

# Annual report and financial statements

For the year ended 31 March 2023



[londoncf.org.uk](https://londoncf.org.uk)

Registered charity number 1091263  
Company limited by guarantee number 4383269

## **Who we are**

**We are the community foundation for London. We help you make a difference to London, where it matters most.**

**We believe in the vital role local community organisations play in rising to London's challenges. We also believe in the generosity and solidarity of Londoners wanting to make a difference to where they live and work.**



Our task is to champion local organisations by connecting funders to them, channelling funds to their work, and supporting them directly to be stronger.

Since 2010,  
we have  
committed over

**£116  
million**

in grants to support  
London's grassroots  
organisations







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# Local giving matters

For philanthropists in London, the abiding message of the last year is clear: your local giving matters. Newcomers or veteran philanthropists, individual or corporate, the importance of your commitments to London's communities needs to be celebrated and championed.

As we publish this annual report amidst a cost-of-living crisis, what this year has demonstrated so starkly, is how the most vulnerable are always disproportionately impacted by society's challenges. But we also know that local philanthropy can help. Local giving to charities on our doorstep can give hope, belonging and empathy where there is often desperation, fear, and loneliness. That is why community foundations exist. That is why as the community foundation for London we champion local giving.

Reflecting on this year, donors who gave to our **Together for London** appeal demonstrated two important lessons. They endorsed how grassroots organisations quickly reach those most in need, often when other institutions or agencies cannot. And they showed what can be achieved when we give collaboratively to support charities during a crisis.

This year saw us conclude two major programmes of work addressing issues that really matter to London. In September, we celebrated our

**Save London Lives** programme (delivered as part of the Evening Standard Dispossessed Fund). A collaborative, 3-year programme supporting 53 organisations tackling violence affecting young people. In the evaluation and at our event, we heard how the co-designed support, flexible multi-year funding and opportunity to come together as a capital-wide movement supporting our young people, had a deep and lasting impact on the charities. In March, our **Violence Against Women and Girls Grassroots Fund**, the first phase of our work with the Mayor's Office for Policing and Crime investing in community organisations tackling violence against women and girls came to an end. This has been a profoundly important fund for London and for us. As part of the fund, we provided financial support and raised the profile and value of 41 specialist community organisations who are providing culturally informed support for women and girls affected by violence and abuse, organisations delivering vital services but who often operate under the radar of public support.





# Our impact across London



**£14,167,000**

awarded to charitable organisations

**649**

grants awarded

**£22,730**

was the average grant size committed

**15%**

of the organisations we supported were new to us

Our work this year demonstrates that positive change can be achieved when tackling some of London's greatest social needs. It also highlights the value and power of giving back to the city that also gives much.

I am proud to work alongside colleagues at The London Community Foundation (LCF) who share a vision to help build thriving communities right across London. My thanks to them for their commitment and achievements of the last 12 months.

**Russell Prior**  
Chair  
The London Community Foundation



# Ensuring resilience in a time of crisis

**Our local charities are not the nice-to-haves as perceived by some people. They are, increasingly, lifelines to our most marginalised neighbours.**

In the past year, we have seen how our communities would be worse off without local charities. From the woman placing her trust in a specialist domestic abuse charity that understands her language or culture; to a teenager desperate to find work away from a life at risk of violence; to a refugee seeking human connection in a new city. They are a lifeline.

In December and March, we distributed over £2 million to 218 community groups responding to the cost-of-living crisis. In February, we worked with the British Red Cross to distribute funds to community groups supporting Ukrainian refugees. Today these charities have become our trusted connectors in a crisis.

But this year I have carried a fear. After COVID we very quickly found ourselves in a cost-of-living crisis. With no time to recover, local charities transitioned from vital provision during an emergency, to an essential service in a crisis. And my fear? For their resilience and financial survival? Yes. For the wellbeing of their people? Absolutely. But my fear has

centred on perception and sustainability.

Our work connecting partners to local charities has never felt more important. If the services they provide are now essential for our most vulnerable, then we need to radically change the way we fund them and how their voice and expertise are heard. It is our task to support and influence, to encourage more long-term funding, proportionate reporting and engagement that demonstrates respect for their time and expertise. This is how we build trust. Good local philanthropy is possible, and its effects are felt beyond the lifetime of a financial gift.

Some of the greatest need is on our doorstep in our own communities and we encourage those who can, to think about giving locally as part of their philanthropy, we have seen first-hand how rewarding and fulfilling it can be. Despite the economic challenges, we have been the catalyst for over £14 million in giving for London's communities, our highest on record outside of managing emergency funds (the Grenfell fire and the pandemic).



Our impact and financial results tell a strong story of how our team has adapted and responded to the challenging environment we work in as well as acclimatising to new hybrid working practices. We are trying to balance the benefits to personal wellbeing with a commitment to fostering a culture of belonging, supporting new staff and wider team development. I am, as ever, bowled over by their drive to create a more equal London and humbled by their commitment to its communities.

With my thanks,

**Kate Markey**

CEO

The London Community Foundation

## Our values and behaviours

### Our vision:

A strong and diverse civil society,  
that tackles disadvantage and  
creates greater equity in London.

### Our purpose:

Through good philanthropy, our  
knowledge and expertise, we  
convene donors to invest in charitable  
organisations working to overcome the  
issues affecting London.

### Our values:

- We are equitable
- We are accountable
- We are responsive
- We are collaborative
- We are impactful

### Our behaviours:

- Inclusive
- Adaptable
- Trustworthy
- Pragmatic
- Respectful
- Enterprising

# A lifeline for communities

“The funding has come at a time of need when charities are facing challenges due to the pandemic. By accessing paid work, volunteering or training, young people will boost their mental health, confidence, and skills, and generally enhance their quality of life in the long term.”

## **Mortlake Community Association, one of our Together for London Fund community projects**

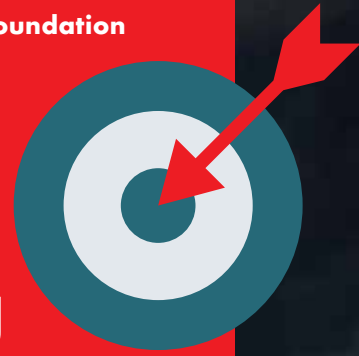
Even in ‘normal’ times, London is a polarised city of haves and have-nots. We strongly believe that communities defined by the disadvantage they experience also have the insight, networks and resilience to be the positive change. LCF’s role is to support them in this.

Our community partners made it clear that the rise in inflation was causing a crisis for their communities. As **the** community champion for London, we had to act - launching our cost-of-living **Together for London** Fund.

From Grenfell to COVID-19, the Afghan refugee crisis and now the cost-of-living crisis, LCF (like our fellow community foundations around the UK and beyond) has a long history of responding.

Humanitarian aid is not community foundations’ ‘business as usual’. And yet in times of crisis it is. Why? Because we understand, champion and amplify the importance of ‘small and local’ and the power of common good. We work hard to reach those trusted groups working deeply in our communities, day in, day out. These organisations reach people whom local authorities and bigger charities sometimes cannot.

When we opened the **Together for London** Fund we knew our city’s need was great. But we never could have predicted the 656 applications we received. Each one was a story of compassion - delivering food, essential items, mental health and wellbeing sessions, financial and welfare advice to Londoners in need.



## Funding and support

**£2,109,000**

awarded to 215 community  
projects across London

**83%**

of projects supported the  
priority communities who  
were most affected by the  
crisis including Black and  
Minoritised Ethnic (BME)  
communities, people with  
disabilities, older people,  
carers, and those affected  
by homelessness

**79%**

of organisations funded  
were small local  
community organisations  
with an income of less than  
£300,000 per year





## Our impact: young people

# Vital opportunities for young Londoners

“By supporting our core costs, The London Community Foundation is enabling Caxton to grow flexibly and respond decisively to the evolving needs of young people and the wider community.”

### Caxton Youth Organisation, one of our Youth Futures Fund partners

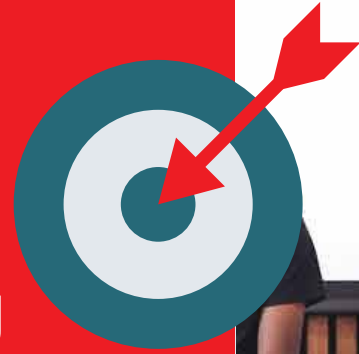
Young people under 25 represent almost a third of London’s population. They have been hit hard by the pandemic and the cost-of-living crisis. In 2022/23, we helped young people improve their wellbeing, reduce isolation, gain vital skills and address the issue of violence.

Our **Youth Futures Fund**, in its second year, brought various donors together including **Bank of Ireland**, to provide skills, training, and employability opportunities to help young people stay in education or find work. £260,000 was awarded to seven community organisations who will support 1,335 young people in their local communities.

This focus on skills was mirrored in our **Skill Up, Step Up** programme, a £1m partnership with **Barclays Lifeskills** and the **Evening Standard**. Our five partner charities help young people fulfil their potential, with the vital support they need to stay engaged in education, get training and find quality work. Despite the economic downturn, 89% of those in the programme have been placed in jobs or apprenticeships.

2022 was also a time to reflect on our four-year **Save London Lives** programme in partnership with the **Evening Standard**. The programme recognised the vital role community organisations play in reducing the risk of violence for young people in their local areas. Projects varied from youth work to family support, anti-knife workshops in schools to trauma training. 88% of grantees said the programme enhanced young people’s safety.

But as this fund closed, another opened. The **Young People’s Fund**, in partnership with **Peabody Community Foundation**, supports community groups putting youth voice at the centre of their work to tackle violence affecting young people. In January 2023, a panel of young people from across London awarded £128,188 to organisations addressing the issue of violence affecting young people in the boroughs of Westminster, Southwark, Waltham Forest, Lambeth and Hackney.



## Funding and support

**£2,600,000**

of our funding was awarded to community organisations supporting children and young people

**18%**

of our overall funding was focused on children and young people

**89%**

of those in the Skill Up, Step Up programme have been placed in jobs or apprenticeships.



## Our impact: women

# Stepping in where others can't

"It's so important that small charities are given a chance because small charities have so much to give and they are so closely aligned to the beneficiaries."

**BelEve UK, one of our VAWG Grassroots Fund community projects**

There are over four million women and girls living in London. But their experiences in our city vary hugely. Dynamics related to poverty, race, culture, community, religion, and language mean their experiences and the challenges they face are layered, with many being marginalised, unable to access the same opportunities as others.

