
L&Q  
Home Office

### **Pledges and Donations £**

333,000  
150,000  
6,000  
5,000  
590,000  
600,000  
545,000  
**2,229,000**

## **Strategic Objective 2: Understanding the organisations we support and our impact**

To ensure that the charity's fundraising with donors and supporters meets the needs of London's frontline and is managed in the most effective, professional and proportionate way.

This year LCF undertook its biggest beneficiary engagement in the last five years. This is one way that LCF demonstrates its accountability to beneficiary organisations and ensures our grantmaking – and how we deploy funds – enables grantees to have impact. It's also how LCF engages donors to help them get closer to the frontline and understand how best they can create impact with the organisations they support.

Key findings of the beneficiary engagement were published in report entitled *Voices from the Frontline* ([londoncf.org.uk/blog/voices-from-the-frontline](https://londoncf.org.uk/blog/voices-from-the-frontline)). They tell a story of growing, and more complex, need – particularly on issues that are so pertinent to London; the future of young people and the threats they face; how we connect better as the Capital's inhabitants; how we support the vulnerably employed or the working poor. The story is also one of relentless competition for funding, with grassroots organisations often stuck on a never-ending cycle of fundraising and too often faced with short-term funds with restrictions that too often won't pay to keep the lights on.

But it also one of absolute inspiration, and not just the story of what can be achieved on small sums of money. There's a quiet defiance running through the findings from organisations whose ambition is not about scale, diversification or replication, but it is ambition none the less. Ambition to be the trusted anchor in the community, the place of solace or refuge and run by people who inherently understand the place.

We also asked organisations to tell us of their experience of LCF which has formed part of the strategic priorities for the year ahead (*see Future Plans*).

## **Strategic Objective 3: Inspiring donors to give**

LCF's team is grateful to have unprecedented reach into London's grassroots sector. We must ensure we represent their needs and their impact to donors in the most accessible, inspiring ways and provide multiple touch points for London's generosity to engage with the frontline. This means understanding the motivations and journeys both individual and corporate donors take on their giving.

This year our Annual Supporters' event focused on youth violence and featured a hard-hitting panel debate featuring representatives of organisations LCF has funded, LCF's CEO Kate Markey and chaired by David Cohen, Investigations Editor at the *Evening Standard*. We heard powerful evidence from young people affected by youth violence and listened to what a range of practitioners considered was needed to stem the tide of violence. Whilst the issue is complex, fluid and multi-dependent, one clear principle articulated on the night was the need to put the perspective and voice of young people at the heart of the solution. We are committed to continuing our work on tackling youth violence in London.



Throughout the year, we also delivered presentations, visits and joined our donors 'in their worlds' to talk about LCF's work. We value our role as a trusted window on the sector for our donors and supporters and seek to play a key role in navigating their philanthropic journey. We have also supported professional advisers on the benefits to their clients of setting up a DAF through LCF.

#### **Strategic Objective 4: Thought Leadership**

Importantly the *Voices from the Frontline* report illustrated how much grantees value the expertise and knowledge of the LCF team. We take this responsibility seriously and will continue to measure how we are doing and what we can do to improve our service. Providing a platform for the voice of London's grassroots is a key priority for LCF. It's also how we inspire donors to give on their doorstep. In May 2018 we published *The Violence Virus* (<https://londoncf.org.uk/blog/the-violence-virus>) which provided a 'moment in time' view of the realities of being a grassroots organisation tackling youth violence in London today. We are fortunate that the report was cited by other local and national funders as an evidence base and by central government, most notably by the Home Office.

It is vital for both grassroots organisations and our donors that LCF continues to demonstrate its expertise through the eyes and voices of its grantees.

## **Financial review**

### **Income**

The total income for the year 2018/19 was £9,255,000 compared to £16,688,000 in 2017/18 (£9,558,000 of which related to donations raised for the Grenfell Tower). Donations came from a range of donors including companies, central and local government, individual philanthropists and social sector organisations. Looking at these results in more details

- Unrestricted income from donations for the year 2018/19 is £816,000, compared to £779,000 in 2017/18, an increase of 5%.
- The charity received a significant amount of income (£9,558,000) in 2017/18 relating to the Grenfell Tower emergency appeal. The majority of these funds were distributed to households affected by the tragedy as grants. During 2018/19, the residual funds were used to set up a new five-year fund for children and young people affected by the fire. Additional restricted income of £410,000 from the Royal Borough of Kensington and Chelsea, and £51,000 relating to the Artists for Grenfell single, was received in 2018/19 and added to the Children and Young People's Fund. Additionally, we have received a further £29,000 from the Artists for Grenfell fund since 31 March 2019 which has also been added to this fund.
- Restricted voluntary income received for the year 2018/19 was £7,441,000 compared to £14,980,000 in 2017/18. Excluding income for the Grenfell Tower, restricted voluntary income for the 2017/18 year was £5,422,000.
- Investment income has increased slightly to £747,000 compared with £734,000 in 2017/18. The small increase partly reflects the increase in endowments held but is also due to strong financial performance of the related investments
- Income from other trading activities in 2018/19 was £53,000 compared with £34,000 in 2017/18. This increase is mainly a result of the rent review which took effect mid-year through the year, with a corresponding increase in rental costs. The charity sub-leases part of its office to UKCF, the membership organisation for Community Foundations, with both organisations paying rent at the same £ per square foot rate.

### **Expenditure**

The Statement of Financial Activities shows our expenditure analysed between the costs of raising funds and the cost of our charitable work, with support costs (including governance costs) being allocated across each.

'Charitable activities' represents all grants made to beneficiary organisations and individuals as well as expenditure on capacity building and evaluation related to grant programmes. It also includes the cost

of running grantmaking programmes and associated support costs. Grants awarded in 2018/19 totaled £7,696,000 compared to £16,359,000 in 2017/18. The 2017/18 total includes £8,769,000 of grants awarded in relation to the Grenfell Tower appeal, whilst grants from other programmes accounted for £7,590,000 of the 2017/18 total.

LCF's main cost is staff which represented 62% of LCF's expenditure excluding grant awards in 2018/19 (2017/18: 64%). Staff costs are allocated to the costs of raising funds and charitable activities based on time spent on these activities. Support staff costs are allocated in a similar manner. Staff costs have decreased to £881,000 from £1,027,000. This fall is in part due to the employment of additional temporary staff during the Grenfell appeal in 2017/18, and a reduction in overall headcount. The charity's headcount decreased slightly to 19 average full-time equivalent staff (2017/18: 21; 2016/17: 20). Changes in headcount are partly due to reduction in the size of the Senior Management Team, which reduced from 5 full-time equivalent staff to 4 full-time equivalent staff in 2018/19.

### **Cash Position**

LCF's cash balances (excluding any cash held by the investment managers) have increased to £4,335,000 during 2018/19 up from £4,200,000 at the end of 2017/18, largely due to the sale of investments to fund core and grantmaking activities. Cash held by LCF mainly represents restricted funds held for the purposes of grantmaking and of this balance £3,974,000 represented restricted and endowment funds (2017/18: £3,877,000). LCF works with donors to set a timetable for spending restricted funds. Various factors determine the length of time funds are held in cash, including needs of the community and grant applicants, as well as internal resources and planning.

At the end of 2018/19, of the £695,000 (2017/18: £752,000) free reserves: £310,000 is a cash balance representing unrestricted funds (2017/18: £325,000) and £259,000 is invested (2017/18 £241,000), leaving other net assets of £126,000 (2017/18 £187,000). The invested funds, which are held under the Reserves Policy, are not expected to be needed in the short term and can be invested to generate a higher return than current interest rates allow. During the year, Trustees designated £50,000 of the charity's unrestricted fund to the charity's digital investment programme (see *Future Plans*); as at 31 March 2019 these funds are held entirely as cash.

### **Diversity of Income and Financial Sustainability**

Our business plan sets out that LCF should aim that no one programme should contribute more than 20% of the Charity's income or 35% of the Charity's grantmaking in any year, this goal has been achieved for 2018/19.

## Investments

LCF's investment managers are CCLA Investment Management Ltd and Sarasin & Partners LLP. LCF has set a clear investment policy which is driven by LCF's principles. This policy is reviewed annually and is consistent with Trustees' responsibilities under the Charities Act.

In setting the performance criteria against which the performance of the investment portfolio is managed, the aim is to achieve long-term capital and income growth, whilst also providing a reasonable level of income annually. The investment managers' performance and the degree of risk considered appropriate for LCF's investments are reviewed each year.

At 31 March 2019 the funds invested at Sarasin & Partners LLP were valued at £10,631,000 (2018: £10,254,000). Investments held with CCLA were valued at £11,239,000 (2018: £10,344,000). The total value of funds invested, including cash held by investment managers for re-investment, amounted to £21,880,000 (2018: £20,648,000). The market value movement in the year represented a significant unrealised gain, slightly offset by sales of investments for grantmaking purposes during the year.

The portfolios at both Sarasin & Partners LLP and at CCLA are invested in the investment managers' own pooled funds with underlying holdings in a broad spread of international "blue chip" equities, fixed income stocks and alternative investments. The total investment performance of the funds and the peer group comparison are shown below.

### *Investment performance by fund manager:*

	Total investment performance in year to 31 March 2019 (net of fees and costs)	Total investment performance in year to 31 March 2018 (net of fees and costs)	Total investment performance annualised three-year return to 31 March 2019 (net of fees and costs)
Sarasin & Partners LLP	4.0%	-0.5%	6.5%
CCLA	7.7%	1.8%	9.6%
ARC Steady Growth (peer group comparison)	6.0%	1.4%	7.8%

The Audit, Risk and Investment Committee reviews investment performance. LCF takes a long-term view and measures the long-term performance against the ARC Steady Growth benchmark. The benchmark is a standard indicator of relative performance used by the investment industry and charities. Both Sarasin and CCLA provide quarterly reports and present to the Committee at least once a year. In February 2019 the Committee made a recommendation to the Board of Trustees, which was approved in March

2019, to consolidate all investments with CCLA owing to the stronger performance compared with Sarasin & Partners. This consolidation took place after the 31 March 2019.

## **Reserves Policy**

LCF holds the following types of reserves:

**Endowment reserves** comprise capital sums donated under the restrictions that they are invested, and that the investment return is available for expenditure in accordance with the donors' strategies for giving. Within the category of endowment are two subcategories: expendable and permanent endowment. The capital amounts of expendable endowment may be spent if the Trustees decide to do so. The capital of permanent endowment may not be spent. Endowment reserves at 31 March 2019 stood at £20,886,000 (2018: £20,303,000), the increase of £583,000 representing income received in the year along with an increase in stock market values in the year to 31 March 2019, offset by withdrawals for grantmaking.

**Restricted reserves** comprise funds available for expenditure in accordance with the donors' strategies for giving. Donations are typically spent over 1-2 Year periods, however LCF encourages its donors to open multi-year funds, which in some cases leads to the buildup of restricted reserves.

Restricted reserves at 31 March 2019 were £4,141,000 (2017: £3,297,000). The increase is largely due to the timing of grant programmes, with significant donations received in year for the purpose of deployment over 3-5 years.

**Designated reserves** are funds set aside from unrestricted reserves at the discretion of the Trustees.

During the year to 31 March 2019, Trustees approved the designation of a £50,000 fund for LCF's digital investment programme to cornerstone a fundraising effort for the total initiative. At 31 March 2019, no funds had been spent, and the balance remains at £50,000, out of a total designated fund balance of £56,000 (2018: £22,000, entirely consisting of LCF's tangible fixed assets fund).

At 31 March 2019, the remaining designated reserves represent the tangible fixed assets fund. The fund balance reflects the net book value of the leasehold improvements to the rented offices of LCF, as well as any office or IT equipment which LCF has capitalised in line with its accounting policy. The value of the assets at 31 March 2019 was £6,000 (2018: £22,000). The designation is made in recognition of the fact that these assets are essential to the day-to-day running of the charity and should therefore not be considered realisable to meet commitments.

**Free reserves** are the balance of LCF's unrestricted reserves that have not been designated for a particular purpose and as such are freely available to the Trustees for any of the charity's purposes. The free reserves held at 31 March 2019 were £695,000 (2018: £752,000). The decrease reflects the operating deficit for the year, which was partially offset by a small unrealised gain in fixed asset investments, and the transfer of £50,000 to the new designated fund outlined above.

Trustees review LCF's Reserves Policy and reserves levels annually as part of the planning process. The level of reserves is one of the factors taken into consideration in setting future expenditure levels. The Trustees have agreed a policy where free reserves should be maintained at a level representing:

- Six months of planned future unrestricted expenditure (excluding development staff costs), net of six months forecast unrestricted income from endowment funds;
- Three months of development staff costs; and
- Two years of property lease costs.

This level is judged necessary after considering the following factors:

- The uncertainty of income. A relatively small proportion of LCF's income can be guaranteed beyond one year as few of our donors currently commit to funding further ahead than one year;
- Free reserves at this level enable us to plan for the longer term and to utilise resources more efficiently;
- Holding of endowment. LCF holds £20,886,000 of endowment funds, of which £4,600,000 are permanently endowed; LCF's free reserves are intended to allow us to guarantee our sustainability and ability to manage endowed funds into the future;
- Holding of restricted funds. At any point LCF typically holds between £2 and £5 million of restricted funds intended for grantmaking across a wide range of funds, the Reserves Policy must ensure LCF has sufficient reserves to fulfil the intentions of the donors in regard to distributing the grantmaking funds held;
- Planning in the longer term. LCF operates a five-year planning process in order to allow a long-term strategy.

LCF's level of free reserves as at 31 March 2019 was £695,000. This amount is greater than the figure calculated under the Reserves Policy, described above, which suggests a value of £630,000 was needed at 31 March 2019. However, Trustees are comfortable with the level of reserves held at the current time, given the continuing uncertainty over future income levels.

### **Pedlar's Acre Trust**

LCF took over the trusteeship of the charity Pedlar's Acre Trust from Lambeth Council in 2009; the assets of this trust comprise permanent endowment. LCF applied to the Charity Commission for the power to use a total return approach regarding the fund's investments and this power was granted on 17 January 2011.

The total return approach to investment allows LCF to utilise some of the capital growth of the fund for current grantmaking, instead of only being able to use the investment income received. The power to use a total return approach allows the charity to have an investment strategy aimed at maximising total return without needing to ensure a significant part of the return is in the form of income rather than capital growth.

The Trustees have a duty to maintain even-handedness in regard to supporting both current and future beneficiaries and will only use the power to spend the capital growth to the extent that the ability to support future beneficiaries will not be prejudiced.

## **Beaufoy Trust**

LCF took over the trusteeship of the charity Beaufoy Trust from Lambeth Council in July 2013; the assets of this trust comprise permanent endowment. LCF does not currently operate a total return approach regarding the fund's investments.

## **Endowment Spending Policy**

LCF's policy regarding expendable endowments is to allocate a set percentage of the value of each fund at December each year for expenditure on grants and direct charitable expenditure in the next financial year. The Trustees review this policy every year and set the appropriate percentage to be applied to the fund value as at 31 December. During 2018/19 the percentage used was 3.5% (2017/18: 3.5%) for grantmaking plus the annual contribution towards LCF's costs.