Support for London's women can be found in the local, small, community organisations we fund. Trusted and turned to by the most excluded and alienated women, these organisations are founded and run by remarkable, ordinary women who recognise, and have often lived through, the same struggle. Women who turn up every day to provide support for the women in their communities.

Nowhere has this support been more apparent than with our **£2m Violence Against Women and Girls (VAWG) Grassroots Fund**, in partnership with the **Mayor's Office for Policing and Crime (MOPAC)**, which finished in March 2023. The VAWG Grassroots Fund provided two-year core cost grants of up to £100,000 accompanied by a bespoke learning programme that was co-designed with grantees on the fund. The fund supported 41 London-based grassroots VAWG organisations, all run by and for minoritised communities, with 75% led by women of colour. 17,443 women and girls were supported throughout the two-year period, and an estimated 184,668 indirect beneficiaries were reached. After its first year, 100% of the VAWG funded organisations share that survivors they support are better able to cope with aspects of everyday life.





## Funding and support

**£845,000**

of our funding was awarded  
to community organisations  
supporting women

**6%**

of our total funding was  
focused on supporting women

**£4,500,000**

of our funding was  
awarded to community  
organisations supporting  
Black and Minoritised Ethnic  
communities

**28%**

of our total funding was  
focused on supporting  
Black and Minoritised Ethnic  
communities



# A year at The London Community Foundation

## April

We launch our first environment fund, **Greener Futures Fund**, on behalf of **Grosvenor**, awarding over £230,000 to 9 projects taking local action on climate change

## May

**Wimbledon Foundation**, our longstanding partner, awards over £217,000 through the **Wimbledon Foundation Community Fund** and **Community Fund+** to local community projects near their famous grounds

## June

'**Collaboration in the Capital: lessons from the pandemic**', our COVID-19 impact report, is published

71 community art activities were supported over the Queen's Platinum Jubilee weekend as part of the **Let's Create Jubilee Fund** we delivered on behalf of the **Arts Council England**



Phase 2 of the **Pathways to Economic Opportunities Programme**, supported by **JPMorgan Chase** officially launches, awarding £1.5 million to 19 BME-led organisations supporting employability, enterprise and financial health

## July

We welcome two new Trustees: **Satnam Sagoo** and **Fiona Bickley**

We survey our network of community organisations to ask how the rise in inflation is starting to affect their organisations and communities

## August

Our **Together for London** appeal is launched to help communities, especially those who are marginalised and excluded, to cope with the cost-of-living crisis

**Deutsche Bank Opportunity Fund** awards over £159,000 to community projects tackling homelessness

## September



We mark the end of our four-year **Evening Standard Dispossessed Fund: Save London Lives** at an event with 56 community organisations, young Londoners and donors

**Lambeth Community Fund** in partnership with **Lambeth Council** opens for the first time since the pandemic and awards over £256,000 to 16 community projects in Lambeth

The **Peabody Community Fund** awards over £370,000 in its 15th round to local community projects benefitting their residents



## October



Our 17 **London Marathon** runners raise an incredible £22,000 running for London!

Our **Together for London** appeal receives pivotal donations from **Bank of Ireland** and **Trust for London**, totalling £1 million raised

## November

**Stanhope Foundation** awards £285,000 to support 6 charities providing employment and skills support to Londoners including young people, the homeless and those affected by cancer

## December

**Emergency grants totalling £1 million** are awarded to support 104 community organisations through the cost-of-living crisis through the **Together for London Fund**

## Annual report and financial statements

### The London Community Foundation

## January

Our **Youth Futures Fund** awards £240,000 to 8 organisations working to boost young people's skills and employability

**Cockayne - Grants for the Arts** awards £1,507,000 to support 96 creative projects and the arts across London

**The Young People's Fund** in partnership with **Peabody** awards over £128,000 to 7 organisations supporting young people

## February

Our **Together for London** appeal receives donations from **Allen & Overy**, **City Bridge Trust** and **M&G plc** totalling £2.2 million raised

**Ukrainian Refugee Support Fund** in partnership with **British Red Cross** awards £60,000 to 6 community projects helping Ukrainian refugees build new lives in the Capital

## March

A further **£1 million of emergency grants** awarded to 114 organisations as part of our **Together for London Fund**



The **Peabody Community Fund** awards over £499,000 in its 16th round to local community projects benefitting their residents

The **Safe Accommodation PIE** fund, in partnership with the **Greater London Authority** and **MOPAC**, opens for applications to improve existing safe accommodation for women and girls experiencing abuse and violence



**Trustees  
report**

# **Annual report and financial statements**

## **For the year ending March 2023**

**Charity No. 1091263**  
**Company No. 4383269**  
**[londoncf.org.uk](http://londoncf.org.uk)**

# Report of the Trustees

The Trustees present their annual statutory report together with the financial statements of The London Community Foundation for the year ending 31 March 2023. 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.

We can confirm that qualifying third party indemnity insurance was held on behalf of the company directors during the year.

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## Legal and administrative information

Name of charity:

**The London Community Foundation (LCF)**

Status:

**Charity registered in England and Wales:  
1091263**

**Company limited by guarantee registered  
in England and Wales: 4383269**

Principal office and registered address:

**7-14 Great Dover Street  
London  
SE1 4YR**

# Trustees' report

## Trustees:

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

**Russell Prior**  
(Chair of the Board)

**Gaynor Humphreys**  
(to September 2023)

**Genine Whitehorne**  
(Chair of People Committee from June 2022)

**John Hume**  
(Chair of Programmes and Impact Committee)

**Natalie Creary**

**Veesh Sharma**  
(Chair of Audit, Risk and Investment Committee)

**Urmi Dutta-Roy**

**Owen Jenkins**

**Satnam Sagoo**  
(from July 2022)

**Fiona Bickley**  
(from July 2022)

**Sanjay Mazumder**  
(resigned May 2022)

**Scott Greenhalgh**  
(resigned June 2022)

## Principal officers / Senior Management Team:

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

**Kate Markey**  
Chief Executive Officer. Also, Company Secretary.

**Kelly Rust**  
(to June 2022):  
Director of Grants and Impact

**Kate Stewart**  
(from June 2022):  
Director of Grants and Impact

**Laura Perkins**  
Director of Development and Communications

**Maureen Sebanakitta**  
Chief Operating Officer (from September 2022)

## Auditor:

**MHA LLP**  
Sixth Floor  
2 London Wall Place  
London  
EC2Y 5AU

## Legal advisors:

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

**Stone King LLP**  
Boundary House  
91 Charterhouse Street, Barbican  
London  
EC1M 6HR

## Bankers:

**NatWest**  
504 Brixton Road  
London  
SW9 8EW

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

## Investment managers:

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







# Trustees' report

# Objectives and activities

**Our vision** is of a strong and diverse civil society, that tackles disadvantage and creates greater equity in London.

**Our mission** is through good philanthropy, our knowledge and expertise, we convene donors to invest in charitable organisations working to overcome the issues affecting London.

London is the greatest city in the world. But it is a polarised city, of extreme inequality, of haves and have-nots.

We believe in the vital role of local community organisations in making London a fairer place for everyone. We also believe in the generosity and solidarity of Londoners wanting to make a difference where they live and work.

We know communities can identify their own responses to the challenges they face, but often lack the resources. Our task is to support them; to help make a difference in London by championing local organisations, connecting funders to them, channelling funds to their work, and supporting them directly to be stronger.

Our objectives, 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 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 and developing predominantly small charities and community groups that do not attract mass public support.**

We strive to make our funding process proportionate and accessible to small organisations. Our website provides resources and support to potential applicants seeking funding. This can include information to help applicants decide if they want to apply such as fund size and the anticipated number of grants to be awarded. Our Grant Standard Operating Procedures are grounded in respecting the time and expertise of grassroots organisations seeking to partner with us whilst being accountable for the funds we manage for donors and partners.

**We believe in listening, and trusting people to know what their challenges are,** and what resources they need to overcome them. This means we respond to their priorities. **We channel funds to local community organisations which are making a real difference in their community.** We are there to **offer support and help them get stronger,** to be more resilient and more secure, so people can depend on them, feel connected and have hope for their future.

## Objectives and activities (continued)

### 2. Amplifying the needs of London to inform local individual and corporate philanthropy.

**We champion local community organisations, advocate for their vital role in bringing London together to address the capital's challenges and promote the power of local philanthropy** to build connections between communities, and businesses and funders.

We understand small, local organisations, and have the expertise, reach and connections that **give our partners confidence in the work they are funding. We find community organisations working to tackle the issues that matter most to London and support our partners to have an easy and fulfilling giving experience.**

Our work also includes thought leadership and engagement across London's philanthropic landscape, private banks, and wealth advisory and intermediary services.

### 3. Fund management and grant-making services:

Through our Donor Advised Fund (DAF) model, we provide professional investment services to donors setting up and managing permanent and expendable endowment funds. We work with a third-party investment house to provide this service. We also manage public sector funds on behalf of local and central government departments.

Donors benefit from our established and professional services, including fund set-up, due diligence, assessment, grant deployment, portfolio management and impact reporting. We also work with the wider wealth advisory market to inform and support their clients' in giving.

We provide this work as The London Community Foundation and in partnership with our peer Community Foundations around the UK on national programmes and contracts secured by UKCF, the membership and accreditation body.

As of 31 March 2023, The London Community Foundation held £22,576k (2022: £24,050k) in endowment funds; this variance is due to fluctuations in market value during the year.

### Endowment funds held have been raised primarily through:

- Individuals and companies that want to create an enduring legacy in a particular geography or cause in the Capital. We can work with donors to consider their philanthropic ambitions and how to achieve them, now and in the future, as a flexible alternative to establishing their own charitable foundation or trust.
- Charitable trusts can be transferred to LCF (as with other community foundations), with the support of initiatives like the Revitalising Trusts Initiative by the Charity Commission. We can honour the original objectives and/or work with trust representatives to revive 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.



## Grant making policy

The London Community Foundation awards grants in line with the charitable objectives stated above to organisations that meet the following eligibility criteria:

Legal structures:

- Charitable Incorporated Organisation (CIO)
- Company Limited by Guarantee (CLG) - may also be registered as a Charity or a Community Interest Company Limited by Guarantee (CICLG)
- Trust
- Unincorporated Association
- Community Benefit Societies (CBS). Ideally, the CBS will also be registered as charitable with HMRC, however this is not essential.

### Governance

The organisation must have at least three unrelated members legally responsible for the governance of the organisation.

### Bank account

The organisation must have a bank account registered in its legal name with a minimum of two unrelated signatories.

### Safeguarding

The organisation must have a safeguarding policy in place that meets the requirements as listed in LCF's safeguarding checklist.

A decision to award a grant will consider any restrictions imposed by the donor in line with charity law.

Grants are managed through specific agreements with grantees, which set out the conditions of the grant, including reporting requirements, and when and how disbursement will happen. The agreement also outlines LCF's responsibilities to ensure that it can be held to account by partners and other stakeholders. Grants are usually disbursed in instalments to ensure that agreed timings and results are being met and managed.

LCF staff monitor and evaluate progress throughout the period of the grant. The nature of these activities will depend on the size and complexity of the grant and the perceived level of risk.

Monitoring and evaluation may include:

- Visits to the partners and beneficiaries
- Formal evaluation processes such as impact assessment by LCF or a third party
- If we are not satisfied that the grant is being managed according to the agreement, we discontinue the grant.

The full policy is on our website and is accessible via this link: [London Community Foundation | Eligibility criteria \(londoncf.org.uk\)](https://londoncf.org.uk/eligibility-criteria).

## Structure, governance and management

The London Community Foundation 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 appointed through an external open and competitive recruitment process. The People Sub-Committee of the Board is responsible for nominations and makes recommendations to the full Board of Trustees on appointments.

On 31 March 2023 LCF had 10 trustees (maximum 18) with the Board agreeing its optimal number is between 10 and 12. This is supported by a skills and expertise audit and a Board performance review every two years.

Prior to appointment, prospective Trustees meet with the Chair and CEO and are interviewed by a panel of Trustees, as well as meeting key staff where appropriate. To provide an inclusive and supportive recruitment experience, all shortlisted candidates receive further organisational information before interview. New Trustees receive key induction information including Memorandum and Articles, the latest statutory and management accounts, strategy, impact reports and other literature. Introductory briefings with the CEO and key staff are provided, and all Trustees are asked to serve on at least one Sub-Committee. Ongoing training is provided by way of online events and external training.

## Structure

New board appointments in 22/23 bolstered LCF's people, culture, investment and finance expertise and continued our commitment to ensure the Charity has not only the skills we need, but also the diversity of lived experience and perspective in London. Work across the Board and team has increased in the year, building on an inclusive culture and vision for LCF to help tackle inequality and disadvantage in the Capital through our unique role as The London Community Foundation.

Trustees meet quarterly and, between these meetings, business is conducted through the four Sub-Committees. These are **Programmes and Impact; Audit, Risk and Investment; People;** and **Supporter Engagement.**

The **Programmes and Impact Committee** meets four times a year and includes a minimum of two Trustees to be quorate. It has ultimate authority, delegated by the Trustees, to authorise grants and funding. The Committee also has the power to delegate authority to approve grants to senior staff in line with a delegated authority framework. Delegated authority currently sits with the Senior Management Team (SMT) for standard risk grants under £50k and the Middle Management Team (MMT) along with SMT for those under £25k.

The **Programmes and Impact Committee** is responsible for overseeing:

- LCF's impact strategy and performance
- Grant-making policies and controls, best practice, and operations
- Equitable grant-making services to the Capital's civil society

## Structure (continued)

The **Audit, Risk and Investment Committee** meets four times a year and comprises a minimum of two Trustees to be quorate. It is responsible for overseeing LCF's financial resilience and performance, investments risk and assurance, property, and health and safety. The committee is responsible for:

- Recommending to the Board of Trustees the appointment of, and performance review of, LCF's investments and investment managers
- Recommending the budget, business plan and targets to the Board of Trustees for approval
- Reviewing the draft statutory financial statements and recommending approval to the Board of Trustees
- Appointing and receiving the reports of LCF's auditor
- Reviewing financial policies and controls, reserves policy, and investment and endowment spending policies
- Overseeing risk management

The **People Committee** meets quarterly and at other times as required. The Committee is responsible for:

- Recommending Trustee appointments and performance to the Board
- Overseeing LCF's equality, diversity and inclusion as delegated by the Board of Trustees
- Reviewing LCF's people policies and protocols
- Receiving and monitoring key people data and surveys on behalf of the Board
- Providing oversight on organisational culture and human resources, including remuneration of the CEO, SMT and the wider LCF team

The **Supporter Engagement Committee** met twice during the year. The Committee is responsible for:

- Overseeing development (fundraising) performance, including donor products and pricing, pipeline, and portfolio
- Supporting strategic communications and influence
- Overseeing key donor policies and protocols
- Recommending decisions on issues of donor ethics and gift acceptance
- Monitoring donor engagement and satisfaction

Day-to-day operation of LCF is the responsibility of the **Senior Management Team** (SMT) and the **Middle Management Team** (MMT). The average number of team members employed during the year using a full-time equivalent basis was 18 (2022:19).

The SMT reports formally to the Board of Trustees every quarter on progress against strategic objectives, financial and impact performance as well as the annual work plans of the Board Sub-Committees. It also presents proposals on forward strategy.

LCF is a member of UK Community Foundations (UKCF), the membership and accrediting body that supports and promotes community foundations in the UK. There are 47 community foundations serving most of the UK population. The network of community foundations gives grants totalling around £100 million annually. Together, this makes us the UK's fourth largest grant-maker holding over £700 million in endowments. Over the past 20 years, donors have given over £1 billion to and through community foundations to address local need.

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.

# Trustees' report

## 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 reports on the activity and successes in the year to 31 March 2023, as well as explaining the plans for the current financial year. LCF's work benefits a range of local London charities, 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
4. There is no detriment or harm arising from the aims or activities





## Achievements and performance

LCF's vision, purpose and charitable objectives are captured on page 23 above. Our objectives for 2022/23 were set within the context of our strategic objectives. These, as well as our achievements are summarised below.

Strategic objective	Achievement
<b>Foster a culture of belonging and inclusion across the LCF team and Board</b>	<ul style="list-style-type: none"> <li>• Created new organisational values and behaviours that reflect equity, diversity &amp; inclusion</li> <li>• Launched a programme of monthly team-led EDI forums to discuss EDI issues. As part of this we invited grantee organisations to share their experiences to learn from them</li> <li>• Launched a new recruitment policy and procedures with an EDI lens</li> <li>• Completed the annual diversity survey for staff and Trustees for the fourth year</li> <li>• Reviewed and rolled out an inclusive performance evaluation process for staff</li> </ul>
<b>Engage our current and prospective donor markets through external communications</b>	<ul style="list-style-type: none"> <li>• Launched key campaigns to advocate and raise funds for grassroots charities in the Capital, including Together for London and #HeroesofLondon</li> <li>• Held events and round-tables for donors throughout the year on issues that matter to London, including violence affecting young people, youth employment and mental health</li> <li>• Twitter Impressions - 1,179k. Total followers increased by 610 to 6223.</li> <li>• Total LinkedIn followers on LinkedIn increased by 389 to 1,478.</li> <li>• We have 39,344 Grants Bulletin subscribers. Openings average at 46.80%</li> <li>• We have 4,316 Donor Bulletin subscribers. Openings average at 40.72%</li> <li>• Tailored communications for partner events i.e., JPMorgan, Save London Lives and Together for London</li> </ul>
<b>Diversify and grow our donor portfolio and products</b>	<ul style="list-style-type: none"> <li>• Pooled funds: we launched two pooled funds - Youth Futures Fund Year 2 (£267k) and Together for London (£2.2m)</li> <li>• Invite-only: we grew our invite-only funds attracting and supporting new donors to LCF</li> <li>• Open grants: continued to bid for tenders and offer an excellent open grant service</li> <li>• Major events: We held 3 - JPMorgan Pathways to Economic Development; Save London Lives and Together for London</li> </ul>
<b>Make the best use of our time, data, and digital solutions, ensuring compliance</b>	<ul style="list-style-type: none"> <li>• Carried on with our work on upgrading our contacts relationships database in collaboration with UKCF Digital. We hope to complete this work in March 2024</li> <li>• Increased circulation of our newsletter and social media presence</li> <li>• Continued to assure our online security through Cyber Essentials accreditation</li> </ul>
<b>Build long-term financial resilience</b>	<ul style="list-style-type: none"> <li>• Trustees reviewed and approved a new reserves policy</li> <li>• We reviewed our endowment fee and, following negotiations with fund holders, made a small increase</li> <li>• We moved to new offices and adopted a new hybrid working pattern</li> </ul>
<ul style="list-style-type: none"> <li>• Review LCF's reserves policy</li> <li>• Review LCF's property arrangements in line with new ways of working</li> </ul>	

# Trustees' report

# Financial review

**In what was another tough and uncertain year, we are extremely grateful to all our supporters for their continued generosity in partnering with LCF to support London’s grassroots charities.**

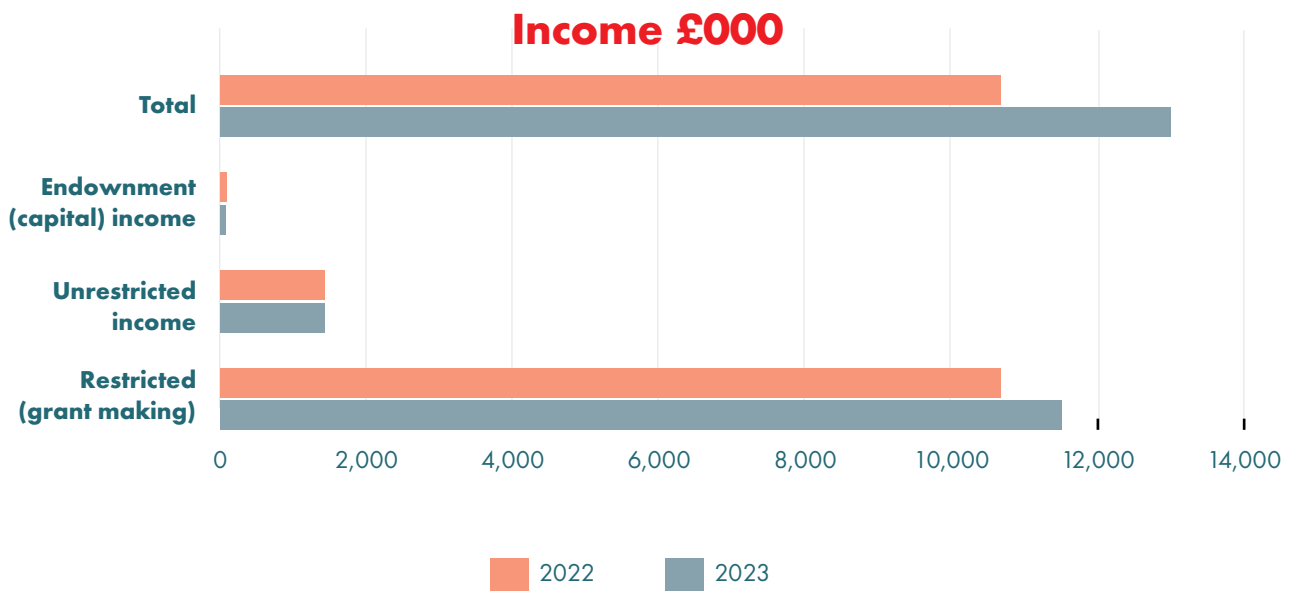
Our total income in 2023 was £13 million (2022: £12 million) and our total expenditure was £13.6 million (2022: £10.8 million), an increase of £1 million and £2.8 million respectively on the previous year.