The expenditure of the investment return of any permanent endowment where a total return approach has been agreed with the Charity Commission, is set by LCF at 3.5% (2017/18: 3.5%) of the value of the fund at December each year, plus the annual contribution towards LCF's costs. If the Trustees judge that a higher or lower amount would better fulfil the duty of being even-handed in the treatment of present and future beneficiaries of the fund, the amount may be varied in future decisions. The Trustees expect to spend a total of 3.5% on grantmaking in the coming year for the permanent endowment fund 'Pedlar's Acre Trust' which has a total return approach agreed.

For permanent endowments where no total return approach is agreed, only the income arising from the fund may be spent.

## **Executive Remuneration**

### **Remuneration Policies**

LCF had on average 19 full-time equivalent staff during 2018/19 (2017/18: 21). Salaries are reviewed and agreed annually by LCF's Remuneration and Nominations Committee, a sub-committee of our Board of Trustees. Recommendations for annual changes to existing staff salaries are made to this Committee by the CEO in consultation with relevant line managers. The recommendation for the CEO's salary is made by the Chairman to the Remuneration and Nominations Committee. In extraordinary circumstances, there is the opportunity to increase the pay of an individual outside the formal annual review.

Salaries are set with reference to the salary band set for each role and annual salary review considers factors including inflation, individual performance and LCF's financial position. Salary bands are openly stated in job advertisements. Bands are set using voluntary sector benchmarking for the role, considering the skills and experience required, the market value for similar roles and LCF's financial position.

## **Our Approach to Pay**

LCF employs people based on the specific skills, knowledge and behaviours that they bring to their particular role and to the success of LCF as a whole. We employ a flexible approach - depending on the needs of the business and of individual roles at any one time, we may recruit at the top of a band or towards the lower end to allow for emerging talent and for scope to grow. We want to reward staff fairly for the jobs that they do, and we believe that our salaries and additional benefits, such as a 10% contributory pension, holiday entitlement, flexible working and maternity pay reflect this. LCF is a Living Wage accredited employer, meaning all our staff and contractors are paid at least the London Living Wage. We are also a Living Wage accredited funder, meaning we require the groups we fund to also pay the London Living Wage.

## **Remuneration of Key Management Personnel**

The Trustees consider that they, together with the charity's Senior Management Team, comprise the key management of the charity in charge of directing and controlling, running and operating the charity.

LCF's Senior Management Team in 2018/19 comprised of the CEO, Director of Programmes and Strategic Partnerships (until June 2018), Director of Programmes (Interim June to September 2018), Director of Grants and Impact (from October 2018), Director of Finance and Resources, Director of Business Development (vacant post since January 2018) and Director of Communications (until November 2018). In November 2018 the latter two posts were merged to create a new role, Director of Business Development and Communications.

The total remuneration of key management personnel, inclusive of employer national insurance costs and pensions costs, for the year to 31 March 2019 was £314,143 (2018: £365,338)

The Trustees of the charity receive no remuneration in respect of their services to the charity.

## **Pay Ratio**

The ratio of our highest salary rate to our median salary during 2018/19 was 2.25:1.



## **Future Plans for 2019 - 20**

A new CEO was appointed in May 2018, following a short period without operational leadership. The subsequent focus has been a strategic review, supporting the team and planning for future impact. There has also been significant engagement with LCF's donors, supporters and beneficiary organisations. This activity has informed key strategic objectives for the year ahead, including:

### **Inspiring London's generosity:**

We will seek to diversify and sustainably grow LCF's donor base. We plan to do this through key strategic activities, including:

- Relaunching LCF's 'Ways to Give', revised financial values and products for corporate and individual donors to give back through LCF
- Launching a pro bono External Advisory Network (with a focus on wealth management) to help raise LCF's profile and advocate for our model
- Raising LCF's profile and reach into the wealth advisory market and private banks to connect with, and inspire, more individual philanthropists to give back to London
- Partnering with other 'Giving Leaders' in London to support existing and potential donors to better navigate giving to London serving charities, including those supported through LCF's work.

### **Funding for London:**

- Raise a total target for grantmaking of £8,260,000 from existing and new donors in 2019/20
- We will publish reports and thought leadership on key issues affecting London and grassroots organisations, including homelessness and youth violence (the latter revisiting LCF's *Violence Virus* report in May 2018)
- We will also – with the support of LCF's donor base – seek to provide capacity building to grantees where gaps are identified
- We will share key evidence across London's stakeholders on LCF's high profile initiatives including ESDF Save London Lives and the Grenfell Children and Young People's Fund to contribute to future funding and community engagement.

### **Increase our accountability to London's grassroots:**

- We will maximise opportunities to actively engage with London's grassroots to raise their voice and promote their funding needs, therefore building on the significant beneficiary analysis during 2018/19
- We will increase grassroots representation on LCF's Board of Trustees and explore further opportunities to include grassroots and lived experience on grant panels.

### Invest in LCF's digital capabilities:

- We will fundraise to start a long-term objective of digital redesign of how LCF interacts with donors, small charities and how the LCF team works
- We will use evidence from Voices from the Frontline – and future working groups of grantees - to help inform and redesign grantees digital experience with LCF
- We will plan for future digital donor experience to ensure our investment meets the long-term needs to be a philanthropic leader in London.

### Maintaining impactful grantmaking procedures:

- Aligned with the digital change programme, we will invest in revising LCF's grantmaking policies and procedures to ensure they can be as impactful as possible on grassroots organisations. This work will be led by the LCF team and engage grantees we support
- We will measure the changes we create to remain accountable to grantees
- We will invest and support our grantmaking team to deliver on the revised procedures to have the best impact on the organisations we work with.

## Our approach to fundraising

LCF's generates its income by working in partnership with individual philanthropists, trusts, corporate and social partners, and local or central government. An extremely small portion of the charity's income comes from donations from members of the public. This money is substantially made up of donations to flagship initiatives, for example the Evening Standard Dispossessed Fund, or through fundraising events like the London Marathon.

Only LCF's team and Trustees are involved in fundraising for the charity (aside from individuals raising donations on our behalf through fundraising events). We do not use any third-party professional fundraisers or agencies. We are registered with, and pay the voluntary levy to, the Fundraising Regulator and abide by its Code of Conduct. There were no complaints regarding our fundraising practices during the year ended 31 March 2019.

## Principal risks and uncertainties

The Trustees consider the major risks to which LCF is exposed by conducting a risk review as part of the business planning process and the maintenance of a risk register which is updated at least annually. Risk is also considered at the Trustees' quarterly meetings and by relevant sub-committees, where specific risks require consideration. The Trustees are satisfied that procedures are in place to manage or mitigate the impact of the significant risks they have identified.

The risk register of LCF is updated and reviewed annually as part of the business planning process with active risk management in place across six areas: finance and investment, staffing, governance, grantmaking, systems and operations and external relations. It is also reviewed quarterly by the Senior Management Team.

The main risks identified in 2019/20 are shown below, along with the ways the risks are being mitigated:

- 1 Shortfall of income against costs:** The result of this would be an erosion of reserves, reduced sustainability and a contraction of the organisation. Cost management remains a key focus alongside revenue generation for LCF. Staffing remains the single largest cost and this is regularly reviewed by the Senior Management Team against fund management and new business development, the latter managed tightly through qualified pipeline analysis. We plan to make a small surplus in 2019/20 as we seek to improve our cost effectiveness through multi-year commitments, revised income thresholds for our donor module offering and a simultaneous focus on streamlining grantmaking procedures. Costs will be managed against performance on income generation and ensuring an effective donor service.
- 2. Inefficient and unsustainable growth:** Small and complex funds under LCF's management put a strain on capacity and resourcing within the team. This, in turn, prevents us from pursuing larger opportunities which are essential to our operation and ultimately our impact. Much of the Trustee discussions in recent years have been focused on how we manage that risk through simplification and streamlining of our fund products to donors. This work is under way, but we accept a long-term and risk-managed approach to engaging with donors. Streamlining LCF's grantmaking procedures and investing in digital capability are also interlinked to this risk, both strategic priorities for 2019/20.
- 3. Developing a professional, high performing and knowledgeable team:** LCF's model depends on effective relationship management, particularly with donors. Ensuring we retain expert, responsive and professional team colleagues who can engage both donors and London's grassroots is how we will scale our impact. As we build on these core strengths, LCF will continue to share knowledge and skills and, where necessary, add capability to the team.

## **Statement of Trustees' responsibilities**

The Trustees (who are also directors of The London Community Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the 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.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, in their capacity as the charitable company directors, and signed on the Board's behalf by:

Francis Salway

Dated 23 September 2019

**Chair**

## **Independent auditor's report to the members of The London Community Foundation**

### **Opinion**

We have audited the financial statements of the London Community Foundation (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information

and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report including the strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

### **Responsibilities of Trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

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

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

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

### **Use of our report**

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

### **Catherine Biscoe (Senior Statutory Auditor)**

For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Dated: 01 October 2019



Statement of Financial Activities for the year to 31 March 2019

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Income and endowments from:</b>						
Donations and legacies	<b>2</b>	816	7,441	198	<b>8,455</b>	15,950
Charitable activities	<b>3</b>	-	-	-	-	(30)
Investments	<b>4</b>	248	436	63	<b>747</b>	734
Other trading activities	<b>5</b>	53	-	-	<b>53</b>	34
<b>Total income</b>		<b>1,117</b>	<b>7,877</b>	<b>261</b>	<b>9,255</b>	16,688
<b>Expenditure on:</b>						
Raising funds	<b>6</b>	423	4	140	<b>567</b>	731
Charitable activities						
Grants programme	<b>7</b>	749	7,743	-	<b>8,492</b>	17,059
Community development	<b>8</b>	15	49	-	<b>64</b>	168
<b>Total expenditure</b>		<b>1,187</b>	<b>7,796</b>	<b>140</b>	<b>9,123</b>	17,958
<b>Net income / (expenditure) before investment gains and losses</b>		<b>(70)</b>	<b>81</b>	<b>121</b>	<b>132</b>	(1,270)
Net gains / (losses) on investments	<b>14</b>	20	-	1,252	<b>1,272</b>	258
<b>Net income / (expenditure)</b>		<b>(50)</b>	<b>81</b>	<b>1,373</b>	<b>1,404</b>	(1,012)
Transfers in / (out) between funds	<b>17, 18</b>	27	763	(790)	-	-
<b>Net movement in funds</b>		<b>(23)</b>	<b>844</b>	<b>583</b>	<b>1,404</b>	(1,012)
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 April 2018		774	3,297	20,303	<b>24,374</b>	25,386
Total funds carried forward at 31 March 2019	<b>21</b>	<b>751</b>	<b>4,141</b>	<b>20,886</b>	<b>25,778</b>	24,374

All of the activities of The London Community Foundation derive from continuing operations. There are no recognised gains and losses other than those shown above. Restricted Income and Expenditure includes activities related to the Grenfell Tower emergency appeal, which accounts for the decrease in income and expenditure when compared to the prior year.

## Income and expenditure account for the year ended 31 March 2019

	<b>Total 2019 £'000</b>	Total 2018 £'000
Total income of continuing operations	<b>9,057</b>	16,497
Total expenditure of continuing operations	<b>(9,123)</b>	(17,958)
Net income / (expenditure) for the year before transfers and investment asset disposals	<b>(66)</b>	(1,461)
Transfers from endowment funds	<b>867</b>	256
Realised gain on disposal of fixed asset investments	<b>4</b>	5
<b>Net income</b>	<b>805</b>	<b>(1,200)</b>

Total income comprises £1,117,000 (2018: £1,061,000) of unrestricted funds, £7,877,000 (2018: £15,376,000) of restricted funds and £63,000 (2018: £60,000) of endowment funds. Received in the year, but excluded from income, are new endowments of £198,000 in 2019 (2018: £191,000)

Detailed analyses of the expenditure are provided in the statement of financial activities.

Net expenditure before investment asset disposals and transfers from the endowment funds for the year of £66,000 (2018: net expenditure £1,461,000) comprises net expenditure of £70,000 (2018: net expenditure £259,000) in respect of unrestricted funds, net income of £81,000 (2018: net expenditure £1,163,000) in respect of restricted funds and net expenditure of £77,000 (2017: £39,000) in respect of endowment funds.

A transfer to income funds is made, in line with the charity's total return and expendable endowment policies, so that funds may be expended.

The summary income and expenditure account is derived from the statement of financial activities on page 33 which, together with the notes to the accounts on pages 37 to 87, provides full information on the movements during the year on all the funds of the charitable company.

## Balance Sheet as at 31 March 2019

	Notes	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Tangible assets	13	6	22
Investments	14	21,880	20,648
		<b>21,886</b>	20,670
<b>Current assets</b>			
Debtors	15	1,765	1,500
Cash at bank and in hand		4,335	4,200
		<b>6,100</b>	5,700
<b>Creditors: amounts falling due within one year</b>	16	<b>(2,208)</b>	(1,996)
<b>Net current assets</b>		<b>3,892</b>	3,704
<b>Net assets</b>		<b>25,778</b>	24,374
<b>The funds of the charity:</b>			
<b>Capital funds</b>			
Expendable endowment funds	17	16,336	15,866
Permanent endowment funds	17, 20	4,550	4,437
		<b>20,886</b>	20,303
<b>Revenue funds</b>			
Restricted funds	18	4,141	3,297
Unrestricted funds			
Designated funds	19	56	22
General funds		695	752
		<b>751</b>	774
<b>Total funds</b>		<b>25,778</b>	24,374

The financial statements were approved by the board on 23 September 2019:

Francis Salway  
**Chair**

Company No: 4383269  
Charity No: 1091263

Timothy Ingram  
**Chair of Audit, Risk  
and Investment Committee**

Statement of cash flows for the year ended 31 March 2019

		<b>2019</b>	2018
		<b>Total</b>	Total
		<b>£'000</b>	£'000
	<b>Notes</b>		
<b>Cash flows from operating activities:</b>			
<b>Net cash used in operating activities</b>	<b>A</b>	<b>(682)</b>	(853)
<b>Cash flows from investing activities</b>			
Interest received		<b>17</b>	12
Investment income received		<b>730</b>	721
Purchase of property, plant and equipment		<b>(4)</b>	(3)
Purchase of investments		<b>(243)</b>	(15)
Proceeds from the disposal of investments		<b>78</b>	340
<b>Net cash (used in) / provided by investing activities</b>		<b>578</b>	1,055
<b>Cash flows from financing activities:</b>			
Receipt of endowment		<b>198</b>	191
<b>Net cash provided by financing activities</b>		<b>198</b>	191
<b>Change in cash and cash equivalents in the year</b>		<b>94</b>	393
<b>Cash and cash equivalents at 1 April 2018</b>	<b>B</b>	<b>4,251</b>	3,858
<b>Cash and cash equivalents at 31 March 2019</b>	<b>B</b>	<b>4,345</b>	4,251

**Notes to the statement of cash flows for the year ended 31 March 2019**

**A Reconciliation of net income / (expenditure) to net cash flow from operating activities**

<b>Net income for the year</b>	<b>1,206</b>	(1,203)
<b>Adjustments for:</b>		
Net (gains) / losses on investments	<b>(1,272)</b>	(258)
Depreciation charge	<b>20</b>	42
Dividends and interest from investments	<b>(747)</b>	(734)
Fees deducted from investments	<b>164</b>	123
Decrease / (increase) in debtors	<b>(265)</b>	198
(Decrease) / increase in creditors	<b>212</b>	979
<b>Net cash from/ (used in) operating activities</b>	<b>(682)</b>	(853)

**B Analysis of cash and cash equivalents**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Cash at bank and in hand	<b>4,335</b>	4,200
Cash held by investment manager for reinvestment	<b>10</b>	51
	<b>4,345</b>	4,251

## Notes to the financial statements for the year ended 31 March 2019

### 1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2019 with comparative information in respect to the year ended 31 March 2018.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

#### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Board and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- The estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation
- The basis on which support costs have been allocated across the various expenditure headings;
- The assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds; and
- The rationale in determining an appropriate level of provision to accrue for dilapidation works to the charity's head office.

#### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

#### **Income**

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty and it is probable that the income will be received. Income is deferred only when the charity has to fulfil certain conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

## Notes to the financial statements for the year ended 31 March 2019

### 1 Accounting policies (continued)

Income comprises donations and legacies, investment income, grant funding as well as sundry income.

Donations and grant income is recognised when the charity has confirmation of both the amount and settlement date. In the event of amounts pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that the donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Grants or donations are also deferred if the donor specifies that the expenditure must occur in a subsequent accounting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising, and the fees payable to the investment manager.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs in respect to grant and community development programmes.

## Notes to the financial statements for the year ended 31 March 2019

### 1 Accounting policies (continued)

#### Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of a finance function, human resources function, premise, communication and information systems support, and similar. Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs (including governance costs) are allocated to the above expenditure headings based on employee time spent working in each area. This is further detailed within note 9 to the financial statements.

#### Pensions

LCF contributes to a defined contribution pension scheme in the UK and contributions for the year are charged to the statement of financial activities as they become due.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. All assets costing £1,000 or more and with an expected useful economic life exceeding one year are capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Over remaining life of lease
Office equipment	20% straight line
IT equipment	33.3% straight line

#### Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

The investments held by the charity are subject to volatility risk in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

## Notes to the financial statements for the year ended 31 March 2019

### 1 Accounting policies (continued)

#### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

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

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

#### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

#### **Fund structure**

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

The key management personnel of the charity in charge of directing and Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Endowment funds are to be held indefinitely for the benefit of the charity and its beneficiaries as a capital fund. Income arising on these funds may be spent on the charitable objects of LCF and in line with restrictions placed on each fund. Capital gains or losses derived from these assets are taken to these funds and the capital return may also be transferred to the income funds of the charity to be applied towards charitable expenditure where the endowments are expendable endowments. For permanent endowments the capital return may only be applied where a total return approach is adopted as described below. Under the terms on which the endowment funds were given to the charity, an amount representing the cost to LCF of administering the fund is apportioned to unrestricted funds from investment income arising in the year.

Permanent endowment funds - with total return approach: Where the charity operates a total return approach for any of its permanent endowment funds, all income, gains and losses are taken to the part of the fund representing accumulated unapplied returns in the first instance. An amount reflecting the deemed investment return each year is calculated using the charity's endowment spending policy and is transferred to income funds to be applied within the terms of these funds.

Permanent endowment funds - without total return approach. For any permanent endowment funds where the charity is not operating a total return approach, only the income generated from the endowment is available to be applied towards charitable expenditure.



## Notes to the financial statements for the year ended 31 March 2019

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Notes to the financial statements for the year ended 31 March 2019

**2 Income from donations and legacies**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
Trusts and foundations	191	2,417	17	<b>2,625</b>	1,765
Corporations	298	2,069	13	<b>2,380</b>	6,989
Local public authorities	72	696	-	<b>768</b>	340
Individuals	122	239	168	<b>529</b>	4,507
National public authorities	133	2,020	-	<b>2,153</b>	2,349
<b>2019 Total funds</b>	<b>816</b>	<b>7,441</b>	<b>198</b>	<b>8,455</b>	15,950
<b>2018 Total funds</b>	<b>779</b>	<b>14,980</b>	<b>191</b>	<b>15,950</b>	

Restricted income from donations and legacies includes £97,000 (2018: £9,588,000) of income related to the Grenfell Tower emergency appeal. An analysis of this income by fund is shown in note 18.

**3 Income from charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
Trusts and foundations	-	-	-	-	(30)
<b>2019 Total funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	(30)
<b>2018 Total funds</b>	<b>-</b>	<b>(30)</b>	<b>-</b>	<b>(30)</b>	

**4 Income from investments**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
Interest receivable	17	-	-	<b>17</b>	12
Investment income	231	436	63	<b>730</b>	722
<b>2019 Total funds</b>	<b>248</b>	<b>436</b>	<b>63</b>	<b>747</b>	734
<b>2018 Total funds</b>	<b>248</b>	<b>426</b>	<b>60</b>	<b>734</b>	

**5 Income from other trading activities**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
Rental income	53	-	-	<b>53</b>	34
<b>2019 Total funds</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>53</b>	34
<b>2018 Total funds</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>34</b>	

Notes to the financial statements for the year ended 31 March 2019

**6 Expenditure on raising funds**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
Investment management costs					
· Staff costs (note 11)	4	-	-	<b>4</b>	3
· Other direct costs	1	-	140	<b>141</b>	101
· Allocated support costs (note 9)	2	-	-	<b>2</b>	1
Cost of raising donations and legacies					
· Staff costs (note 11)	243	-	-	<b>243</b>	364
· Other direct costs	28	-	-	<b>28</b>	110
· Allocated support costs (note 9)	126	-	-	<b>126</b>	138
Cost of generating rental income					
· Staff costs (note 11)	4	4	-	<b>8</b>	2
· Other direct costs	14	-	-	<b>14</b>	11
· Allocated support costs (note 9)	1	-	-	<b>1</b>	1
<b>2019 Total funds</b>	<b>423</b>	<b>4</b>	<b>140</b>	<b>567</b>	731
<b>2018 Total funds</b>	594	38	99	731	

**7 Expenditure on charitable activities:  
grant programme**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
Grants payable	-	7,696	-	<b>7,696</b>	16,359
Staff costs (note 11)	445	1	-	<b>446</b>	446
Other direct costs	1	46	-	<b>47</b>	30
Allocated support costs (note 9)	303	-	-	<b>303</b>	224
<b>2019 Total funds</b>	<b>749</b>	<b>7,743</b>	-	<b>8,492</b>	17,059
<b>2018 Total funds</b>	665	16,394	-	17,059	

Grants payable includes £0 (2018: £8,769,000) of expenditure related to the Grenfell Tower emergency appeal. An analysis of this expenditure by fund is shown in note 18. Included in the 2018 figures in note 18 is £21,000 of directly attributable costs, included in note 6 above, funded from corporate donations which were specifically for those costs and not for grantmaking.

**8 Expenditure on charitable activities:  
community development**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000	Total 2018 £'000
Staff costs (note 11)	-	24	-	<b>24</b>	85
Other direct costs	-	25	-	<b>25</b>	32
Allocated support costs (note 9)	15	-	-	<b>15</b>	51
<b>2019 Total funds</b>	<b>15</b>	<b>49</b>	-	<b>64</b>	168
<b>2018 Total funds</b>	61	107	-	168	

Notes to the financial statements for the year ended 31 March 2019

**9 Analysis of support costs**

	<b>Total 2019 £'000</b>	Total 2018 £'000
Support staff costs (note 11)	<b>118</b>	100
Professional fees	<b>84</b>	68
Premises costs	<b>125</b>	91
Office and other costs	<b>19</b>	34
Depreciation	<b>20</b>	42
IT costs	<b>24</b>	35
Governance costs (note 10)	<b>57</b>	45
<b>Total support costs</b>	<b>447</b>	415
<b>Attributed to:</b>		
Expenditure on raising funds (note 6)		
· Investment management costs	<b>2</b>	<b>1</b>
· Cost of raising donations and legacies	<b>126</b>	<b>138</b>
· Cost of generating rental income	<b>1</b>	<b>1</b>
Expenditure on charitable activities		
· Grant programme (note 7)	<b>303</b>	<b>224</b>
· Community development (note 8)	<b>15</b>	<b>51</b>
	<b>447</b>	415

Support costs are allocated to expenditure on raising funds and charitable activities based on employee time allocated to each area.

LCF previously received a grant in support of its running costs from the Charles Stewart Mott Foundation, to support fund development activity. This funding ended during the year to 31 March 2018.

**10 Governance costs**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total 2019 £'000</b>	Total 2018 £'000
Staff costs (direct)	42	-	-	<b>42</b>	27
Legal, professional and audit fees	15	-	-	<b>15</b>	18
<b>2019 Total funds</b>	<b>57</b>	-	-	<b>57</b>	45
<b>2018 Total funds</b>	<b>45</b>	-	-	<b>45</b>	

Notes to the financial statements for the year ended 31 March 2019

**11 Staff costs and remuneration of key management personnel**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Salaries and wages	<b>742</b>	870
Social security costs	<b>76</b>	88
Pension costs	<b>63</b>	69
<b>Total staff costs</b>	<b>881</b>	1,027

Salaries and Wages includes £4,572 of redundancy costs (2018: £3,668), of which £1,524 was unpaid as at 31 March 2019 (2018: £nil).

**Employees**

	<b>2019</b>	2018	<b>2019</b>	2018
	<b>FTE</b>	FTE	<b>Number</b>	Number
The average monthly number of employees during the year was:				
Grant delivery and community development	<b>12</b>	12	<b>12</b>	13
Fundraising	<b>5</b>	6	<b>5</b>	6
Support	<b>2</b>	3	<b>2</b>	3
<b>Total</b>	<b>19</b>	21	<b>19</b>	22

	<b>2019</b>	2018
	<b>Number</b>	Number
The number of staff whose emoluments are greater than £60,000 are:		
- £60,001 - £70,000	<b>1</b>	0
- £70,001 - £80,000	<b>1</b>	0
- £80,001 - £90,000	<b>0</b>	0
- £90,001 - £100,000	<b>0</b>	1
<b>Total</b>	<b>2</b>	1

For clarity: in this note emoluments is taken to mean actual payments due in the year for hours worked and is therefore not a full time equivalent rate but an actual rate reflecting part time hours as well as employment for less than a full year.

The employees whose salary banding is disclosed above also received company pension contributions of £14,041 (2018: £8,883).

24 employees participated in the charity's group stakeholder pension scheme (2018: 26), inclusive of all starters and leavers.

**Key management personnel**

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the CEO, Director of Programmes and Strategic Partnerships (until June 2018), Director of Programmes (Interim June to September 2018), Director of Grants and Impact (from October 2018), Director of Finance and Resources, and Director of Business Development and Communications (2018: CEO, Director of Programmes and Strategic Partnerships, Finance and Operations Director (until November 2017), Director of Finance and Resources (from December 2017), Director of Development and Director of Marketing and Communications).

Notes to the financial statements for the year ended 31 March 2019

**11 Staff costs and remuneration of key management personnel (continued)**

The total remuneration (including employer's national insurance and pension contributions) of the key management personnel for the year was £314,143 (2018 - £365,338).

No remuneration or other payments have been made to the trustees of LCF for their services as board members or for other services provided to the organisation in 2019 or 2018. Directly incurred expenses for travel and subsistence relating to their role as trustees are reimbursed if claimed. In 2019 no expenses were claimed (2018: no expenses claimed).

**12 Net income**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
This is stated after charging:		
Staff costs (note 11)	<b>881</b>	1,027
Auditor's remuneration (excluding VAT):		
Statutory audit services	<b>11</b>	10
Other services	<b>5</b>	5
Depreciation	<b>19</b>	42
Rentals under operating leases: property	<b>94</b>	56
	<b>1,010</b>	1,140

**13 Tangible fixed assets**

	<b>Leasehold improvements</b>	<b>Furniture, IT and office equipment</b>	<b>Total 2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>			
As at 1 April 2018	104	54	<b>158</b>
Additions	3	1	<b>4</b>
Disposals	-	-	<b>-</b>
<b>At 31 March 2019</b>	<b>107</b>	<b>55</b>	<b>162</b>
<b>Depreciation</b>			
As at 1 April 2018	91	45	<b>136</b>
Charge for the year	14	6	<b>20</b>
Disposals	-	-	<b>-</b>
<b>At 31 March 2019</b>	<b>105</b>	<b>51</b>	<b>156</b>
<b>Net book value</b>			
<b>At 31 March 2019</b>	<b>2</b>	<b>4</b>	<b>6</b>
At 31 March 2018	13	9	22

Notes to the financial statements for the year ended 31 March 2019

**14 Fixed asset investments**

**a) Investments at market value**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Market value of listed investments at 1 April 2018	<b>20,597</b>	20,787
Additions at cost	<b>243</b>	15
Disposal proceeds	<b>(78)</b>	(340)
Realised gains	<b>4</b>	5
Disposals at carrying value brought forward	<b>(74)</b>	(335)
Fees deducted by the investment managers directly from the fund	<b>(164)</b>	(123)
Unrealised (losses) / gains	<b>1,268</b>	253
<b>Market value of listed investments at 31 March 2019</b>	<b>21,870</b>	20,597
Cash held by investment managers	<b>10</b>	51
	<b>21,880</b>	20,648
<b>Reconciliation of investment management fees</b>		
Gross fees deducted by the investment managers directly from the fund	<b>164</b>	123
Rebates received from investment managers to agreed fee level	<b>(23)</b>	(22)
<b>Net investment management costs of fund (note 6)</b>	<b>141</b>	101

The amounts deducted from the invested funds representing the Investment Managers' gross fees are made at the standard rate for the Common Investment fund invested in, and taken on a daily basis from the funds. The level of funds LCF has invested means LCF is due a fee rebate to a lower rate for all the invested funds. This rebate is paid quarterly in arrears.

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>b) Historical cost</b>		
Market value at 31 March 2019	<b>21,870</b>	20,597
Accumulated gains brought forward	<b>(6,714)</b>	(6,461)
Unrealised (gains) / losses for the year	<b>(1,268)</b>	(253)
Unrealised gain in respect to disposals in the year	<b>23</b>	23
<b>Historical cost at 31 March 2019</b>	<b>13,911</b>	13,906

**c) Investments disposition**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Cash and settlements pending	<b>10</b>	51
Common Investment Funds: Alpha CIF for Endowments (Income Units)	<b>10,631</b>	10,254
Common Investment Funds: COIF Charities Investment Fund	<b>11,138</b>	10,246
Common Investment Funds: COIF Ethical Investment Fund	<b>101</b>	97
	<b>21,880</b>	20,648

Notes to the financial statements for the year ended 31 March 2019

**15 Debtors**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Trade debtors	<b>1,356</b>	1,008
Prepayments	<b>4</b>	23
Accrued income	<b>405</b>	469
	<b>1,765</b>	1,500

**16 Creditors: amounts falling due within one year**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Grants payable	<b>2,021</b>	1,899
Other creditors	<b>66</b>	26
Accruals	<b>110</b>	64
Deferred income	<b>11</b>	7
	<b>2,208</b>	1,996

Deferred income primarily relates to funding where the donor has specified in the funding agreement that some of the income is in relation to a future period and expenditure of those funds should not take place until that period.

Movements on deferred income during the year was as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Balance brought forward at 1 April 2018	<b>7</b>	19
Amounts released to income	<b>(7)</b>	(19)
Cash received to be deferred	<b>11</b>	7
Balance carried forward at 31 March 2019	<b>11</b>	7



Notes to the financial statements for the year ended 31 March 2019

**17 Endowment funds**

LCF holds both expendable and permanent endowment funds. Many of LCF's endowment funds have benefitted from match funding, in addition to donations made to funds, received from the government schemes Grassroots Grants (2008-2011) and Community First (2012-2015). A selection of funds are shown below along with totals for each scheme.