## Income

The total income for the year was £13 million (2022: £12 million). Donations came from a range of donors including companies, central and local government, individual philanthropists, and social sector organisations. Other sources include rental, investment and charitable activities. 93% of our income came from donations, followed by 6% from investment income and 1% from charitable activities.

The breakdown is as follows:

- Restricted voluntary income received was £11 million (2022: £10 million), an increase of 10%
- Unrestricted income from donations was £0.8 million (2022: £1 million), a decrease of 20%.
- Investment income was £0.8 million (2022: £0.7 million), an increase of 14%.
- Other income was £0.2 million (2022: £0.2 million), holding steady during this period.



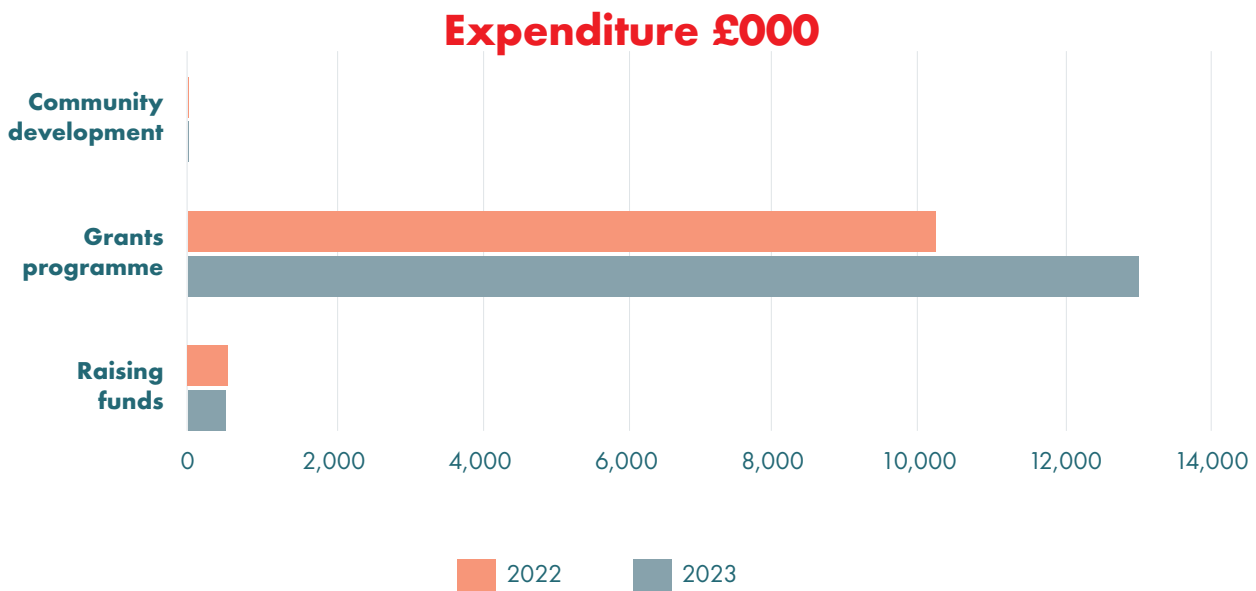
# Trustees' report

## 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' represent all grants made to beneficiary organisations and individuals, as well as expenditure on capacity building and evaluation related to some of LCF's funds, and larger initiatives to support London's local civil society. It also includes the cost of running grant-making operations and associated support costs. Grants payable in-year totalled £12.1 million (2022: £9.3 million), an increase of 30% (see Note 11a on page 74).

LCF's main core cost excluding grant payments is our team, which represented 66% of the Charity's unrestricted expenditure (2022: 60%). Staff costs are allocated to the costs of raising funds and charitable activities based on time spent. Support team costs are allocated in a similar manner. Team costs, which include employees and contractors, was £1 million (2022: £1.1) a decrease of 10%. The Charity's team count remained at an average of 18 full-time equivalent staff (2022: 19).





## Expenditure (continued)

### Cash position

LCF's cash balances (excluding any cash held by the investment managers) were £10.2 million (2022: £10.3 million), a decrease of £0.1 million. Cash held by LCF mainly represents restricted funds held for the purposes of grant-making and, of this balance, £9.5 million represents restricted and endowment funds (2022: £9.6 million). LCF works with donors to set a timetable for spending restricted funds throughout the year. Various factors determine the length of time funds are held in cash, including the needs of the community and grant applicants, as well as internal resources and planning.

Of the £0.9 million net general reserves (2022: £0.9 million), £0.7 million is a cash balance representing unrestricted funds (2022: £0.7 million) and £0.3 million is invested (2022: £0.3 million), leaving net liabilities of £0.1 million (2022: net liabilities £0.1 million). The invested funds, which are held under the reserves policy, are not expected to be needed in the short term and are invested with CCLA to generate a higher return than would be earned if they were held in an ordinary bank deposit account.

### Diversity of income and financial sustainability

Our business plan sets out that no one fund, or programme, should contribute more than 20% of the Charity's income or 35% of the Charity's grant-making in any year. This has been achieved.

### Working with our donors and funding partners

We are grateful to key partners such as the Mayor's Office for Policing and Crime (MOPAC), the Evening Standard, Trust for London, Centre for London, City Bridge Trust and our membership organisation UKCF (and its funding partners) for the opportunity to collaborate on funds and programmes to support vulnerable Londoners. Our impact is built on the relationships we hold with donors and partners and the trust they place in our work with small charities in the Capital. This includes the many existing and new donors who have joined forces in LCF's Youth Futures Fund and the Together for London Fund to provide critical emergency funding for charities struggling with the cost-of-living crisis. Their commitment to sharing decision-making and outcomes on these important funds continues to be a blueprint for future pooled funds and demonstrates what is possible when donors collaborate.

During 22/23, LCF's funding sources included:

Funding Source	2023	2022
Corporates	20%	32%
Local public authorities	31%	32%
Trusts and foundations	41%	27%
Individuals	5%	8%
National public authorities	3%	–

## Reserves

The total value of funds held at 31 March 2023 was £32 million (2022: 33 million).

**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. A reasonable percentage of capital amounts of expendable endowment may be spent if the Trustees decide to do so, though the overall endowment is intended for enduring impact. The capital of permanent endowment may not be spent. Endowment reserves at 31 March 2023 stood at £23 million (2022: £24 million). The decrease of £1 million is due to a combination of planned drawdowns of expendable endowment funds as well as investment market losses during the year.

**Restricted reserves** comprise funds available for expenditure in accordance with the donors' strategies for giving. Donations are typically spent over one to two-year periods, however, LCF encourages its donors to open multi-year funds to support the ongoing resilience of charitable organisations, which in some cases leads to the build-up of restricted reserves. Restricted reserves at 31 March 2023 were £8.1 million (2022: £8.2 million). The decrease is due to the timing of grant programmes.

**Designated reserves** are funds set aside from unrestricted reserves for capital expenditure at the discretion of the Trustees. The balance of £8k (2022: £6k) represents the undepreciated value of the fixed assets.

**General 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 general reserves held at 31 March 2023 were £0.9 million (2022: £0.9 million).

## Reserves policy

Long-term financial resilience remains a key strategic priority for LCF. In addition, growing multi-year engagement with donors supports both LCF's own resilience as well as that of the beneficiary grassroots organisations they are targeting with their philanthropy.

LCF's reserves policy enables management of general reserves to ensure we hold an appropriate level of accessible funds to mitigate against identified financial risks while ensuring we are making timely and strategic use of our funds. The policy focuses purely on the general reserves, as outlined above, as these are the funds at the discretion of the Trustees.

We hold general reserves to provide cover for unexpected changes in income and expenditure, allowing LCF to continue activities in the event of:

- a temporary loss of income
- a permanent fall in income, allowing time to adjust our cost base or business model

General reserves also allow us to implement new strategic priorities or invest in new opportunities to achieve our goals. The general reserves are matched by investments held with our investment managers, CCLA Investment Management Ltd (CCLA), so that we can draw on them quickly if necessary.

A formal review of the reserve levels takes place every three years. In the intervening years the Audit Risk & Investment Committee considers the impact of the financial risks associated with the income and expenditure streams and balance sheet items and assesses the appropriateness of the reserves policy.

## Reserves policy (continued)

The policy was reviewed during the year and the outcome was a new reserves policy based on a range of 5-9 months of expenditure (£0.6 – £1.1 million) rather than a fixed amount and is based on the principle that LCF should be resilient to financial shocks and be able to continue operations despite fluctuations in income or expenditure.

The closing general reserves of £0.9 million are therefore near the top of the target range of 9 months.

## 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 endowments. 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 grant-making, 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 supporting both current and future beneficiaries. They will only use the power to spend the capital growth to the extent that the ability to support future charitable organisations 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 2023 the percentage used was 3.5% (2022: 3.5%) for grant-making 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% (2022: 3.5%) of the value of the fund on 31 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.

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

The unapplied total return on the Pedlar's Acre endowment fund at the end of the year is £979k.

## Investments

LCF has set a clear investment policy which is driven by the Charity's principles. This policy is reviewed annually and is consistent with the 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.

The majority of the assets are in the COIF Charities Investment Fund whose Board has adopted an ethical investment policy which prohibits investment in companies that have been identified as being involved in:

- producing landmines, cluster bombs or chemical/biological weapons;
- producing tobacco products;
- having significant (>10%) turnover relating to online gambling or the production of pornography.

Companies that have not responded to persistent engagement on compliance with:

- the ILO Core Labour Standards;
- the UN Guiding Principles on Business and Human Rights; and
- norms relating to biodiversity, toxic waste and climate change disclosure;

are also restricted from investment.

The total value of funds invested, including cash held by investment managers for re-investment, amounted to £24 million (2022: £25 million). The reduction in the year is due to unrealised losses and sales of investments for grant-making purposes during the year.

The portfolio at CCLA is 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.

LCF's Audit, Risk and Investment Sub-Committee is responsible for monitoring 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. CCLA provides quarterly reports and presents to the Sub-Committee at least once a year whilst also responding to specific requests during the year.

	March 2023 (net of fees and costs)	March 2022 (net of fees and costs)	three-year return to 31 March 2023 (net of fees and costs)
CCLA - COIF Investment Fund	-0.90%	1.62%	11.20%
ARC Steady Growth (peer group comparison)	-4.14%	6.29%	8.11%



## Principal risks and uncertainties

### Risk management

LCF has a risk management policy, which has been designed to identify and analyse key strategic and operational risks facing the Charity and, where they are at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a negative impact on the Charity's ability to fulfil its purpose of convening donors to invest in charitable organisations working to overcome the issues affecting London.

### Risk appetite

Risk appetite is the amount of risk that LCF is willing to accept in relation to key drivers of the organisation. As a charity funded through voluntary donations, we seek to diversify our income streams and we are therefore open in this regard. This approach enables us to accept additional risks, providing the impact has been evaluated, mitigation measures have been put in place and a regular robust monitoring process is established. This approach to reviewing risk enables us to adopt appropriate behaviours, decisions, and controls in line with our values and strategic plan.

Prior to any risk being accepted, we consider the likelihood of the risk occurring and the impact on our activities if the risk did occur. Any risk that seriously threatens the ability of The London Community Foundation, now or in the future, to further its purpose will not be acceptable. If such a risk cannot be extinguished, then all steps will be taken to minimise the likelihood of the risk occurring.



# Trustees' report

## Roles and responsibilities for managing risk

Role	Responsibility
<b>Board of Trustees</b>	<ul style="list-style-type: none"> <li>• Leadership and control of the Charity</li> <li>• Set mandate and commitment for risk management and appetite</li> <li>• Lead risk management culture</li> <li>• Be aware of the risk to the reputation of LCF from activities that they may undertake elsewhere</li> <li>• Seek assurance from the Audit, Risk &amp; Investments Committee that appropriate strategic risk management procedures are in place</li> <li>• Review approach to evaluation and mitigation of major risks annually at Full Board</li> </ul>
<b>Audit, Risk &amp; Investment Committee &amp; Sub Committees</b>	<ul style="list-style-type: none"> <li>• Monitor the effectiveness of LCF's risk management procedures via the ongoing review of the system of internal control. This includes receiving risk reports from the Grants &amp; Impact Committee for review, recommendation, or decision as per the Committees' terms of Reference</li> <li>• Review the register on a quarterly basis and support SMT in potential mitigation (or escalation) of risks</li> <li>• Review wider risk related policies and frameworks across finance, operations, systems and people</li> <li>• Determine the requirement for internal audit on any areas of LCF's operations</li> </ul>
<b>Senior Management Team</b>	<ul style="list-style-type: none"> <li>• Identify, analyse &amp; evaluate risks</li> <li>• Own risk management strategies</li> <li>• Oversee incident response and crisis management</li> <li>• Drive for continuous improvement in risk management</li> </ul>
<b>Chief Operating Officer</b>	<ul style="list-style-type: none"> <li>• Develop the risk management policy and processes, specifically the co-ordination of the risk review and the categorisation and evaluation of risks identified</li> <li>• Ensure strategic risks are regularly reviewed by the Senior Management Team</li> </ul>
<b>Middle Management Team</b>	<ul style="list-style-type: none"> <li>• Risk identification, ownership and control: maintain an effective risk identification and management and control environment as part of day-to-day operations</li> </ul>
<b>Outsourced IT provider</b>	<ul style="list-style-type: none"> <li>• Reporting to the Board and Board Sub-Committees.</li> </ul>
<b>External auditors</b>	<ul style="list-style-type: none"> <li>• Independent internal and external audits to test design and operating effectiveness of systems and controls</li> </ul>
<b>Management, staff, partners and volunteers</b>	<ul style="list-style-type: none"> <li>• Be aware of the importance of identification and risk management. There should be formal channels of communication both up and down to identify and manage risks</li> <li>• Control environment: all employees, volunteers and partners contribute to managing risk in their departments or area of expertise</li> </ul>

## Monitoring and review of the policy

We update the organisational risk register as part of the annual business planning process. Risk is also considered at the Trustees' quarterly meetings and by relevant Sub-Committees, where specific risks require consideration. The full risk register is reviewed by the Board annually. This process allows the Trustees both to challenge any assumptions the SMT has made about risks and to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively.

The Trustees are satisfied that procedures are in place to manage or mitigate the impact of the significant risks they have identified.

## Monitoring and review of the policy (continued)

The principal risks faced by the Charity and the mitigations are as follows:

Risk	Mitigation
<p><b>Financial stability</b> Long-term financial resilience for LCF remains a key strategic risk for the Charity. External shocks or trends impacting our income, cashflow or reserves could put our future financial stability at risk.</p>	<p>We monitor our actual and forecasts against the financial plans continuously so that we can implement appropriate measures in good time</p> <p>The SMT reviews monthly reporting on income, expenditure and reserves positions</p> <p>On a quarterly basis, we provide financial reports to the Audit, Risk and Investment Committee</p> <p>Periodic review of the reserves policy to ensure that it remains aligned with the challenges facing the Charity.</p>
<p><b>Potential or perceived misuse of funds</b> The result of which could be reputational and/or loss of donors and income. As a high-volume, small grant funder – and often at pace – LCF’s reputation relies on the trust bestowed upon the Charity by its donors and partners.</p>	<p>We seek to mitigate the risk of potential fraud, funding inappropriate or ineligible organisations and poor funding decisions through Standard Operating Procedures, controls, and development and training across the team</p>
<p><b>Data and cyber security</b> Post COVID-19 individuals and organisations alike are more digitally dependent and, therefore, face greater risk of cybercrime.</p>	<p>We have mandatory training in place on data protection and information security to ensure the safe handling of data and compliance with regulations. We have clear processes in place to manage incidents</p> <p>We obtained our Cyber Essentials certification</p> <p>We regularly review our controls, team awareness and training, and Board oversight</p> <p>In addition, we upgraded our information management systems and IT provision</p>
<p><b>Workplace culture and leadership</b> Failure to provide a safe and respectful workplace would be detrimental to the wellbeing of our staff and volunteers. Failure to attract, engage and retain the best staff, impacts our ability to achieve our charitable objectives.</p>	<p>We created new organisational values and behaviours that reflect EDI</p> <p>We have reviewed and rolled out an inclusive performance evaluation process for all staff. We aim for all staff to have clear personal objectives, which help contribute to our vision and mission</p> <p>During the year we updated our recruitment policy and procedures with an EDI lens to ensure we can attract individuals from marginalised or under-represented groups within the LCF staff team</p> <p>In 2023/24 we plan to review LCF’s pay and grading structure to support opportunities for career progression within the organisation</p>
<p><b>Meeting regulator, donor and grantee expectations</b> Failure to meet the compliance and service expectations set by our regulators and donors respectively would affect our ability to fundraise and operate as a charity.</p>	<p>Our governance is underpinned by a comprehensive set of policies and procedures designed to manage risks to successfully meet our legal and regulatory obligations</p>

## People and pay

### Remuneration policies

LCF had on average of 18 full-time equivalent staff during 2023 (2022: 19). This year the organisation has been embedding and learning from developments during 21/22 including launch of a new People Offer, revised salary bands, balancing the Charity's commitment to attracting and retaining people, alongside inflation and future overall affordability. Recommendations are received on salary structure from the CEO and SMT in consultation with relevant line managers. The recommendation for the CEO's salary is made by the Chair to the People Committee.

Salary bands are openly stated in job advertisements and, as a signatory to the Show the Salary campaign (Sector Partner Pledge), LCF ensures access to a fair wage and greater inclusion in the workplace.

### Our approach to pay

LCF employs people based on the specific skills, knowledge and behaviours that they bring both to their role and to the success of LCF. We want to reward the LCF team fairly for the jobs that they do, and we believe that our salaries and additional benefits, such as a 10% contributory pension, a minimum of 25 days' (pro rata) holiday entitlement, flexible working, volunteer days and employee assistance scheme reflect this.

LCF is a London Living Wage accredited employer, meaning all our team and contractors are paid at least the London Living Wage. We are also a Living Wage accredited funder, meaning we encourage the charities and community organisations we fund to pay the London Living Wage.

### Remuneration of key management personnel

The Trustees consider that they, together with SMT, comprise the key management in charge of directing and controlling, running, and operating the Charity. The pay of the senior employed staff is set by reference to LCF's Pay and Grading scale. The salaries are benchmarked against pay levels in other charities of a similar size run on a voluntary basis. The salaries for senior staff posts are determined as part of the same salary scale as is used for all staff posts.

#### SMT was as follows during the year:

CEO, Director of Grants & Impact, Chief Operating Officer and Director of Development & Communications. Until September 2022, an interim Finance & Resources Director supported LCF, before the organisation transitioned to a permanent Chief Operating Officer role. The total benefits of the employed SMT, including employer pension contributions, was £321k (2022: £264k).

The Trustees are not remunerated. Directly incurred expenses for travel and subsistence relating to their role as Trustees are reimbursed if claimed. No claims were made in 2023 (2022: 0).



## Pay ratio

The ratio of our highest salary rate to our median salary during 2023 was 2.29:1 (2022: 2.39:1).

## Reporting on our people

In this fourth year of LCF reporting diversity data on its Board and team in its Statutory Accounts, we have added key insights and challenges as part of our continued commitment to being accountable for how we represent London.

This reporting is part of LCF's ongoing commitment to equity, diversity, and inclusion (EDI). Although we are not legally required to report against diversity, we are committed to being transparent, holding ourselves to account and learning from our challenges and progress. This work forms part of a wider EDI strategy and commitment.

## Our Diversity Survey

The following data tables are taken from an anonymous diversity survey of Trustees and team members at LCF across the last four years. Responses to the survey were not mandatory, were self-reported and each question included an option of 'Prefer not to say'. This means people did not need to complete the survey and could leave some or all sections unanswered. LCF is a small team and Board and, therefore, the process of gathering and representing data responsibly and respectfully is different compared to a large organisation.