	Balance at 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Investment gain/(loss) £'000	Balance at 31 March 2019 £'000
<b>Expendable endowment</b>						
<b>Grassroots Grants funds:</b>	3	4	5.00	6	7	
Bromley Community Fund	236	-	(2)	(3)	10	<b>241</b>
Croydon Community Fund	341	-	(2)	(5)	29	<b>363</b>
Deutsche Bank Fund	594	-	(5)	(30)	25	<b>584</b>
Evening Standard Dispossessed Fund (Croydon)	204	-	(2)	(13)	8	<b>197</b>
Evening Standard Dispossessed Fund	3,480	-	(26)	(230)	141	<b>3,365</b>
Lambeth Community fund	210	-	(1)	(2)	17	<b>224</b>
Peckham Fund	143	-	(1)	(2)	13	<b>152</b>
Rolls-Royce Fund	34	-	(0)	(0)	1	<b>35</b>
Ruth's Fund	124	-	(1)	(2)	11	<b>132</b>
Victoria Foundation Fund	366	-	(3)	(3)	15	<b>375</b>
Wandsworth Educational Fund	127	-	(1)	(0)	5	<b>131</b>
Westminster Fund	387	-	(3)	(5)	16	<b>395</b>
Other Grassroots Grants funds	1,581	-	(10)	(28)	93	<b>1,636</b>
<b>Total Grassroots Grants funds</b>	<b>7,827</b>	<b>-</b>	<b>(57)</b>	<b>(324)</b>	<b>384</b>	<b>7,830</b>
<b>Community First funds:</b>						
Barnet Fund	401	-	(3)	-	33	<b>431</b>
Friends Life Fund	19	-	(0)	-	2	<b>21</b>
Give Camden CF Endowment fund	15	-	(0)	(1)	1	<b>15</b>
Land Securities Capital Commitment Fund	178	-	(1)	(38)	13	<b>152</b>
Land Securities Westminster Fund	236	-	(1)	(34)	19	<b>220</b>
Living Cities Community Fund	1,044	-	(6)	(119)	76	<b>995</b>
London Community Foundation Fund	63	-	(0)	-	5	<b>68</b>
Love Kingston Fund	102	13	(1)	-	8	<b>122</b>
The London Leg Up Fund	322	-	(2)	-	27	<b>347</b>
Other Community First funds	3,084	17	(19)	(79)	254	<b>3,257</b>
<b>Total Community First funds</b>	<b>5,464</b>	<b>30</b>	<b>(33)</b>	<b>(271)</b>	<b>438</b>	<b>5,628</b>

Notes to the financial statements for the year ended 31 March 2019

**17 Endowment funds (continued)**

	Balance at 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Investment gain/(loss) £'000	Balance at 31 March 2019 £'000
<b>Other funds:</b>						
Cresswell Trust	63	-	(0)	(0)	3	<b>66</b>
Lewisham Fund	312	-	(2)	(5)	28	<b>333</b>
Portuguese Fund	580	-	(4)	(5)	49	<b>620</b>
Wandsworth Community Fund	499	-	(4)	(0)	20	<b>515</b>
Lambeth Endowment Fund	1,121	-	(7)	(21)	93	<b>1,186</b>
South London Opportunity Fund	-	168	(1)	(14)	5	<b>158</b>
<b>Total other endowment funds</b>	<b>2,575</b>	<b>168</b>	<b>(18)</b>	<b>(45)</b>	<b>197</b>	<b>2,878</b>
<b>Total expendable endowment</b>	<b>15,866</b>	<b>198</b>	<b>(108)</b>	<b>(640)</b>	<b>1,019</b>	<b>16,336</b>
<b>Permanent endowment</b>						
Barnet Endowment	73	-	(1)	-	3	<b>75</b>
Beaufoy Trust	1,303	-	(8)	-	104	<b>1,399</b>
Pedlar's Acre Trust	2,580	63	(20)	(150)	107	<b>2,580</b>
Richmond Civic Trust	481	-	(4)	-	19	<b>496</b>
<b>Total permanent endowment</b>	<b>4,437</b>	<b>63</b>	<b>(33)</b>	<b>(150)</b>	<b>233</b>	<b>4,550</b>
<b>Total endowment funds</b>	<b>20,303</b>	<b>261</b>	<b>(141)</b>	<b>(790)</b>	<b>1,252</b>	<b>20,886</b>

Grants from endowment funds are made from the restricted fund relating to the endowment fund of the same name, grants for the year ended 31 March 2019 can be seen in notes 18 and 26.

Transfers out of expendable endowment funds to restricted funds represent a release of the capital representing capital return. The transfers operate under LCF's endowment spending policy and allow further application of the funds as grants.

Transfers from the permanent endowment fund Pedlar's Acre Trust to restricted funds represent the release of capital as allowed under the Total Return Order granted by the Charity Commission so that the funds may be applied as grants. Further details can be found in note 22.

Notes to the financial statements for the year ended 31 March 2019

**18 Restricted funds**

LCF holds many restricted funds, a sample of which are shown in the note below along with totals from each type of donor.

	Balance at 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Balance at 31 March 2019 £'000
<b>Grant making funds</b>					
Building Stronger Britain Together	(18)	398	(353)	-	<b>27</b>
Capco Earls Court Fund	(54)	153	(98)	-	<b>1</b>
Clarion - decorating fund	-	(2)	1	-	<b>(1)</b>
Clarion Business Start up Program	25	-	(14)	(1)	<b>10</b>
Clarion Digital Communities Fund	10	79	(74)	-	<b>15</b>
Clarion Re-Train Program	64	-	(32)	(20)	<b>12</b>
Clarion Re-work Program	17	-	(31)	20	<b>6</b>
Cockayne Fund	70	956	(1,023)	-	<b>3</b>
Comic Relief RND Community Cash	-	-	17	-	<b>17</b>
Croydon Tram Disaster	2	-	(2)	-	<b>-</b>
Deutsche Bank small grants fund	13	-	(36)	6	<b>(17)</b>
Elephant and Castle Community Fund (Lendlease)	57	50	(53)	-	<b>54</b>
Evening Standard Food for London - Citi funded	59	-	(26)	-	<b>33</b>
Evening Standard Food for London - Grants fund	33	-	(15)	-	<b>18</b>
Evening Standard Dispossessed Fund - Estates	27	-	-	(27)	<b>-</b>
Evening Standard Dispossessed Fund Angel Town	18	-	(12)	-	<b>6</b>
Evening Standard Dispossessed Fund - Save London Lives	-	665	(789)	330	<b>206</b>
Grenfell Fire Appeal - Artists for Grenfell	223	46	-	(269)	<b>-</b>
Grenfell Fire Appeal - Evening Standard	545	51	-	(596)	<b>-</b>
Grenfell Children and Young People's Fund	-	461	(147)	852	<b>1,166</b>
Lambeth - Healthier for Longer	(57)	-	105	-	<b>48</b>
Lambeth Wellbeing Fund	18	86	(92)	-	<b>12</b>
LandSec - Capital Commitment fund	8	-	-	43	<b>51</b>
LandSec - Westminster fund	18	-	-	53	<b>71</b>
Living Cities Community Fund	5	89	(80)	19	<b>33</b>
Mayor's Office for Policing & Crime (MOPAC)	(92)	2,020	(1,868)	-	<b>60</b>
Mohn Westlake Foundation Fund	-	44	(44)	-	<b>-</b>
Norton Rose Fulbright fund	-	-	-	9	<b>9</b>
Peabody Community Fund	86	310	(389)	-	<b>7</b>
Redbridge Community Projects Fund	-	175	(178)	-	<b>(3)</b>
Reducing Isolation Fund	27	-	(27)	-	<b>-</b>
Regents Place Community Fund	13	(8)	(4)	-	<b>1</b>
Sport England Active Communities fund	224	-	-	-	<b>224</b>
The Segro Community Fund for London	32	60	(83)	-	<b>9</b>
The Wembley Park Community Fund	113	114	(117)	4	<b>114</b>
UKCF Tampon Tax Community Fund	-	284	(275)	-	<b>9</b>
Unlocking Potential	26	-	-	-	<b>26</b>
Wimbledon Foundation Community Fund	62	125	(121)	-	<b>66</b>
Youth Social Action	90	90	(180)	-	<b>-</b>
Other grant making funds	610	1,136	(1,316)	(28)	<b>402</b>
<b>Total grant making funds</b>	<b>2,274</b>	<b>7,382</b>	<b>(7,356)</b>	<b>395</b>	<b>2,695</b>

Notes to the financial statements for the year ended 31 March 2019

**18 Restricted funds (continued)**

	Balance at 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Balance at 31 March 2019 £'000
<b>Endowment funds (revenue element)</b>					
Beaufoy Trust	84	34	(96)	-	<b>22</b>
Bromley Community Fund	1	11	(17)	5	<b>-</b>
Croydon Community Fund	-	7	-	5	<b>12</b>
Deutsche Bank Fund	23	12	-	24	<b>59</b>
Evening Standard Dispossessed Appeal Fund - Croydon	14	7	-	-	<b>21</b>
Evening Standard Dispossessed Fund	220	101	-	(45)	<b>276</b>
Lambeth Endowment Fund	8	6	-	2	<b>16</b>
Living Communities Fund	19	20	-	99	<b>138</b>
London Community Foundation Fund	2	1	-	-	<b>3</b>
Love Kingston Fund	2	2	(13)	-	<b>(9)</b>
Peckham Fund	31	3	(45)	2	<b>(9)</b>
Pedlar's Acre Trust	57	-	(122)	150	<b>85</b>
Richmond Civic Trust	11	11	(10)	-	<b>12</b>
The London Leg Up Fund	-	8	(19)	-	<b>(11)</b>
Victoria Foundation Fund	1	9	-	3	<b>13</b>
Wandsworth Community Fund	-	16	(18)	-	<b>(2)</b>
Westminster Fund	21	7	-	5	<b>33</b>
Other endowment funds (income element)	529	240	(100)	118	<b>787</b>
	<b>1,023</b>	<b>495</b>	<b>(440)</b>	<b>368</b>	<b>1,446</b>
<b>Total restricted funds</b>	<b>3,297</b>	<b>7,877</b>	<b>(7,796)</b>	<b>763</b>	<b>4,141</b>

The funds of the charity include restricted funds listed above, the closing balance represents the unexpended balances of income held on trust for specific purposes:

**Grant making funds**

Funds held for the purposes of grant making to communities, groups and projects as defined by the purpose of each fund.

**Community Development funds**

Funds held for the purposes of directly managing projects with the aim of benefitting various communities in certain areas of London through: improving local infrastructure and increasing community capacity through outreach, training, capacity building and community consultation.

**Development funds**

Funds held for the purpose of the growth of LCF including an increase in income and greater ability to help beneficiaries.

**Transfers**

Transfers in generally represent a release of the capital from endowment funds. Transfers out generally represent the pooling of the fund with other funds of similar purpose at the point of awarding grants.

**Grenfell funds**

Following the closure of the Grenfell Tower emergency appeal, the remaining funds from the Evening Standard Dispossessed Fund appeal and the Artists for Grenfell appeal held were consolidated to form the Grenfell Children & Young People's fund, a five-year fund set up to support children and young people affected by the tragedy. In addition to the consolidated funds, the charity received a restricted donation from the Royal Borough of Kensington and Chelsea of £410,000 (2018: £nil). Any new funds raised in relation to the Grenfell Tower are now added to this fund.

**19 Designated Funds**

The tangible fixed assets fund of £6,000 (2017: £21,000) represents the net book value of LCF's tangible assets. The amount has been separated from the charity's general unrestricted funds (free reserves) in recognition of the fact that the assets are essential to the day-to-day operation of the charity and should therefore not be considered realisable to meet commitments.

During the year to 31 March 2019, a trustees elected to designate a fund of £50,000 to support LCF's transformational change programme. No funds were spent before 31 March 2019. The fund did not exist in the previous financial year.

Notes to the financial statements for the year ended 31 March 2019

**20 Funds of Pedlar's Acre Trust**

On 21 May 2009 the Charity Commission authorised a uniting direction for registration and accounting purposes between The London Community Foundation (charity no 1091263) and Pedlar's Acre Trust (charity number 205817). At the date of the uniting direction the assets of Pedlar's Acre Trust were valued at £1,843,330.

The transactions and assets of the separate charities for the year ended 31 March 2019 are shown below:

	<b>The London Community Foundation £'000</b>	<b>Pedlar's Acre Trust £'000</b>	<b>Total £'000</b>
<b>Assets of each charity at 31 March 2019</b>			
Opening balance at 1 April 2018	21,794	2,580	<b>24,374</b>
			-
Income	9,192	63	<b>9,255</b>
Expenditure	(9,103)	(20)	<b>(9,123)</b>
Fund transfers in/(out) (note 22)	150	(150)	-
Gain on investments	1,165	107	<b>1,272</b>
<b>Net movement in funds</b>	<b>1,404</b>	<b>(0)</b>	<b>1,404</b>
<b>Closing balance as at 31 March 2019</b>	<b>23,198</b>	<b>2,580</b>	<b>25,778</b>
Tangible fixed assets	6	-	<b>6</b>
Fixed asset investments	19,269	2,611	<b>21,880</b>
Debtors	1,765	-	<b>1,765</b>
Cash at bank and in hand	4,335	-	<b>4,335</b>
Creditors: amounts falling due within on year	(2,177)	(31)	<b>(2,208)</b>
<b>Net assets at 31 March 2019</b>	<b>23,198</b>	<b>2,580</b>	<b>25,778</b>
<b>Funds of the charities</b>			
Expendable endowment funds	16,336	-	<b>16,336</b>
Permanent endowment funds	1,970	2,580	<b>4,550</b>
Restricted funds	4,141	-	<b>4,141</b>
Unrestricted funds	751	-	<b>751</b>
<b>Closing balance at 31 March 2019</b>	<b>23,198</b>	<b>2,580</b>	<b>25,778</b>

Notes to the financial statements for the year ended 31 March 2019

**21 Analysis of net assets between funds**

	<b>Unrestricted funds £'000</b>	<b>Designated funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total 2019 £'000</b>
<b>Fund balances at 31 March 2019</b>					
Represented by:					
Tangible fixed assets	-	6	-	-	<b>6</b>
Fixed asset investments	259	-	735	20,886	<b>21,880</b>
Current assets - cash	310	50	3,974	-	<b>4,335</b>
Current assets - debtors	312	-	1,453	-	<b>1,765</b>
Creditors: amounts falling due within one year	(186)	-	(2,021)	-	<b>(2,208)</b>
<b>Total funds</b>	<b>695</b>	<b>56</b>	<b>4,141</b>	<b>20,886</b>	<b>25,778</b>

The restricted funds represented by fixed asset investments are made up of a few endowment funds where LCF's endowment spending policy has determined the portion of the capital gain on those funds which should be spent, but the investment assets will not been drawn down until spending plans are finalised.