# Trustees' report

LCF Team	2020	2021	2022	2023
<b>How do you describe your ethnicity?</b>				
Asian/Asian British:	0%	0%	11%	5%
Black/Black British:	0%	5%	5%	18%
Mixed/dual heritage:	0%	0%	5%	5%
Other ethnic background:	0%	11%	0%	0%
White/White British:	77%	84%	68%	32%
Did not respond:	23%	0%	11%	41%
<b>How do you define your gender identity?</b>				
Man:	23%	26%	16%	18%
Other gender identities listed:	0%	0%	0%	0%
Other:	0%	5%	0%	0%
Woman:	54%	68%	74%	41%
Did not respond:	23%	0%	11%	41%
<b>Which of the following options best describes how you think of your sexual orientation?</b>				
Bisexual:	0%	5%	11%	0%
Gay or lesbian:	15%	16%	11%	9%
Heterosexual:	54%	74%	68%	45%
Other sexual orientations listed:	0%	0%	0%	5%
Prefer not to say:	8%	5%	0%	0%
Did not respond:	23%	0%	11%	41%
<b>Do you consider yourself to live with a disability?</b>				
No:	54%	89%	79%	45%
Yes:	8%	5%	0%	14%
Prefer not to say:	15%	5%	11%	0%
Did not respond:	23%	0%	11%	41%
<b>What is your age?</b>				
18-24	0%	5%	0%	0%
25-29	15%	16%	21%	9%
30-34	8%	16%	21%	14%
35-39	23%	26%	11%	5%
40-44	0%	5%	11%	9%
45-49	15%	11%	5%	5%
50-54	15%	21%	11%	9%
55-59	0%	0%	11%	9%
60+	0%	0%	0%	0%
Did not respond:	23%	0%	11%	41%

LCF Board of Trustees	2020	2021	2022	2023
<b>How do you describe your ethnicity?</b>				
Asian/Asian British:	23%	20%	20%	20%
Black/Black British:	0%	20%	20%	20%
Mixed/dual heritage:	0%	0%	10%	10%
Other ethnic background:	0%	0%	0%	0%
White/White British:	63%	50%	50%	50%
Did not respond:	13%	10%	0%	0%
<b>How do you define your gender identity?</b>				
Man:	63%	60%	60%	40%
Other gender identities listed:	0%	0%	0%	0%
Other:	0%	0%	0%	0%
Woman:	25%	30%	40%	60%
Did not respond:	13%	10%	0%	0%
<b>Which of the following options best describes how you think of your sexual orientation?</b>				
Bisexual:	0%	0%	0%	0%
Gay or lesbian:	13%	20%	20%	20%
Heterosexual:	75%	70%	70%	70%
Other sexual orientations listed:	0%	0%	0%	0%
Prefer not to say:	0%	0%	10%	10%
Did not respond:	13%	10%	0%	0%
<b>Do you consider yourself to live with a disability?</b>				
No:	88%	90%	100%	100%
Yes:	0%	0%	0%	0%
Prefer not to say:	0%	0%	0%	0%
Did not respond:	13%	10%	0%	0%
<b>What is your age?</b>				
18-24	0%	0%	0%	0%
25-29	0%	0%	0%	0%
30-34	0%	0%	0%	0%
35-39	0%	10%	10%	0%
40-44	0%	20%	40%	60%
45-49	25%	10%	10%	0%
50-54	25%	10%	10%	20%
55-59	13%	10%	20%	0%
60+	25%	30%	10%	10%
Did not respond:	13%	10%	0%	10%

# Trustees' report

## How are we doing?

Over the four years since starting the survey, LCF's board has improved its diversity across ethnicity, sexual orientation, and age range. Ethnicity representation across Asian/Asian British and Black/Black British has increased. The age profile of our Trustees has improved during the past three years, also in line with the Charity's desire to welcome people without previous charity governance experience. This is particularly of note in relation to London's demographics. However, despite three Trustee recruitment campaigns over the years reported, disabled people remain significantly under-represented, and we will seek to address this over the coming years as Trustee terms change.

We have also made progress in diversifying our team, which is encouraging and enriches our level of experience and perspectives. The number of colleagues reporting their sexual orientation is also increasing. However, attracting talented people who have a disability needs to remain a focus. Allowing future talent to see themselves represented both at Board and team is vital to sustaining our growth on diversity. Ensuring our People Offer remains accessible and relevant is an important complement to our EDI Strategy.

We also reflect on the levels of 'non-reporting' and 'prefer not to say' across both Board and team and will seek to understand and encourage wider reporting in future surveys.



## Wider diversity and inclusion at LCF

We know that discrimination and racism exist in London. In our work, we are driven by social justice and believe that positive change is possible. We seek to achieve this by:

- Listening to the experiences of communities and seeking to understand the barriers they face
- Recognising that, as a philanthropic funder, we hold a certain type of power and influence and taking responsibility to use them positively
- Making funding more equitable and inclusive through our practices, and by influencing the way donors give to London
- Building a team culture and environment that allows everybody to thrive, reflects London and strengthens our practices and impact
- Continuously learning, reflecting and acting on what works

We define equity, diversity, and inclusion as:

**Equity** means everyone, no matter their background or characteristics, can achieve equal results. Equity differs from equality, which focuses on equal treatment, support, and distribution of resources rather than outcomes. Equity involves the promotion of justice, impartiality and fairness within the behaviours, procedures, processes, and distribution of resources by institutions or systems. For LCF this means recognising that some people experience inequality and injustice, actively removing barriers and challenging discrimination to enable equal outcomes.

**Diversity** means a multiplicity of shared and different individual and group experiences, values, beliefs, and characteristics are represented and valued. For LCF, this means celebrating differences and ensuring we employ, engage, and serve a group of people that is reflective of the society in which the Charity exists and operates.



**Inclusion** means everyone feels they belong, feels safe, valued, has a voice and a means to participate and realise their potential. Diversity efforts alone do not create inclusive environments. For LCF, this means taking active steps to listen, reach and involve people, particularly those who tend to be under-represented or whose voices tend not to be heard, and to welcome and accept them as they are.

LCF's EDI Strategy reaches across the organisation including our governance, people, culture, grant making and donor engagement. The Charity is also working with its peer community foundations on diversity and inclusion as part of its membership of the UKCF network.

## Future plans

	Strategic Objective	In detail
1	<b>Foster a culture of belonging &amp; inclusion across the LCF team &amp; Board</b>	<ul style="list-style-type: none"> <li>• Undertake an annual staff survey</li> <li>• Build on team engagement and touchpoints throughout the year</li> <li>• Progress EDI Strategic priorities for the year</li> <li>• Maximise opportunities for team and Trustee engagement</li> </ul>
2	<b>Grow our knowledge, reach &amp; connection with London's communities</b>	<ul style="list-style-type: none"> <li>• Identify opportunities to engage more with boroughs/beneficiary groups not well represented across LCF work via targeted mailouts/communications</li> <li>• Gather feedback from applicants (via survey) on grant making process and EDI considerations such as accessibility, inclusivity, 'led by' organisations</li> <li>• Increase collaboration across teams on programme design early in development process</li> <li>• Engage grantees and applicants to support communications/influence work</li> </ul>
3	<b>Grow our donor portfolio</b>	<ul style="list-style-type: none"> <li>• Deliver 4 events</li> <li>• Grow donor engagement in pooled funds and invite-only activities, offering new and different ways for local philanthropy to reach London's communities</li> <li>• Achieve income target of £9.3m</li> <li>• Increase our LinkedIn followers to 2,500, mailing list to 700, and Twitter followers to 7,000</li> <li>• Influence stakeholders through communications to encourage more giving to London through LCF</li> </ul>
4	<b>Make best use of our time, data &amp; digital solutions, ensuring compliance</b>	<ul style="list-style-type: none"> <li>• Review &amp; streamline LCF's management information</li> <li>• Deliver project goals of the Salesforce database upgrade project</li> <li>• Improve donor fund reporting and automation</li> </ul>
5	<b>Build long term financial resilience</b>	<ul style="list-style-type: none"> <li>• Diversify our income portfolio</li> <li>• Simplify the way our donors give</li> </ul>





# Our approach to fundraising

LCF generates its income by working in partnership with individual philanthropists, trusts, corporate and social partners, and local or central government. In normal years, 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 appeals in partnership with 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 a small group of individuals raising donations on our behalf through fundraising events like the London Marathon).

We focus our fundraising on high value fundraising where we have a direct and personal relationship with a donor. We do not engage in any forms of direct marketing activity to the public, for this reason our fundraising approaches do not put vulnerable people at risk. We communicate to our donors via email, and only to those who have subscribed to our e-newsletter. We do not communicate by phone or post. If a donor wants to unsubscribe to our email list, they can do this themselves automatically using the unsubscribe function. 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 2023.





# Statement of Trustees' responsibilities

The Trustees (who are also directors of LCF 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 situation of the Charity and of its income and expenditure 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
- 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 adequate 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
- The Trustee has taken all the steps that ought to have been taken as a Trustee to be aware of any relevant audit information and to establish that the Charity's auditor is aware of that information

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:



**Russell Prior**  
Chair

20 November 2023

# Auditor's report



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

## Year ended 31 March 2023

### Opinion

We have audited the financial statements of The London Community Foundation (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2023, and of its incoming resources and application of resources, including 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

# Auditor's report

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Other information

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

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

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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report has been prepared in accordance with applicable legal requirements

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

In the light of our 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 directors' 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 Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

## Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual report, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud
- Enquiry of management and those charged with governance around actual and potential litigation and claims
- Enquiry of management and those charged with governance about any instances of non-compliance with laws and regulations
- Reviewing the control systems in place and testing the effectiveness of the controls
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness

# Auditor's report

- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing accounting estimates for bias
- Reviewing minutes of meetings of those charged with governance
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.



**Stuart McKay BSc FCA DChA  
(Senior Statutory Auditor)**

For and on behalf of MHA, Statutory Auditor  
London, United Kingdom

Date: 06/12/2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)





# Financial statements

# Statement of financial activities for the year to 31 March 2023

Incorporating the income and expenditure account

	Notes	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Restated Total 2022 £000
<b>Income and endowments from:</b>							
Donations and legacies	2a	812	–	11,128	26	<b>11,966</b>	11,283
Charitable activities	2b	91	–	82	–	<b>173</b>	102
Investments	2c	466	–	299	38	<b>803</b>	737
Other trading activities	2d	58	–	–	–	<b>58</b>	61
<b>Total income</b>		<b>1,427</b>	<b>–</b>	<b>11,509</b>	<b>64</b>	<b>13,000</b>	<b>12,183</b>
<b>Expenditure on:</b>							
Raising funds	3a	516	–	3	–	<b>519</b>	554
Grants programme	3b	923	4	12,054	–	<b>12,981</b>	10,226
Community development	3c	1	–	49	–	<b>50</b>	25
<b>Total expenditure</b>		<b>1,440</b>	<b>4</b>	<b>12,106</b>	<b>–</b>	<b>13,550</b>	<b>10,805</b>
<b>Net income / (expenditure) before investment gains and losses</b>		<b>(13)</b>	<b>(4)</b>	<b>(597)</b>	<b>64</b>	<b>(550)</b>	1,378
Net gains / (losses) on investments		(12)	–	–	(932)	<b>(944)</b>	2,017
<b>Net income / (expenditure)</b>		<b>(25)</b>	<b>(4)</b>	<b>(597)</b>	<b>(868)</b>	<b>(1,494)</b>	<b>3,395</b>
Transfers in / (out) between funds		64	6	536	(606)	–	–
<b>Net movement in funds</b>		<b>39</b>	<b>2</b>	<b>(61)</b>	<b>(1,474)</b>	<b>(1,494)</b>	3,395
<b>Reconciliation of funds</b>							
Total funds at 1 April		890	6	8,184	24,050	<b>33,130</b>	29,735
<b>Total funds at 31 March</b>	13	<b>929</b>	<b>8</b>	<b>8,123</b>	<b>22,576</b>	<b>31,636</b>	<b>33,130</b>

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.

# Balance sheet

as at 31 March 2023

	Notes	2023 £000	2022 £000
<b>Fixed assets</b>			
Tangible assets	8	8	6
Investments	9	23,738	25,001
		<b>23,746</b>	<b>25,007</b>
<b>Current assets</b>			
Debtors	10	397	295
Cash at bank and in hand		10,210	10,328
		<b>10,607</b>	<b>10,623</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>(2,717)</b>	(2,500)
<b>Net current assets</b>		<b>7,890</b>	8,123
<b>Net assets</b>		<b>31,636</b>	33,130
<b>The funds of the charity:</b>			
<b>Capital funds</b>			
Expendable endowment funds	14	17,385	18,451
Permanent endowment funds	14	5,191	5,599
		<b>22,576</b>	<b>24,050</b>
<b>Revenue funds</b>			
Restricted funds	15	8,123	8,184
Unrestricted funds			
Designated funds	16	8	6
General funds		929	890
		<b>937</b>	896
<b>Total funds</b>		<b>31,636</b>	<b>33,130</b>

The financial statements were approved by the board on 20 November 2023



Russell Prior  
Chair



Veesh Sharma  
Chair of Finance, Resources and Risk  
Committee, formerly Audit, Risk &  
Investment Committee

Company number: 4383269

Charity number: 1091263



# Statement of Cashflows

as at 31 March 2023

	Notes	2023 £000	2022 £000
<b>Cash flows (used in) operating activities:</b>			
<b>Net cash used in operating activities</b>	A	<b>(1,260)</b>	(511)
<b>Cash flows from investing activities</b>			
Interest received		69	1
Investment income received		735	736
Purchase of property, plant and equipment		(6)	–
Purchase of investments		(8)	(27)
Proceeds from the disposal of investments		326	1,602
<b>Net cash (used in) / provided by investing activities</b>		<b>1,116</b>	2,312
<b>Cash flows from financing activities</b>			
Receipt of endowment		26	27
<b>Net cash (used in) / provided by investing activities</b>		<b>26</b>	27
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents at 1 April 2022	B	10,328	8,500
<b>Cash and cash equivalents at 31 March 2023</b>	B	<b>10,210</b>	10,328
<b>Notes to the statement of cash flows for the year ended 31 March 2023</b>			
<b>A. Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>			
<b>Net income for the year (as per the statement of financial activities)</b>		<b>(1,520)</b>	3,368
<b>Adjustments for:</b>			
Net losses / (gains) on investments		944	(2,017)
Depreciation charge		4	8
Dividends and interest from investments		(803)	(737)
(Increase) / Decrease in debtors		(102)	(129)
Increase / (Decrease) in creditors		217	(1,004)
<b>Net cash from/ (used in) operating activities</b>	A	<b>(1,260)</b>	(511)
<b>B. Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		10,210	10,328
		<b>10,210</b>	10,328
<b>C. Analysis of changes in net debt</b>			
As the Charity's net debt equalled its cash and cash equivalent balances at both the current and prior year-ends, an Analysis of changes in net debt table has not been disclosed.			

# Notes to the accounts

# Notes to the accounts

## 1 Accounting policies

### Basis of preparation

The financial statements of the Charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, in accordance with the Financial Reporting Standard application in the UK and Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011. The Financial Statements have been prepared for the year ended 31 March 2023 with comparative information in respect to the year ended 31 March 2022.

### Corporate status

The Charity is a company limited by guarantee registered in England and Wales and does not have share capital. Its members may be required to contribute a sum not exceeding £1 each in the event of the winding up of the company. The company is a registered Charity. The registered office is at 7-14 Great Dover St, London SE1 4YR.

### Going concern

After reviewing the Charity's forecasts and projections, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe there are no material uncertainties regarding the Charity's ability to continue as a going concern. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

## Accounting policies

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of investments, in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (SORP 2019), Financial Reporting Standard 102 and Companies Act 2006. The particular accounting policies adopted by the Board of Trustees are described below:

### Income

Income is recognised in the statement of financial activities (SOFA) when there is entitlement, probability of receipt and the income can be measured with sufficient accuracy.

The following specific policies are applied to particular categories of income:

**Donations and legacies:** These amounts are included in the SOFA in the year that they are receivable.

Income arising from grants and similar contracts specifically for the provision of grants, activities or services which are provided as part of the charitable activities of the Charity. Grants to cover administration costs are shown as charitable activities within the unrestricted fund.

Where income is received during the year in respect of future periods, the amount of the income which relates to future periods is deferred and included within creditors.

Where entitlement occurs before income is received, the income is accrued.

# Notes to the accounts

## 1 Accounting policies (continued)

**Investments:** Investment income and interest are recognised when entitlement or receipt is established.

**Other trading activities:** Income is recognised in full for activities undertaken during the year.

**Government grants:** Grants from governments and other agencies which provide core funding, or are given for grant making purposes, are included within 'Income and endowments from donations and legacies.' Grant income that contains conditions relating to performance or payments by results is recognised as performance occurs, with all funding received in advance or in arrears of performance deferred or accrued accordingly. Otherwise, income is recognised in full as soon as any other relevant conditions are satisfied.

### Expenditure

Expenditure is recognised when there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is included within the expense items to which it relates.

Expenditure comprises direct costs and support costs. Expenditure is classified under the following activity headings:

- **Cost of raising funds**

All expenditure associated with raising funds for the Charity, including staff costs associated with fundraising and the fees payable to the investment manager

- **Charitable activities**

All costs incurred towards achieving LCF's charitable objectives and include expenditure on grant programmes and community development.

- **Grant expenditure** is recognised in the year of award and when communicated to the recipient in line with the SORP.

- **Direct costs**, including directly attributable salaries, are allocated on an actual basis to each expenditure heading.

- **Governance costs** comprise the costs involving the public accountability of the charity compliance, statutory responsibility, and good practice. Support costs (including governance costs) are allocated to the expenditure activity headings based on employee time spent working in each area.

- **Support costs** are costs incurred which are not directly attributable to our charitable activities, but which are vital to carry out the primary purposes of the Charity. These include costs such as finance, human resources, premises, communications, and information systems. They are allocated or apportioned to the applicable expenditure headings on the basis of headcount.

### Pensions

LCF contributes to a defined contribution scheme in the UK.

Pension costs for the defined contribution scheme are charged to the accounts on an accrual basis in the period in which they occur.

## 1 Accounting policies (continued)

### Fund accounting

**General funds** are unrestricted funds which are available for use, at the discretion of the Board of Trustees, in furtherance of the general objectives of the Charity and which have not been designated for particular purposes.

**Designated funds** comprise unrestricted funds that have been set aside by the Board of Trustees for particular purposes.

The aim and use of each designated fund are set out in the annual report of the Board of Trustees and the notes to the financial statements. The Board of Trustees periodically reviews the level of designated funds to ensure that they are adequate to support the purpose for which they were set up, and any surplus or deficit is transferred to or from general funds.

**Restricted funds** are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the Charity for particular purposes. The costs of administering such funds are charged against the specific fund.

**Permanent endowment funds** represent amounts for which the capital must be retained and invested.

Income arising on these funds may be spent on the charitable objectives of LCF and in line with restrictions placed on each fund.

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.

**Expendable endowments** must be invested to produce income. Depending on the conditions attached to the endowment, all or part may be converted into an income fund, which can be spent. Income arising on these funds may be spent on the charitable objectives of LCF and in line with restrictions placed on each fund.

Permanent endowment funds (with total return approach) require all income, gains and losses be 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.

Any income funds not disbursed in the financial year are retained as unapplied total return. Should any year experience a negative return, a negative balance will be held in the unapplied total return fund until such time as future returns on the investments eliminate it.



# Notes to the accounts

## 1 Accounting policies (continued)

### Termination benefits and payments

LCF may be committed, by legislation, contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments to employees when it terminates their employment. Termination benefits are those that arise as a result of either LCF's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy during an organisational restructure. These are recognised as an expense and charged to the Statement of Financial Activities when LCF is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date; or to providing termination benefits because of an offer made to encourage voluntary redundancy. Termination benefits that arise as part of a settlement agreement are recognised once the period of consultation between the employee and their representative is completed and terms are agreed upon.

### Significant accounting estimates and judgements

The preparation of the financial statements requires judgements, estimations, and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcome could differ from expectation. These include:

- The estimate of useful economic life of tangible assets used to determine annual depreciation
- The basis on which support costs have been allocated across expenditure activity headings
- The assumption adopted in determining the value of any designation of unrestricted funds; and
- The rationale in determining an appropriate level of dilapidations provision associated with the leased premises

### Tangible fixed assets

Tangible fixed assets are recorded at cost. The threshold for capitalisation is £1,000, with a useful economic life exceeding one year.

Depreciation is charged on a straight-line basis over their useful lives which are estimated to be:

Leasehold improvements	Over the remaining life of the lease
Office equipment	Five years – 20%
IT equipment	Three years – 33.3%

## Investments

Investments are a form of basic financial instrument. Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded.

## Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

## Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and where the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, cash held in current accounts with UK banks and on deposit with CCLA.

## Value Added Tax

Some of LCF's activities are classified as exempt or non-business activities for the purposes of VAT, and, therefore, it is unable to reclaim all the VAT that it suffers on its operating costs.

Expenditure in these financial statements is therefore shown inclusive of VAT paid and not reclaimable.

## Operating lease

Rents payable under operating leases are chargeable to the Statement of Financial Activities on a straight-line basis over the lease term.

Benefits received as a lease incentive are credited to the Statement of Financial Activities, to reduce the lease expense on a straight-line basis over the remaining lease term.