The total unrealised gains as at 31 March 2019 constitutes movements on revaluation in respect of listed investments and are as follows:

	<b>2019 £'000</b>	2018 £'000
<b>Total unrealised gains included above:</b>		
On listed investments	<b>7,959</b>	6,691
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 April 2018	<b>6,692</b>	5,685
Less: in respect to disposals in the year	<b>(1)</b>	754
	<b>6,691</b>	6,439
Add: net gains / (losses) arising on revaluation arising in the year	<b>1,268</b>	253
<b>Total unrealised gains at 31 March 2019</b>	<b>7,959</b>	6,692

## Notes to the financial statements for the year ended 31 March 2019

### 22 Application of the power of total return to Pedlar's Acre Fund

The investment power of total return was granted by a Charity Commission Order on 17 January 2011. The charity received advice from its legal advisors Bates Wells & Braithwaite with regard to the use of the power and ensuring its use does not prejudice the ability of the charity to support both current and future beneficiaries. This power permits the trustees to invest permanently endowed funds to maximise total return and apply an appropriate portion of the unapplied total return income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the note below), the unapplied total return remains invested as part of the permanent endowment.

The trustees have selected the date of the valuation for total return purposes to be the value of the endowed fund at 31 March 2004. Pedlar's Acre Fund has been in existence since the 17th century, however no valuation is available for the charity prior to 31 March 2004. At this date Pedlar's Acre Trust Fund was valued at £1,836,806. The note below shows the opening unapplied total return and fund transfer in the year.

The power of total return allows the trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for grant making expenditure. During the year to 31 March 2019 the trustees elected to transfer 3.5% of the value of the fund as at 31 December 2018 to income funds, 3.5% being the amount LCF aims to spend of its permanent endowment funds holding Total Return power under its endowment spending policy. The trustees decided that the duty to be even-handed to future and present beneficiaries was fulfilled by following LCF's standard policy in 2018-19

The investment fund and application of total return to permanent endowment fund:	<b>2019</b>	2018
	<b>£'000</b>	£'000
Opening value of permanent endowment at 1 April 2018	<b>2,580</b>	2,565
Less:		
Value of endowment at 31 March 2004	<b>(1,837)</b>	(1,837)
Opening value of unapplied total return at 1 April 2018	<b>743</b>	728
Add:		
Investment return: income	<b>63</b>	60
Investment return: unrealised (loss)/gain on investment	<b>107</b>	2
Less:		
Investment management and legal costs	<b>(20)</b>	(10)
Unapplied total return before transfer to income	<b>893</b>	780
Less:		
Unapplied total return applied *	<b>(150)</b>	(37)
Sub total: unapplied total return as at 31 March 2019	<b>743</b>	743
Add:		
Value of endowment at 31 March 2004	<b>1,837</b>	1,837
Permanent endowment including unapplied total return as at 31 March 2019	<b>2,580</b>	2,580

\* During 2017-18 the transfer made for the unapplied total return was incorrect. An additional transfer has been made in 2018-19 to account for the difference. Therefore the transfer made in 2018-19 consists of £96,724.46 relating to 2018-19, and an additional £53,442.05 relating to 2017-18, giving a combined total of £150,166.51

Notes to the financial statements for the year ended 31 March 2019

**23 Obligations under operating leases**

At 31 March 2019, the charity had total future minimum lease payments under non-cancellable operating leases for office rent as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Within one year	<b>126</b>	64
After one but within two years	<b>126</b>	64
After two but within five years	<b>378</b>	193
Over five years	<b>-</b>	21
	<b>630</b>	342

**24 Funds held in capacity as agents - Deptford Challenge Trust**

LCF manages the Deptford Challenge Trust (DCT) fund on behalf of DCT as an agent and distributes the fund to the beneficiary institutions selected by DCT. As the principal, DCT is responsible for ensuring the charitable application of the fund.

At the year end date the following assets and liabilities relating to the fund have been excluded from the balance sheet:

	<b>Balance at 31 March 2019</b>	Balance at 31 March 2018
	<b>£'000</b>	£'000
Cash at bank	<b>32</b>	40
Grants payable	<b>(44)</b>	(85)
	<b>(12)</b>	(45)



## Notes to the financial statements for the year ended 31 March 2019

### 25 Related party transactions

The charity conducts an annual exercise to review the interests of its trustees and key management personnel in order to identify related parties with whom we may have had material financial transactions during the year. For the year to 31 March 2019, the following transactions with related parties are deemed material.

The total value of donations made by the trustees of the charity for the benefit of the charity during the year was £15,050 (2018: £20,931).

Benjamin Clarkson (Director of Finance and Resources) is a trustee of Lewisham Speaking Up. During the year, Lewisham Speaking Up received payments of £35,000 from the Charity under the MOPAC Victims' Fund. These were grants awarded in 2017-18, and paid in 2018-19. The value of new grants awarded to Lewisham Speaking up was £nil (£2018: £67,500, of which £15,000 was on an agency basis on behalf of Deptford Challenge Trust). The Director of Finance and Resources has no influence on who receives grants from these programmes.

Francis Salway (Chair) was appointed as a Trustee of Peabody Trust in May 2019 following a merger between Peabody Trust and Town & Country Housing Group, which he chaired. LCF has a longstanding relationship with Peabody Trust and operates the Peabody Community Fund, along with a number of other smaller funds. During the year, donations totalling £446,000 (2018: £168,750) were made to the Peabody Community Fund and Peabody Youth Violence Fund.

Gaynor Humphrys (Trustee) is a Director of the Cranfield Trust. During the year, The Cranfield Trust received grants of £8,650 (2018: £0) from the Charity, through the Evening Standard Dispossessed Fund. Gaynor Humphrys had no direct involvement in the grant awards for this programme.

Tim Ingram (Trustee) has served on the Development Committee of the English Touring Opera since March 2019. In June 2018, the English Touring Opera received grants of £15,000 (2018: 0) from the Charity, through the Cockayne fund. The grants were awarded before March 2019, and Tim Ingram had no direct involvement in the grant awards for this programme.

There were no other related party transactions during the year to 31 March 2019 (2018: £nil)

## 26 Analysis of grants

	Number	Total £
Grant awards to individuals	553	75,441
Grant awards to institutions	782	7,620,990
<b>Total</b>	<b>1,335</b>	<b>7,696,431</b>

The majority of the grant making at LCF is to charities and community groups each year. LCF also makes grant awards to individuals from several funds set up by Affinity Sutton (now Clarion Housing Group) for that purpose. LCF manages a fund which makes grant awards of up to £400 to vulnerable residents in Affinity Sutton housing for the purposes of decorating their home. Additionally three Clarion Housing Group funds award grants to residents in Clarion housing towards the purposes of retraining, returning to work and setting up business ventures. Additionally in the last year LCF received funding from companies and individuals for the victims of the Croydon Tram Disaster and has distributed these funds as hardship grants to those injured in the crash and to bereaved families.

The institutions listed below are those who have been awarded £15,000 or more in the year from LCF.

	£
Royal Opera House Foundation	100,000
The 4Front Project Ltd	76,542
ML Community Enterprise	74,062
AVA-against violence and abuse	67,303
Why me?	63,770
The St Matthew's Project	63,042
GOAL (Gospel Oak Action Link)	61,200
Good Shepherd Voluntary Organisation	59,123
Migration Museum Project	53,305
Streets of Growth	53,146
Key4Life CIO	53,088
Ignite Trust	51,306
The Roundhouse Trust	50,000
South London Fine Art Gallery and Library (South London Gallery / SLG)	50,000
The Southbank Centre	50,000
Ocean Youth Connexions	50,000
The Greenleaf Trust Ltd	49,492
Ambition, Aspire, Achieve (AAA)	47,531
Godwin Lawson Foundation	47,528
The Crib	47,000
Chaos Theory	46,477
Africa Advocacy Foundation	46,296
Camden Lesbian Gay Bisexual and Transgender (LGBT) Forum	46,250
The Baobab Centre for Young Survivors in Exile	46,000
Harrow Club W10 The Harrow Mission	45,000
Trinity African Methodist Episcopal Zion Church	44,456
StreetDoctors	44,100
The Maya Centre	42,848
Havering Women's Aid Ltd	42,848

**26 Analysis of grants (continued)**

	<b>£</b>
Henna Asian Women's Group	42,337
Making Communities Work & Grow	41,625
The VIP - Violence Intervention Project	40,230
The Advocacy Academy	40,000
The Baytree Centre	39,963
Family Action	39,812
Damilola Taylor Trust	39,437
Communities Against Violence - Haringey (CAVH)	38,840
Street Talk	37,236
Pompey in the Community	37,056
Futureversity	36,458
Academy Achievers	35,855
Rising Stars Support	35,122
You and Me counselling	35,100
Fight for Change Foundation	35,090
The Show Crib	35,000
High Trees Community Development Trust	34,123
Poplar Housing And Regeneration Community Association Ltd. (Poplar HARCA)	33,580
Mental Fight Club	33,500
Community Foundation for Surrey	33,000
Oasis Domestic Abuse Service	32,848
Southwark Playhouse	32,300
Aanchal Women's Aid	32,003
Inclusion Barnet	30,820
Real Impact Social Empowerment Projects - RISE Projects	30,560
Bromley & Croydon Women's Aid	30,519
SkyWay Charity	30,500
Art Against Knives	30,232
Haringey Migrant Support Centre	30,000
English National Opera (ENO)	30,000
Maa Shanti	28,762
Southside Young Leadersâ€™ Academy	28,600
Cassandra Learning Centre	28,417
Growing Against Violence	25,500
SocietyLinks Tower Hamlets	25,500
Redbridge Council for Voluntary Service	25,153
The Friends of Leighton House	25,000
Wise Children	25,000
Alexander Whitley Dance Company	25,000
Victoria & Albert Museum	25,000
The Kiln (formerly the Tricycle Theatre)	25,000
BalletBoyz Ltd	25,000
Sufra - NW London	25,000
Somali Welfare Trust	24,082
The Screen Film Community	23,580
BIGKID Foundation	23,312
Dagenham Bangladeshi Women & Children's Association	23,246
The Bike Project	22,992

**26 Analysis of grants (continued)**

	£
Inner Strength Network CIC	22,886
City Gateway Limited	22,447
Unique Talent CIC	22,000
Carers4Carers	21,842
Prospex	21,061
Richardsons Trek RT (Eastern Elite Racing)	21,000
Creative Opportunities	20,999
Frenford Clubs	20,950
St Andrew's Church	20,720
Open Door Young People's Consultation Service	20,500
Switchback Initiative	20,500
New Era Foundation	20,500
Hackney Quest	20,500
Regenerate	20,500
WISE Youth Trust	20,500
The Drive Forward Foundation	20,500
Mind in Haringey	20,500
Newark Youth London	20,500
Fat Macy's	20,500
Somerville Youth & Play Provision	20,500
The Big House Theatre Company	20,500
NEW BEGINNINGS YOUTH PROVISION LIMITED	20,500
Iconic Steps Film Academy	20,400
Oasis Waterloo Hub	20,393
South London Counselling & Support Services (SLCSS)	20,321
Lives Not Knives	20,300
BritSom	20,146
Dawn Charitable Trust (Diwa Asian Womens Network)	20,000
Southwark Day Centre For Asylum Seekers	20,000
LIFT (London International Festival of Theatre Ltd)	20,000
Aurora Orchestra	20,000
Hampstead Theatre	20,000
Whitechapel Art Gallery	20,000
TÀte À TÀte	20,000
Bush Theatre	20,000
Micro Rainbow International CIC	20,000
Oxygen	19,993
Superhighways at KVA	19,991
The Mosaic Community Trust	19,985
Together Southwark	19,942
MumsAid Maternal Mental Health Support	19,918
Newham All Star Sports Academy (NASSA)	19,851
Express CIC	19,845
4ALL - Building Community in West Dulwich	19,814
Vi-Ability Educational Programme	19,750
Sound Minds	19,672
Football Beyond Borders	19,500
The Fulham Boys School	19,500
The Irene Taylor Trust 'Music in Prisons'	19,216
Basic Sports & Fitness (BSF) CIC	19,090
My Family Organisation	19,082
Salaam Peace Community Engagement Programme C.I.C.	19,006

**26 Analysis of grants (continued)**

	<b>£</b>
Youth Futures	18,900
Young Lambeth	18,875
Community Development Association for Minority Communities LTD	18,860
Peace Child International	18,800
Chain Reaction Theatre Company	18,707
JAGS Foundation	18,700
WestPoint-Sustainable Community Development	18,393
YOH Ltd	18,269
Juvenis	17,880
Refugee Action Kingston	17,413
KAG Advocacy CIO	17,157
The National Youth Theatre of Great Britain	17,058
Independent Yemeni Development & Education Alliance	16,686
ELOP - East London Out Project	16,382
Fusion Maidstone	16,232
North London Cares	16,036
Community Education Forum	15,023
Link Age Southwark	15,000
South London Cares	15,000
Westbourne Park Family Centre	15,000
Apples and Snakes	15,000
Chineke	15,000
New Future Collective	15,000
ARTification	15,000
English Touring Opera	15,000
Parasol unit foundation for contemporary art	15,000
New Contemporaries (1988) Limited	15,000
Southbank Sinfonia	15,000
Battersea Arts Centre	15,000
#####	15,000
Union Chapel Project	15,000
The Yard Theatre	15,000
The Photographers' Gallery	15,000
Musicus CIC	15,000
One North East London (1NE)	15,000
Nova New Opportunities	15,000
Kids on the Green	15,000
Baraka Community Association	15,000
Family Friends	15,000
 Institutions receiving £15,000 or more from LCF in grant funding	 4,764,494
 Other grants to institutions not exceeding £15,000 per institution	 2,856,496
 Total grants to institutions	 <b><u>7,620,990</u></b>

## 26 Analysis of grants (continued)

The analysis below shows a sample of grants under £15,000 made by LCF in the year from a selection of the funds managed, in order to illustrate the range of institutions supported by LCF.

<b>Fund</b>	<b>Grantee</b>	<b>£</b>
Auto Trader London Community Fund	Haircuts4HomelessUK	5,000
	The Manna	5,000
	Bridging the Gap Islington	2,500
	The Margins Project	2,500
Bromley Community Fund	Cray Creative	2,840
	Living On Bereavement Service	2,475
	JusB	2,240
	The Sporting Way C.I.C.	2,000
Building Stronger Britain Together	Sunrise Multicultural Project	13,114
	Iranian Association	13,050
	Code 7 Ltd	12,990
	Art Beyond Belief	11,280
Cockayne Fund for the Arts	The Poetry Society	10,000
	Chisenhale Gallery	9,000
	Art360 Foundation	8,000
	The Space	5,000
Comic Relief Local Communities Fund	Hillingdon Women's Centre	9152
	Hounslow PHAB	8500
	Rainham Foodbank	8400
	SWeet! Recorder Consort CIC	7625
Deutsche Bank Small Grants Fund	Youth On The Move (London)	5,000
	You Make It Ltd	5,000
	BelEve UK	5,000
	Scene & Heard	4,270
Elephant & Castle Community Fund	Draper Together	5000
	The Blue Elephant Theatre	5000
	Clapham Film Unit	5000
	Futures Theatre Company	4996

**26 Analysis of grants (continued)**

<b>Fund</b>	<b>Grantee</b>	<b>£</b>
Gordon Family Grassroots Grants Endowment Fund	Harrow Law Centre	9,000
	Advocacy Now	9,000
	St. Peters Community Wellbeing Projects	4,000
	Iraqi Community Association	4,000
Lambeth Community Fund	Triangle Adventure Playground Association	9,065
	Spiral Skills CIC	8,197
	Oval Learning Cluster	7,000
	Brixton Society	5,000
Lambeth Wellbeing Fund	Parents Organising Play	5,000
	Moorlands Community Development Project	5,000
	Healthwatch Lambeth	4,984
	New Vision For Women CIC	4,890
Living Communities Fund	Westminster Arts	5,000
	Friends of Attend ABI or FAABI	4,975
	DanceWest London	4,767
	Westminster Befriend a Family	4,650
MOPAC (Mayor's Office for Policing & Crime)	Free Your Mind	12,750
	SAAFI (Somali Advice and Forum of Information)	11,790
	BLBC	10,000
	Urban Community Projects	8,923
Peabody Community Fund	Chocolate Films Workshops	9,995
	MVP Workshops	9,950
	Young Urban Arts Foundation	9,870
	TACO! (Thamesmead Arts and Culture Office)	9,768
Redbridge Community Projects Fund	Empowering Deaf Society	11,670
	Samaritans - Redbridge Branch	5,001
	Forest Farm Peace Garden	5,000
	Rejuvenate Arts C.I.C	5,000
Reel Fund	Doorstep Homeless Families Project	7,000
	Islington Centre for Refugees and Migrants	7,000
	Refugee Support Network	7,000

**26 Analysis of grants (continued)**

<b>Fund</b>	<b>Grantee</b>	<b>£</b>
Rowan Bentall Endowment Grants	The Basement Door	1,620
	Corinthian-Casuals Football Club - Youth Section	1,000
	The Richmond Brass Band	500
	Kingstonian Cricket Club	500
Royal London Foundation	Maxability	5,000
	Freddie Farmer Foundation	5,000
	Hampton & Hampton Hill Voluntary Care	5,000
	Keen London	5,000
Segro Community Fund for London	Alternatives Trust East London	5,000
	Panathlon Challenge	4,998
	100 Black Men of London	4,850
	London Rangers FC	3,200
Tampon Tax Community Fund	Clean Break	10,000
	London Friend	9,960
	The Mary Dolly Foundation	9,945
	Nations of Migration Awakening the Diaspora (Nomad)	9,864
Wandsworth Community Endowment Gran	Paul's Cancer Support Centre	4,800
	Community Drug and Alcohol Recovery Services (CDARS)	5,000
	CommuniTech London	4,777
	Small Steps Sfp	3,000
Wembley Park Community Fund	Track Academy	9,998
	Abundance Arts	9,950
	Ardhmeria	9,677
	Element Creative Projects CIC	8,486
Wimbledon Foundation Community Fund	Theatre503	5,000
	Autus	4,990
	CARAS	4,984
	Friends In St Helier (F.I.S.H.)	4,959
#iwill - Youth Social Action Fund	Anti-Tribalism Movement	10,000
	The Winch	9,449
	ELOP (East London Out Project)	9,173
	Young People Matter	8,429



## Prior Year comparatives

The following notes are included to provide full comparative information for the previous financial year.

### 27 Statement of Financial Activities for the year ended 31 March 2018

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000	Total 2017 £'000
<b>Income and endowments from:</b>						
Donations and legacies	31	779	14,980	191	15,950	7,080
Charitable activities	32	-	(30)	-	(30)	279
Investments	33	248	426	60	734	684
Other trading activities	34	34	-	-	34	15
<b>Total income</b>		<b>1,061</b>	<b>15,376</b>	<b>251</b>	<b>16,688</b>	8,058
<b>Expenditure on:</b>						
Raising funds	35	594	38	99	731	620
Charitable activities						
Grants programme	36	665	16,394	-	17,059	5,750
Community development	37	61	107	-	168	160
<b>Total expenditure</b>		<b>1,320</b>	<b>16,539</b>	<b>99</b>	<b>17,958</b>	6,530
<b>Net income / (expenditure) before investment gains and losses</b>		<b>(259)</b>	<b>(1,163)</b>	<b>152</b>	<b>(1,270)</b>	1,528
Net gains / (losses) on investments	43	12	-	246	258	2,402
<b>Net income / (expenditure)</b>		<b>(247)</b>	<b>(1,163)</b>	<b>398</b>	<b>(1,012)</b>	3,930
Transfers in / (out) between funds	46 & 47	20	197	(217)	-	-
<b>Net movement in funds</b>		<b>(227)</b>	<b>(966)</b>	<b>181</b>	<b>(1,012)</b>	3,930
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 April 2017		1,001	4,263	20,122	25,386	21,456
Total funds carried forward at 31 March 2018	50	774	3,297	20,303	24,374	25,386

All of the activities of The London Community Foundation derive from continuing operations. There are no recognised gains and losses other than those shown above. Restricted Income and Expenditure includes activities related to the Grenfell Tower emergency appeal, which accounts for the substantial change in

**28 Income and Expenditure Account for the year ended 31 March 2018**

	<b>Total 2018 £'000</b>	Total 2017 £'000
Total income of continuing operations	<b>16,497</b>	7,000
Total expenditure of continuing operations	<b>(17,958)</b>	(6,530)
Net income / (expenditure) for the year before transfers and investment asset disposals	<b>(1,461)</b>	470
Transfers from endowment funds	<b>256</b>	219
Realised gain on disposal of fixed asset investments	<b>5</b>	212
<b>Net income</b>	<b>(1,200)</b>	<b>901</b>

Total income comprises £1,061,000 (2017: £1,083,000) of unrestricted funds, £15,376,000 (2017: £5,860,000) of restricted funds and £60,000 (2017: £57,000) of endowment funds. Received in the year, but excluded from income, were new endowments of £191,000 (2017: £1,058,000)

Detailed analyses of the expenditure are provided in the statement of financial activities.

Net expenditure before investment asset disposals and transfers from the endowment funds for the year of £1,461,000 (2017: net income £470,000) comprises net expenditure of £259,000 (2017: net income £16,000) in respect of unrestricted funds, net expenditure of £1,163,000 (2017: net income £507,000) in respect of restricted funds and net expenditure of £39,000 (2017: £53,000) in respect of endowment funds.

A transfer to income funds is made, in line with the charity's total return and expendable endowment policies, so that funds may be expended.

**29 Balance Sheet as at 31 March 2018**

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Tangible assets	42	22	60
Investments	43	20,648	20,817
		<b>20,670</b>	20,877
<b>Current assets</b>			
Debtors	44	1,500	1,698
Cash at bank and in hand		4,200	3,828
		<b>5,700</b>	5,526
<b>Creditors: amounts falling due within one year</b>	45	<b>(1,996)</b>	(1,017)
<b>Net current assets</b>		<b>3,704</b>	4,509
<b>Net assets</b>		<b>24,374</b>	25,386
<b>The funds of the charity:</b>			
<b>Capital funds</b>			
Expendable endowment funds	46	15,866	15,723
Permanent endowment funds	46 & 49	4,437	4,399
		<b>20,303</b>	20,122
<b>Revenue funds</b>			
Restricted funds	47	3,297	4,263
Unrestricted funds			
Designated funds	48	22	60
General funds		752	941
		<b>774</b>	1,001
<b>Total funds</b>		<b>24,374</b>	25,386

**30 Statement of cash flows for the year ended 31 March 2018**

		<b>2018 Total £'000</b>	2017 Total £'000
	<b>Notes</b>		
<b>Cash flows from operating activities:</b>			
<b>Net cash used in operating activities</b>	<b>30A</b>	<b>(853)</b>	(206)
<b>Cash flows from investing activities</b>			
Interest received		<b>12</b>	13
Investment income received		<b>721</b>	672
Purchase of property, plant and equipment		<b>(3)</b>	(41)
Purchase of investments		<b>(15)</b>	(5,076)
Proceeds from the disposal of investments		<b>340</b>	4,053
<b>Net cash (used in) / provided by investing activities</b>		<b>1,055</b>	(379)
<b>Cash flows from financing activities:</b>			
Receipt of endowment		<b>191</b>	1,058
<b>Net cash provided by financing activities</b>		<b>191</b>	1,058
<b>Change in cash and cash equivalents in the year</b>		<b>393</b>	473
<b>Cash and cash equivalents at 1 April 2017</b>	<b>30B</b>	<b>3,858</b>	3,385
<b>Cash and cash equivalents at 31 March 2018</b>	<b>30B</b>	<b>4,251</b>	3,858

**Notes to the statement of cash flows for the year ended 31 March 2018**
**30A Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	<b>2018 £'000</b>	2017 £'000
<b>Net income for the year (as per the statement of financial activities)</b>	<b>(1,203)</b>	2,872
<b>Adjustments for:</b>		
Net (gains) / losses on investments	<b>(258)</b>	(2,402)
Depreciation charge	<b>42</b>	31
Dividends and interest from investments	<b>(734)</b>	(684)
Fees deducted from investments	<b>123</b>	138
Decrease / (increase) in debtors	<b>198</b>	536
(Decrease) / increase in creditors	<b>979</b>	(697)
Net cash from/ (used in) operating activities	<b>(853)</b>	(206)

**30B Analysis of cash and cash equivalents**

	<b>2018 £'000</b>	2017 £'000
Cash at bank and in hand	<b>4,200</b>	3,828
Cash held by investment manager for reinvestment	<b>51</b>	30
	<b>4,251</b>	3,858

**31 The key management personnel of the charity in charge of**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total 2018 £'000</b>	<b>Total 2017 £'000</b>
Trusts and foundations	221	1,544	-	<b>1,765</b>	3,177
Corporations	281	6,525	183	<b>6,989</b>	1,727
Local public authorities	61	279	-	<b>340</b>	1,318
Individuals	107	4,392	8	<b>4,507</b>	628
National public authorities	109	2,240	-	<b>2,349</b>	230
<b>2018 Total funds</b>	<b>779</b>	<b>14,980</b>	<b>191</b>	<b>15,950</b>	7,080
<b>2017 Total funds</b>	<b>824</b>	<b>5,198</b>	<b>1,058</b>	<b>7,080</b>	

Restricted income from donations and legacies includes £9,558,000 (2017: £nil) of income related to the Grenfell Tower emergency appeal. An analysis of this income by fund is shown in note 47.

**32 Income from charitable activities**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total 2018 £'000</b>	<b>Total 2017 £'000</b>
Trusts and foundations	-	(30)	-	<b>(30)</b>	272
Corporations	-	-	-	<b>-</b>	7
<b>2018 Total funds</b>	<b>-</b>	<b>(30)</b>	<b>-</b>	<b>(30)</b>	279
<b>2017 Total funds</b>	<b>9</b>	<b>270</b>	<b>-</b>	<b>279</b>	

**33 Income from investments**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total 2018 £'000</b>	<b>Total 2017 £'000</b>
Interest receivable	12	-	-	<b>12</b>	13
Investment income	236	426	60	<b>722</b>	671
<b>2018 Total funds</b>	<b>248</b>	<b>426</b>	<b>60</b>	<b>734</b>	684
<b>2017 Total funds</b>	<b>235</b>	<b>392</b>	<b>57</b>	<b>684</b>	

**34 Income from other trading activities**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total 2018 £'000</b>	<b>Total 2017 £'000</b>
Rental income	34	-	-	<b>34</b>	15
<b>2018 Total funds</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>34</b>	15
<b>2017 Total funds</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>	

**35 Expenditure on raising funds**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000	Total 2017 £'000
Investment management costs					
. Staff costs (note 40)	3	-	-	<b>3</b>	1
. Other direct costs	2	-	99	<b>101</b>	113
. Allocated support costs (note 38)	1	-	-	<b>1</b>	-
Cost of raising donations and legacies					
. Staff costs (note 40)	337	27	-	<b>364</b>	285
. Other direct costs	99	11	-	<b>110</b>	80
. Allocated support costs (note 38)	138	-	-	<b>138</b>	136
Cost of generating rental income					
. Staff costs (note 40)	2	-	-	<b>2</b>	2
. Other direct costs	11	-	-	<b>11</b>	3
. Allocated support costs (note 38)	1	-	-	<b>1</b>	-
<b>2018 Total funds</b>	<b>594</b>	<b>38</b>	<b>99</b>	<b>731</b>	620
<b>2017 Total funds</b>	460	50	110	620	

**36 Expenditure on charitable activities:  
grant programme**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000	Total 2017 £'000
Grants payable	-	16,359	-	<b>16,359</b>	5,078
Staff costs (note 40)	432	14	-	<b>446</b>	365
Other direct costs	9	21	-	<b>30</b>	133
Allocated support costs (note 38)	224	-	-	<b>224</b>	174
<b>2018 Total funds</b>	<b>665</b>	<b>16,394</b>	-	<b>17,059</b>	5,750
<b>2017 Total funds</b>	554	5,196	-	5,750	

Expenditure figures include a total of £8,790,000 (2017: £nil) related to the Grenfell Tower emergency appeal. An analysis of this expenditure by fund is shown in note 47. Grants payable includes £8,769,000 (2017: £nil) of expenditure related to the appeal. Also included in the total is £21,000 of directly attributable costs funded from corporate donations which were specifically for those costs and not for grantmaking.

**37 Expenditure on charitable activities:  
community development**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000	Total 2017 £'000
Staff costs (note 40)	10	75	-	<b>85</b>	82
Other direct costs	-	32	-	<b>32</b>	38
Allocated support costs (note 38)	51	-	-	<b>51</b>	40
<b>2018 Total funds</b>	<b>61</b>	<b>107</b>	-	<b>168</b>	160
<b>2017 Total funds</b>	53	107	-	160	

**38 Analysis of support costs**

	<b>Total 2018 £'000</b>	Total 2017 £'000
Support staff costs (note 40)	<b>100</b>	93
Professional fees	<b>68</b>	37
Premises costs	<b>91</b>	102
Office and other costs	<b>34</b>	25
Depreciation	<b>42</b>	32
IT costs	<b>35</b>	25
Governance costs (note 39)	<b>45</b>	36
<b>Total support costs</b>	<b>415</b>	350
<b>Attributed to:</b>		
Expenditure on raising funds (note 35)		
. Investment management costs	<b>1</b>	-
. Cost of raising donations and legacies	<b>138</b>	<b>136</b>
. Cost of generating rental income	<b>1</b>	-
Expenditure on charitable activities		
. Grant programme (note 36)	<b>224</b>	<b>174</b>
. Community development (note 37)	<b>51</b>	<b>40</b>
	<b>415</b>	350

Support costs were allocated to expenditure on raising funds and charitable activities based on employee time allocated to each werea.

LCF received a grant in support of its running costs from the Charles Stewart Mott Foundation, to support fund development activity. This funding ended during the year to 31 March 2018.

**39 Governance costs**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total 2018 £'000</b>	Total 2017 £'000
Staff costs (direct)	27	-	-	<b>27</b>	23
Legal, professional and audit fees	18	-	-	<b>18</b>	13
<b>2018 Total funds</b>	45	-	-	<b>45</b>	36
<b>2017 Total funds</b>	36	-	-	36	

#### 40 Staff costs and remuneration of key management personnel

	2018 £'000	2017 £'000
Salaries and wages	870	727
Social security costs	88	72
Pension costs	69	53
<b>Total staff costs</b>	<b>1,027</b>	<b>852</b>

Salaries and Wages includes £3,668 of redundancy costs (2017: £nil), of which £nil was unpaid as at 31 March 2018 (2017: £nil).

#### Employees

	2018 FTE	2017 FTE	2018 Number	2017 Number
The average monthly number of employees during the year was:				
Grant delivery and community development	12	13	13	14
Fundraising	6	5	6	6
Support	3	2	3	2
<b>Total</b>	<b>21</b>	<b>20</b>	<b>22</b>	<b>22</b>

	2018 Number	2017 Number
The number of staff whose emoluments were greater than £60,000 were:		
- £90,001 - £100,000	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

For clarity: in this note emoluments is taken to mean actual payments due in the year for hours worked and is therefore not a full time equivalent rate but an actual rate reflecting part time hours as well as employment for less than a full year.

The employees whose salary banding is disclosed above also received company pension contributions of £8,883 (2017: £7,125).

26 employees participated in the charity's group stakeholder pension scheme (2017: 20), inclusive of all starters and leavers.

#### Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the CEO, Director of Programmes and Strategic Partnerships, Finance and Operations Director (until November 2017), Director of Finance and Resources (from December 2017), Director of Development and Director of Marketing and Communications (2017: CEO, Director of Programmes a Strategic Partnerships, Finance and Operations Director, Director of Marketing and Communications, and Director of Development).



#### 40 Staff costs and remuneration of key management personnel (continued)

The total remuneration (including employer's national insurance and pension contributions) of the key management personnel for the year was £365,338 (2017 - £284,136).

No remuneration or other payments have been made to the trustees of LCF for their services as board members or for other services provided to the organisation in 2018 or 2017. Directly incurred expenses for travel and subsistence relating to their role as trustees are reimbursed if claimed. In 2018 no expenses were claimed (2017: no expenses claimed).

#### 41 Net income / (expenditure)

	2018 £'000	2017 £'000
This is stated after charging:		
Staff costs (note 40)	1,027	852
Auditor's remuneration (excluding VAT):		
Statutory audit services	10	10
Other services	5	1
Depreciation	42	31
Rentals under operating leases: property	56	57
	<b>1,140</b>	<b>951</b>

#### 42 Tangible fixed assets

	Leasehold improvements £'000	Furniture, IT and office equipment £'000	Total 2018 £'000
<b>Cost</b>			
As at 1 April 2017	104	51	155
Additions	-	3	3
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>104</b>	<b>54</b>	<b>158</b>
<b>Depreciation</b>			
As at 1 April 2017	59	35	94
Charge for the year	32	10	42
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>91</b>	<b>45</b>	<b>136</b>
<b>Net book value</b>			
<b>At 31 March 2018</b>	<b>13</b>	<b>9</b>	<b>22</b>
At 31 March 2017	44	16	60

### 43 Fixed asset investments

<b>a) Investments at market value</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Market value of listed investments at 1 April 2017	<b>20,787</b>	17,500
Additions at cost	<b>15</b>	5,076
Disposal proceeds	<b>(340)</b>	(4,053)
Realised gains	<b>5</b>	212
Disposals at carrying value brought forward	<b>(335)</b>	(3,841)
Fees deducted by the investment managers directly from the fund	<b>(123)</b>	(138)
Unrealised gains/(losses)	<b>253</b>	2,190
<b>Market value of listed investments at 31 March 2018</b>	<b>20,597</b>	20,787
Cash held by investment managers	<b>51</b>	30
	<b>20,648</b>	20,817
<b>Reconciliation of investment management fees</b>		
Gross fees deducted by the investment managers directly from the fund	<b>123</b>	138
Rebates received from investment managers to agreed fee level	<b>(22)</b>	(25)
<b>Net investment management costs of fund (note 35)</b>	<b>101</b>	113

The amounts deducted from the invested funds representing the Investment Managers' gross fees are made at the standard rate for the Common Investment fund invested in, and taken on a daily basis from the funds. The level of funds LCF has invested means LCF is due a fee rebate to a lower rate for all the invested funds. This rebate is paid quarterly in arrears.

<b>b) Historical cost</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Market value at 31 March 2018	<b>20,597</b>	20,787
Accumulated gains brought forward	<b>(6,461)</b>	(4,271)
Unrealised (gains) / losses for the year	<b>(253)</b>	(2,190)
Unrealised gain in respect to disposals in the year	<b>23</b>	776
<b>Historical cost at 31 March 2018</b>	<b>13,906</b>	15,102
<b>c) Investments disposition</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Cash and settlements pending	<b>51</b>	30
Common Investment Funds: Alpha CIF for Endowments (Income Units)	<b>10,254</b>	10,305
Common Investment Funds: COIF Charities Investment Fund	<b>10,246</b>	10,387
Common Investment Funds: COIF Ethical Investment Fund	<b>97</b>	95
	<b>20,648</b>	20,817

#### 44 Debtors

	2018 £'000	2017 £'000
Other debtors	1,008	220
Prepayments	23	53
Accrued income	469	1,425
	<b>1,500</b>	<b>1,698</b>

#### 45 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Grants payable	1,899	844
Other creditors	26	74
Accruals	64	79
Deferred income	7	20
	<b>1,996</b>	<b>1,017</b>

Deferred income primarily relates to funding where the donor has specified in the funding agreement that some of the income is in relation to a future period and expenditure of those funds should not take place until that period.

Movements on deferred income during the year was as follows:

	2018 £'000	2017 £'000
Balance brought forward at 1 April 2017	19	122
Amounts released to income	(19)	(110)
Cash received to be deferred	7	7
Balance carried forward at 31 March 2018	<b>7</b>	<b>19</b>

#### 46 Endowment funds

LCF holds both expendable and permanent endowment funds. Many of LCF's endowment funds have benefitted from match funding, in addition to donations made to funds, received from the government schemes Grassroots Grants (2008-2011) and Community First (2012-2015). A selection of funds are shown below along with totals for each scheme.

	Balance at 1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Investment gain/(loss) £'000	Balance at 31 March 2018 £'000
<b>Expendable endowment</b>						
<b>Grassroots Grants funds:</b>						
Bromley Community Fund	242	-	(1)	(5)	-	236
Croydon Community Fund	340	-	(2)	(5)	8	341
Deutsche Bank Fund	629	-	(2)	(33)	-	594
Evening Standard Dispossessed Fund (Croydon)	206	-	(1)	(1)	-	204
Evening Standard Dispossessed Fund	3,521	-	(13)	(31)	3	3,480
Lambeth Community fund	208	-	(1)	(2)	5	210
Peckham Fund	142	-	(1)	(2)	4	143
Rolls-Royce Fund	35	-	-	(1)	-	34
Ruth's Fund	124	-	(1)	(2)	3	124
Victoria Foundation Fund	372	-	(1)	(5)	-	366
Wandsworth Educational Fund	128	-	-	(1)	-	127
Westminster Fund	396	-	(1)	(8)	-	387
Other Grassroots Grants funds	1,609	-	(9)	(36)	17	1,581
<b>Total Grassroots Grants funds</b>	<b>7,952</b>	<b>-</b>	<b>(33)</b>	<b>(132)</b>	<b>40</b>	<b>7,827</b>
<b>Community First funds:</b>						
Barnet Fund	394	-	(2)	-	9	401
Friends Life Fund	18	-	-	-	-	18
Give Camden CF Endowment fund	15	-	-	-	-	15
Land Securities Capital Commitment Fund	162	13	(1)	-	4	178
Land Securities Westminster Fund	232	-	(1)	-	6	237
Living Cities Community Fund	908	119	(6)	-	22	1,043
London Community Foundation Fund	62	-	-	-	1	63
Love Kingston Fund	95	-	(1)	6	2	102
The London Leg Up Fund	316	-	(2)	-	8	322
Other Community First funds	3,013	59	(19)	(40)	72	3,085
<b>Total Community First funds</b>	<b>5,215</b>	<b>191</b>	<b>(32)</b>	<b>(34)</b>	<b>124</b>	<b>5,464</b>

#### 46 Endowment funds (continued)

	Balance at 1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Investment gain/(loss) £'000	Balance at 31 March 2018 £'000
<b>Other funds:</b>						
Cresswell Trust	63	-	-	-	-	<b>63</b>
Lewisham Fund	311	-	(2)	(5)	8	<b>312</b>
Portuguese Fund	576	-	(4)	(6)	14	<b>580</b>
Wandsworth Community Fund	504	-	(2)	(3)	-	<b>499</b>
Lambeth Endowment Fund	1,102	-	(7)	-	26	<b>1,121</b>
<b>Total other endowment funds</b>	<b>2,556</b>	<b>-</b>	<b>(15)</b>	<b>(14)</b>	<b>48</b>	<b>2,575</b>
<b>Total expendable endowment</b>	<b>15,723</b>	<b>191</b>	<b>(80)</b>	<b>(180)</b>	<b>212</b>	<b>15,866</b>
<b>Permanent endowment</b>						
Barnet Endowment	73	-	-	-	-	<b>73</b>
Beaufoy Trust	1,278	-	(7)	-	32	<b>1,303</b>
Pedlar's Acre Trust	2,565	60	(10)	(37)	2	<b>2,580</b>
Richmond Civic Trust	483	-	(2)	-	-	<b>481</b>
<b>Total permanent endowment</b>	<b>4,399</b>	<b>60</b>	<b>(19)</b>	<b>(37)</b>	<b>34</b>	<b>4,437</b>
<b>Total endowment funds</b>	<b>20,122</b>	<b>251</b>	<b>(99)</b>	<b>(217)</b>	<b>246</b>	<b>20,303</b>

Grants from endowment funds were made from the restricted fund relating to the endowment fund of the same name, grants for the year ended 31 March 2018 can be seen in notes 18 and 26.

Transfers out of expendable endowment funds to restricted funds represent a release of the capital representing capital return. The transfers operate under LCF's endowment spending policy and allow further application of the funds as grants.

Transfers from the permanent endowment fund Pedlar's Acre Trust to restricted funds represent the release of capital as allowed under the Total Return Order granted by the Charity Commission so that the funds may be applied as grants. Further details can be found in note 22.

#### 47 Restricted funds

LCF holds many restricted funds, a sample of which are shown in the note below along with totals from each type of donor.

	Balance at 1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Balance at 31 March 2018 £'000
<b>Grant making funds</b>					
Building Stronger Britain Together	-	101	(119)	-	(18)
Capco Earls Court Fund	-	77	(131)	-	(54)
Clarion - decorating fund	7	30	(37)	-	-
Clarion Business Start up Program	-	-	(1)	26	25
Clarion Digital Communities Fund	14	73	(77)	-	10
Clarion Re-Train Program	24	125	(24)	(61)	64
Clarion Re-work Program	3	-	(21)	35	17
Cockayne Fund	3	931	(864)	-	70
Comic Relief RND Community Cash	1,000	-	(1,015)	15	-
Croydon Tram Disaster	56	2	(56)	-	2
Deutsche Bank small grants fund	3	23	(35)	22	13
Elephant and Castle Community Fund (Lendlease)	52	51	(46)	-	57
Evening Standard Food for London - Citi funded	61	-	(2)	-	59
Evening Standard Food for London - Grants fund	33	-	-	-	33
Evening Standard Dispossessed Fund - Estates	46	-	(19)	-	27
Evening Standard Dispossessed Fund Angel Town	92	-	(74)	-	18
Grenfell Fire Appeal - #Game4Grenfell	-	461	(461)	-	-
Grenfell Fire Appeal - Artists for Grenfell	-	819	(596)	-	223
Grenfell Fire Appeal - Evening Standard	-	6,932	(6,387)	-	545
Grenfell Fire Appeal - FA Community Shield	-	1,335	(1,335)	-	-
Grenfell Fire Appeal - Goldman Sachs	-	11	(11)	-	-
Lambeth - Healthier for Longer	124	-	(181)	-	(57)
Lambeth Wellbeing Fund	5	78	(65)	-	18
LandSec - Capital Commitment fund	5	-	-	3	8
LandSec - Westminster fund	18	-	-	-	18
Living Cities Community Fund	12	18	(45)	20	5
Mayor's Office for Policing & Crime (MOPAC)	-	2,020	(2,112)	-	(92)
Norton Rose Fulbright fund	14	42	(70)	14	-
Peabody Community Fund	60	150	(124)	-	86
Redbridge Community Projects Fund	-	175	(175)	-	-
Reducing Isolation Fund	132	-	(105)	-	27
Regents Place Community Fund	34	25	(46)	-	13
Slater & Gordon Health Projects & Research Fund	-	50	(50)	-	-
Sport England Active Communities fund	176	220	(172)	-	224
Sport Relief/Comic Relief	-	239	(78)	-	161
The Eden Tree Community Investment fund	-	50	(130)	-	(80)
The Segro Community Fund for London	92	-	(60)	-	32
The Wembley Park Community Fund	68	111	(66)	-	113
UK Community Foundation Building Stronger Britain	22	64	(86)	-	-
Unlocking Potential	46	-	(20)	-	26
Wimbledon Foundation Community Fund	52	127	(117)	-	62
Youth Social Action	270	90	(270)	-	90
Other grant making funds	940	495	(870)	(36)	529
<b>Total grant making funds</b>	<b>3,464</b>	<b>14,925</b>	<b>(16,153)</b>	<b>38</b>	<b>2,274</b>

**Restricted funds (continued)**

	Balance at 1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers in/(out) £'000	Balance at 31 March 2018 £'000
<b>Endowment funds (revenue element)</b>					
Beaufoy Trust	77	34	(27)	-	<b>84</b>
Bromley Community Fund	-	10	(22)	13	<b>1</b>
Croydon Community Fund	-	7	(12)	5	<b>-</b>
Deutsche Bank Fund	-	11	-	12	<b>23</b>
Evening Standard Dispossessed Appeal Fund - Croydon	6	7	-	1	<b>14</b>
Evening Standard Dispossessed Fund	92	97	-	31	<b>220</b>
Lambeth Endowment Fund	-	6	-	2	<b>8</b>
Living Communities Fund	20	19	-	(20)	<b>19</b>
London Community Foundation Fund	1	1	-	-	<b>2</b>
Love Kingston Fund	2	2	-	(2)	<b>2</b>
Peckham Fund	26	3	-	2	<b>31</b>
Pedlar's Acre Trust	128	-	(108)	37	<b>57</b>
Richmond Civic Trust	10	11	(10)	-	<b>11</b>
The London Leg Up Fund	15	8	(23)	-	<b>-</b>
Victoria Foundation Fund	13	8	(25)	5	<b>1</b>
Wandsworth Community Fund	2	15	(20)	3	<b>-</b>
Westminster Fund	12	7	(6)	8	<b>21</b>
Other endowment funds (income element)	387	186	(106)	62	<b>529</b>
	<b>791</b>	<b>432</b>	<b>(359)</b>	<b>159</b>	<b>1,023</b>
<b>Development funds</b>					
Mott Foundation	8	19	(27)	-	<b>-</b>
	<b>8</b>	<b>19</b>	<b>(27)</b>	<b>-</b>	<b>-</b>
<b>Total restricted funds</b>	<b>4,263</b>	<b>15,376</b>	<b>(16,539)</b>	<b>197</b>	<b>3,297</b>

The funds of the charity include restricted funds listed above, the closing balance represents the unexpended balances of income held on trust for specific purposes:

**Grant making funds**

Funds held for the purposes of grant making to communities, groups and projects as defined by the purpose of each fund.

**Community Development funds**

Funds held for the purposes of directly managing projects with the aim of benefitting various communities in certain areas of London through: improving local infrastructure and increasing community capacity through outreach, training, capacity building and community consultation.

**Development funds**

Funds held for the purpose of the growth of LCF including an increase in income and greater ability to help beneficiaries.

**Transfers**

Transfers in generally represent a release of the capital from endowment funds. Transfers out generally represent the pooling of the fund with other funds of similar purpose at the point of awarding grants.

**48 Designated Funds**

The tangible fixed assets fund of £22,000 (2017: £60,000) represents the net book value of LCF's tangible assets. The amount has been separated from the charity's general unrestricted funds (free reserves) in recognition of the fact that the assets are essential to the day-to-day operation of the charity and should therefore not be considered realisable to meet commitments.

#### 49 Funds of Pedlar's Acre Trust

On 21 May 2009 the Charity Commission authorised a uniting direction for registration and accounting purposes between The London Community Foundation (charity no 1091263) and Pedlar's Acre Trust (charity number 205817). At the date of the uniting direction the assets of Pedlar's Acre Trust were valued at £1,843,330.

The transactions and assets of the separate charities for the year ended 31 March 2018 are shown below:

	<b>The London Community Foundation £'000</b>	<b>Pedlar's Acre Trust £'000</b>	<b>Total £'000</b>
<b>Assets of each charity at 31 March 2018</b>			
Opening balance at 1 April 2017	22,821	2,565	<b>25,386</b>
Income	16,628	60	<b>16,688</b>
Expenditure	(17,948)	(10)	<b>(17,958)</b>
Fund transfers in/(out) (note 51)	37	(37)	<b>-</b>
Gain on investments	256	2	<b>258</b>
<b>Net movement in funds during the year</b>	<b>(1,027)</b>	<b>15</b>	<b>(1,012)</b>
<b>Closing balance as at 31 March 2018</b>	<b>21,794</b>	<b>2,580</b>	<b>24,374</b>
Tangible fixed assets	22	-	<b>22</b>
Fixed asset investments	18,063	2,585	<b>20,648</b>
Debtors	1,500	-	<b>1,500</b>
Cash at bank and in hand	4,200	-	<b>4,200</b>
Creditors: amounts falling due within on year	(1,991)	(5)	<b>(1,996)</b>
<b>Net assets at 31 March 2018</b>	<b>21,794</b>	<b>2,580</b>	<b>24,374</b>
<b>Funds of the charities</b>			
Expendable endowment funds	15,866	-	<b>15,866</b>
Permanent endowment funds	1,857	2,580	<b>4,437</b>
Restricted funds	3,297	-	<b>3,297</b>
Unrestricted funds	774	-	<b>774</b>
<b>Closing funds at 31 March 2018</b>	<b>21,794</b>	<b>2,580</b>	<b>24,374</b>



## 50 Analysis of net assets between funds

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000
<b>Fund balances at 31 March 2018</b>					
Represented by:					
Tangible fixed assets	-	22	-	-	<b>22</b>
Fixed asset investments	241	-	105	20,303	<b>20,648</b>
Current assets - cash	325	-	3,876	-	<b>4,200</b>
Current assets - debtors	284	-	1,216	-	<b>1,500</b>
Creditors: amounts falling due within one year	(97)	-	(1,899)	-	<b>(1,996)</b>
<b>Total funds</b>	<b>752</b>	<b>22</b>	<b>3,297</b>	<b>20,303</b>	<b>24,374</b>

The restricted funds represented by fixed asset investments are made up of a few endowment funds where LCF's endowment spending policy has determined the portion of the capital gain on those funds which should be spent, but the investment assets will not be drawn down until spending plans are finalised.

The total unrealised gains as at 31 March 2018 constitutes movements on revaluation in respect of listed investments and are as follows:

	2018 £'000	2017 £'000
<b>Total unrealised gains included above:</b>		
On listed investments	<b>6,691</b>	5,685
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 April 2017	<b>5,685</b>	4,253
Less: in respect to disposals in the year	<b>754</b>	(758)
	<b>6,438</b>	3,495
Add: net gains / (losses) arising on revaluation arising in the year	<b>253</b>	2,190
<b>Total unrealised gains at 31 March 2018</b>	<b>6,691</b>	5,685

## 51 Application of the power of total return to Pedlar's Acre Fund

The investment power of total return was granted by a Charity Commission Order on 17 January 2011. The charity received advice from its legal advisors Bates Wells & Braithwaite with regard to the use of the power and ensuring its use does not prejudice the ability of the charity to support both current and future beneficiaries. This power permits the trustees to invest permanently endowed funds to maximise total return and apply an appropriate portion of the unapplied total return income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the note below), the unapplied total return remains invested as part of the permanent endowment.

The trustees have selected the date of the valuation for total return purposes to be the value of the endowed fund at 31 March 2004. Pedlar's Acre Fund has been in existence since the 17th century, however no valuation is available for the charity prior to 31 March 2004. At this date Pedlar's Acre Trust Fund was valued at £1,836,806. The note below shows the opening unapplied total return and fund transfer in the year.

The power of total return allows the trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for grant making expenditure. During the year to 31 March 2018 the trustees elected to transfer 3.5% of the value of the fund as at 31 December 2017 to income funds, 3.5% being the amount LCF aims to spend of its permanent endowment funds holding Total Return power under its endowment spending policy. The trustees decided that the duty to be even-handed to future and present beneficiaries was fulfilled by following LCF's standard policy in 2017-18

The investment fund and application of total return to permanent endowment fund:	<b>2018 £'000</b>	2017 £'000
Opening value of permanent endowment at 1 April 2017	<b>2,565</b>	2,305
Less:		
Value of endowment at 31 March 2004	<b>(1,837)</b>	(1,837)
Opening value of unapplied total return at 1 April 2017	<b>728</b>	468
Add:		
Investment return: income	<b>60</b>	57
Investment return: unrealised (loss)/gain on investment	<b>2</b>	302
Less:		
Investment management and legal costs	<b>(10)</b>	(14)
Unapplied total return before transfer to income	<b>780</b>	813
Less:		
Unapplied total return applied	<b>(37)</b>	(85)
Sub total: unapplied total return as at 31 March 2018	<b>743</b>	728
Add:		
Value of endowment at 31 March 2004	<b>1,837</b>	1,837
Permanent endowment including unapplied total return as at 31 March 2018	<b>2,580</b>	2,565

## 52 Obligations under operating leases

At 31 March 2018, the charity had total future minimum lease payments under non-cancellable operating leases for office rent as follows:

	<b>2018 £'000</b>	2017 £'000
Within one year	<b>64</b>	64
After one but within two years	<b>64</b>	64
After two but within five years	<b>193</b>	193
Over five years	<b>21</b>	86
	<b>342</b>	407

## 53 Funds held in capacity as agents - Deptford Challenge Trust

LCF manages the Deptford Challenge Trust (DCT) fund on behalf of DCT as an agent and distributes the fund to the beneficiary institutions selected by DCT. As the principal, DCT is responsible for ensuring the charitable application of the fund.

At the year end date the following assets and liabilities relating to the fund have been excluded from the balance sheet:

	<b>Balance at 31 March 2018 £'000</b>	Balance at 31 March 2017 £'000
Cash at bank	<b>40</b>	42
Grants payable	<b>(85)</b>	(7)
	<b>(45)</b>	35

#### 54 Related party transactions

The charity conducts an annual exercise to review the interests of its trustees and key management personnel in order to identify related parties with whom we may have had material, either by value or in nature, financial transactions during the year. For the year to 31 March 2018, the following transactions with related parties took place.

The total value of donations made by the trustees of the charity for the benefit of the charity during the year was £20,931 (2017: £21,570).

The charity's insurance cover includes a trustee indemnity insurance policy with cover up to a value of £1,000,000. The cost for the year to 31 March 2018 for this element of the insurance policy was £568 (2017: £561).

Benjamin Clarkson was appointed as Director of Finance and Resources in December 2017. He is also a trustee of Lewisham Speaking Up. During the year, Lewisham Speaking Up received grants from the Charity under the Deptford Challenge Trust and MOPAC Victims' Fund programmes. The Director of Finance and Resources has no influence on who receives grants from these programmes, and the awards were made before his appointment. During the year, the value of grants awarded to Lewisham Speaking Up across the two programmes was £67,500 (2017: £nil). Due to the way the charity accounts for Deptford Challenge Trust as an agency, only £52,500 (2017: £nil) of this amount is included in these accounts.

There were no other related party transactions during the year to 31 March 2018 (2017: £nil)

**55 Analysis of grants**

	<b>Number</b>	<b>Total £</b>
Grant awards to individuals	461	215,321
Grant awards to institutions	718	16,143,706
<b>Total</b>	<b>1,179</b>	<b>16,359,026</b>

The majority of the grant making at LCF is to charities and community groups each year. LCF also makes grant awards to individuals from several funds set up by Affinity Sutton (now Clarion Housing Group) for that purpose. LCF manages a fund which makes grant awards of up to £400 to vulnerable residents in Affinity Sutton housing for the purposes of decorating their home. Additionally three Clarion Housing Group funds award grants to residents in Clarion housing towards the purposes of retraining, returning to work and setting up business ventures. Additionally in the last year LCF received funding from companies and individuals for the victims of the Croydon Tram Disaster and has distributed these funds as hardship

The institutions listed below are those who have been awarded £15,000 or more in the year from LCF.

	<b>£</b>
Rugby Portobello Trust	7,315,945
London Emergency Trust	1,200,000
IMECE Women's Centre	319,318
LEAP Science and Maths Schools	176,220
Aanchal Women's Aid	143,429
Joint Association of Nissa Trust (JAN Trust)	137,432
Upper Norwood Library Trust	127,500
Futures Theatre Company	124,600
National Zakat Foundation	115,000
Merton Centre for Independent Living	111,660
Aurora Foundaton for People Abused in Childhood	107,209
women@thewell	104,388
UKNSWP/National Ugly Mugs (NUM)	100,221
Stay Safe East	93,350
The Maya Centre	90,864
Bromley & Croydon Women's Aid	63,820
Jigsaw4U	60,000
Africa Advocacy Foundation	59,096
Redbridge Equalities & Community Council	58,023
South London Cares	54,726
Lewisham Speaking UP	52,500
Dwaynamics CIC	52,289
Christ Church (Oxford) United Clubs t/a Ovalhouse	50,000
English National Ballet	50,000
Croydon BME Forum	49,736
Kensington Aldridge Academy	45,000
SurvivorsUK	42,500
Southall Black Sisters	42,500
Camden Lesbian Gay Bisexual and Transgender (LGBT) Forum	42,500
The Blue Elephant Theatre	42,357
Step Forward (Tower Hamlets)	41,345
East European Resource Centre	40,634
Refugee and Migrant Forum of Essex and London	39,708
Mental Fight Club	36,507

**55 Analysis of grants (continued)**

	£
Dulwich Picture Gallery	35,000
Off Centre	35,000
East London Dance	34,948
Haringey Migrant Support Centre	34,515
Raw Material Music And Media Education	34,498
RESPEITO	32,392
Anti-Tribalism Movement	31,173
Richardsons Trek RT (Eastern Elite Racing)	30,000
Iraqi Community Association	29,519
One In Four	28,305
Autus	28,186
Healthy Living Projects	28,000
Sufra - NW London	27,681
Redbridge Council for Voluntary Service	27,524
The Reasons Why Foundation cic	26,920
The Fulham Boys School	26,000
St Andrew's Church	25,500
The London Contemporary Orchestra	25,000
Royal Academy of Arts	25,000
The London Sinfonietta	25,000
Young Vic Theatre Company	25,000
Somerset House Trust	25,000
Gate Theatre Co Ltd	25,000
Rambert Dance Company	25,000
CARAS (Community Action for Refugees and Asylum Seekers) (Klevis Kola Foundation	24,828
Chain Reaction Theatre Company	24,693
Elevating Success UK	23,569
Bermondsey Community Kitchen	22,500
SocietyLinks Tower Hamlets	22,500
Iniva	22,000
London Sports Trust	21,709
The Baytree Centre	20,888
Tutors United	20,653
ABIANDA	20,000
Kazzum Arts Project (Kazzum)	20,000
St. Peters Community Wellbeing Projects	20,000
The English Stage Company Ltd (Royal Court Theatre)	20,000
Orchestra of the Age of Enlightenment	20,000
Well Grounded Jobs	20,000
Growing Against Violence	20,000
Wigmore Hall	20,000
WISE Youth Trust	20,000
Young Lambeth Coop (YLC) Ltd	20,000
Jewish Museum London	20,000
Spitalfields Music	20,000
Institute of Contemporary Arts	20,000
HELP Counselling Centre	19,980
Learning Unlimited Ltd (Also known as LU)	19,970
CAS Training Solutions CIC	19,928
Ripe Enterprises Limited.	19,919
NEWway Project	19,913
FirmFoundation	19,896
South Central Youth	19,890

**55 Analysis of grants (continued)**

	£
Home Energy Efficiency Training	19,875
Ealing Law Centre	19,875
Prospex	19,875
Norwood and Brixton Foodbank Ltd	19,872
Stonebridge Boxing Club	19,820
CARIS Haringey	19,815
Art Against Knives	19,697
Bags of Taste Limited	19,667
Fuelbanks and Families	19,562
Musicus CIC	19,560
Community Education Forum	19,530
Mosac	19,194
Misc adjustments in Sage - none over £15k	19,053
Paxton Green Time Bank	18,944
Paddington Law Centre	18,894
Superkidz Community Trust	18,784
Shapeshifter Productions Ltd	18,700
Streets of Growth	18,500
South London Counselling & Support Services (SLCSS)	18,027
Spear Harrow Trust	17,800
Disability Advice Service Lambeth (DASL)	17,500
Brixton Inclusive	17,500
Enfield Saheli	17,483
The Victoria Foundation	17,469
IndoAmerican Refugee and Migrant Organization (IRMO)	17,455
The Royal Association for Deaf people	17,447
Somali Integration & Development Association (SIDA)	17,266
Family Learnig Activity Mentoring and Exercise, or FLAME	17,150
Creative Opportunities	16,850
Artbox London	16,543
The Baobab Centre for Young Survivors in Exile	16,483
ML Community Enterprise	16,322
The Doorstep Library Network	16,316
International Centre for Integration and Cohesion	16,000
Hope for the Young	15,744
Enfield Bangladesh Welfare Association	15,680
PSHE Association	15,606
Future M.O.L.D.S Communities	15,217
Sounds Like Chaos	15,195
GOAL (Gospel Oak Action Link)	15,081
Football for Peace Global	15,060
St John's Smith Square Charitable Trust (St John's Smith Square)	15,000
Spread the Word	15,000
New Diorama Theatre	15,000
Hackney Empire Limited	15,000
BIMP	15,000
Deafinitely Theatre	15,000
Latin American Disabled People's Project	15,000
The Orange Tree Theatre Richmond	15,000
Entelechy Arts Ltd	15,000
Stratford Circus Arts Centre (charity name: Stratford Arts Trust)	15,000
Westbourne Park Family Centre	15,000
City of London Sinfonia	15,000

**55 Analysis of grants (continued)**

	£
Artsadmin	15,000
Barbican Centre Trust	15,000
Young Actors Theatre Islington	15,000
Third Age Project	15,000
Ardent Theatre Company	15,000
The Comedy School	15,000
Daniel Spargo-Mabbs Foundation	15,000
ACT Training Services	15,000
Arensky Chamber Orchestra	15,000
City Harvest	15,000

Institutions receiving £15,000 or more from LCF in grant funding	13,543,783
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Other grants to institutions not exceeding £15,000 per institution	2,599,923
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Total grants to institutions	<b>16,143,706</b>
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