## Prior year restatement

During the year the Trustees reassessed the classification of elements of Income from Donations and Legacies. In doing so, they concluded that £102k of such income recognised in the year ended 31 March 2022 better represented Income from Charitable Activities, and as such have restated this income in these accounts - see the Statement of Financial Activities and Notes 2a and 2b. This restatement has had no impact on the result for the year ended 31 March 2022.

# Notes to the accounts

## 2 Income

### 2a Income from donations and legacies

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Restated Total 2022 £000
Trusts and foundations	267	4,639	26	<b>4,932</b>	3,087
Corporations	200	2,239	–	<b>2,439</b>	3,632
Local public authorities	210	3,372	–	<b>3,582</b>	3,691
Individuals	92	505	–	<b>597</b>	873
National public authorities	43	373	–	<b>416</b>	–
<b>Total income from donations and legacies</b>	<b>812</b>	<b>11,128</b>	<b>26</b>	<b>11,966</b>	<b>11,283</b>

During the year LCF received government grants of £2,440k for the following projects:

- Safer Accommodation PIE (£795k);
- Violence against Women & Girls (£1,645k).

During 2021/22 LCF received government grants of £3,275k for the following projects:

- Violence against women & girls (VAWG) £1,528k;
- Domestic violence £1,747k.

There were no unfulfilled conditions as at 31 March 2023 (2022: none)

## 2b Income from charitable activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Restated Total 2022 £000
Local public authorities	91	82	–	173	96
Corporations	–	–	–	–	4
Individuals	–	–	–	–	2
<b>Total income from charitable activities</b>	<b>91</b>	<b>82</b>	<b>–</b>	<b>173</b>	<b>102</b>

## 2c Income from investments

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Interest receivable	69	–	–	69	1
Investment income	397	299	38	734	736
<b>Total income from investments</b>	<b>466</b>	<b>299</b>	<b>38</b>	<b>803</b>	<b>737</b>

## 2d Income from other trading activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Rental income	58	–	–	58	61
<b>Total income from other trading activities</b>	<b>58</b>	<b>–</b>	<b>–</b>	<b>58</b>	<b>61</b>

# Notes to the accounts

## 3 Expenditure

### 3a Expenditure on raising funds

	Notes	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
<b>Investment management costs</b>							
Staff costs	6	7	–	–	–	7	9
Allocated support costs	4	6	–	–	–	6	6
<b>Cost of raising donations and legacies</b>							
Staff costs	6	256	–	–	–	256	291
Other direct costs		33	–	3	–	36	33
Allocated support costs	4	203	–	–	–	203	204
<b>Cost of generating rental income</b>							
Staff costs	6	5	–	–	–	5	5
Other direct costs		3	–	–	–	3	3
Allocated support costs	4	3	–	–	–	3	3
<b>Total expenditure on raising funds</b>		<b>516</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>519</b>	<b>554</b>

### 3b Expenditure on charitable activities: grant programme

	Notes	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Grants payable		–	–	11,889	–	11,889	9,169
Staff costs	6	484	–	78	–	562	559
Other direct costs		55	–	87	–	142	112
Allocated support costs	4	384	4	–	–	388	386
<b>Total expenditure on charitable activities: grant programme</b>		<b>923</b>	<b>4</b>	<b>12,054</b>	<b>–</b>	<b>12,981</b>	<b>10,226</b>



### 3c Expenditure on charitable activities: community development

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Other direct costs	1	49	–	50	25
<b>Total expenditure on charitable activities: community development</b>	<b>1</b>	<b>49</b>	<b>–</b>	<b>50</b>	<b>25</b>

### 4 Analysis of support costs

	Notes	Unrestricted funds £000	Designated funds £000	Total 2023 £000	Unrestricted funds £000	Designated funds £000	Total 2022 £000
Support staff costs	6	148	–	148	167	–	167
Professional fees		99	–	99	80	–	80
Premises costs		178	–	178	164	–	164
Office and other costs		16	–	16	27	–	27
Depreciation		–	4	4	–	8	8
IT costs		50	–	50	40	–	40
Governance costs	5	105	–	105	113	–	113
<b>Total support costs</b>		<b>596</b>	<b>4</b>	<b>600</b>	<b>591</b>	<b>8</b>	<b>599</b>
<b>Attributed to:</b>							
Expenditure on raising funds	3a						
Investment management costs		6	–	6	6	–	6
Cost of raising donations and legacies		203	–	203	204	–	204
Cost of generating rental income		3	–	3	3	–	3
Expenditure on charitable activities							
Grant programme	3a	384	4	388	378	8	386
<b>Total expenditure on raising funds</b>		<b>596</b>	<b>4</b>	<b>600</b>	<b>591</b>	<b>8</b>	<b>599</b>

# Notes to the accounts

## 5 Governance costs

	Notes	Total 2023 £000	Total 2022 £000
Staff costs	6	59	67
External auditors' remuneration		21	14
Legal and professional fees		25	32
<b>Total governance costs</b>		<b>105</b>	<b>113</b>

## 6 Staff costs and remuneration of key management personnel

	Total 2023 £000	Total 2022 £000
Salaries and wages	803	816
Social security costs	83	83
Employer pension contributions	57	56
Temporary staff costs	94	143
<b>Total staff costs</b>	<b>1,037</b>	<b>1,098</b>

The average monthly number of employees during the year was:

Employees	2023 FTE	2022 FTE	2023 Number	2022 Number
Grant delivery and community development	12	12	12	13
Fundraising	4	4	4	4
Support	2	3	2	3
<b>Total</b>	<b>18</b>	<b>19</b>	<b>18</b>	<b>20</b>

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

	2023	2022
	Number	Number
<b>The number of staff whose emoluments are greater than £60,000 are</b>		
£60,001 – £70,000	1	2
£90,001 – £100,000	1	1
<b>Total</b>	<b>2</b>	<b>3</b>

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 employer pension contributions of £15,291 (2022: £20,481).

22 employees participated in the charity's stakeholder pension scheme (2022: 22), inclusive of all starters and leavers.

### Key management personnel

The Charity considers its key management personnel comprises the Trustees and Senior Management Team (SMT). The SMT was made up as follows during the year: CEO, Director of Grants and Impact, Chief Operating Officer, Director of Business Development & Communications.

Total key management personnel remuneration in the year, inclusive of employer pension and national insurance contributions, was £320,729 (2022: £264,055)

The Trustees are not remunerated. Directly incurred expenses for travel and subsistence relating to their role as Trustees are reimbursed if claimed. No claims were made in 2023 (2022:0).

# Notes to the accounts

## 7 Net (expenditure) / income

This is stated after charging:

	Notes	2023 £000	2022 £000
Staff costs	6	1,037	1,098
Auditor's remuneration (excluding recoverable VAT):			
Statutory audit services		21	14
Depreciation		4	8
Rentals under operating leases: property		116	107

## 8 Tangible fixed assets

	Leasehold improvements £000	Furniture, IT, office equipment £000	Total 2023 £000
<b>Cost</b>			
As at 1 April 2022	107	77	184
Additions	-	6	6
<b>At 31 March 2023</b>	107	83	190
<b>Depreciation</b>			
As at 1 April 2022	107	71	178
Charge for the year	-	4	4
<b>At 31 March 2023</b>	107	75	182
<b>Net Book Value at 31 March 2023</b>	-	8	8
Net Book Value at 31 March 2022	-	6	6



## 9 Fixed asset investments

### 9a Fixed asset investments

	2023 £000	2022 £000
Market value of listed investments at 1 April	25,001	24,560
Additions at cost	8	27
Disposal proceeds	(326)	(1,601)
(Losses) / gains on investments	(945)	2,017
<b>Market value of listed investments at 31 March</b>	<b>23,738</b>	<b>25,001</b>

### 9b Historical cost

	2023 £000	2022 £000
Market value at 31 March	23,738	25,001
Accumulated gains brought forward	(13,093)	(11,100)
Unrealised losses / (gains) for the year	926	(1,993)
Realised (losses) / gains in respect of disposals in the year	(10)	323
<b>Historical cost at 31 March</b>	<b>11,561</b>	<b>12,231</b>

### 9c Investments disposition

	2023 £000	2022 £000
Common Investment Funds: COIF Charities Investment Fund	23,638	24,895
Common Investment Funds: COIF Ethical Investment Fund	100	106
<b>Total Market value of listed investments at 31 March</b>	<b>23,738</b>	<b>25,001</b>

## 10 Debtors

	2023 £000	2022 £000
Trade debtors	344	226
Prepayments and accrued income	53	69
<b>Total Market value of listed investments at 31 March</b>	<b>397</b>	<b>295</b>

# Notes to the accounts

## 11 Creditors: amounts falling due within one year

	Notes	Total 2023 £000	Total 2022 £000
Grants payable	11 a	2,502	2,270
Other creditors		115	67
Accruals and deferred income	11 b	100	163
<b>Total Creditors at 31 March</b>		<b>2,717</b>	<b>2,500</b>

### 11a Reconciliation of grants payable

	Notes	Total 2023 £000	Total 2022 £000
Balance brought forward 1 April		2,270	2,922
Grants awarded during the year	3 b	11,889	9,169
Grants paid out during the year		(11,657)	(9,821)
<b>Grant creditor as at 31 March</b>		<b>2,502</b>	<b>2,270</b>

### 11b Reconciliation of deferred income

	Total 2023 £000	Total 2022 £000
Balance brought forward at 1 April	63	348
Amounts released to income	(63)	(345)
Cash received to be deferred	-	60
<b>Balance carried forward at 31 March</b>	<b>-</b>	<b>63</b>

Deferred income relates to funding where the agreement specifies some of the income is in relation to a future period.

## 12 Obligations under operating leases

At 31 March 2023, the Charity had total future minimum lease payments under non-cancellable operating leases for office rent as follows.

	2023 £000	2022 £000
Within one year	42	126
After one but within two years	-	42
<b>Total obligations under operating leases</b>	<b>42</b>	<b>168</b>

## 13 Analysis of net assets between funds

### Fund balances at 31 March 2023

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
<b>Represented by:</b>						
Tangible fixed assets	-	8	-	-	8	6
Fixed asset investments	317	-	863	22,558	23,738	25,001
Current assets – cash	747	-	9,445	18	10,210	10,328
Current assets – debtors	80	-	317	-	397	295
Creditors: amounts falling due within one year	(215)	-	(2,502)	-	(2,717)	(2,500)
<b>Total funds</b>	<b>929</b>	<b>8</b>	<b>8,123</b>	<b>22,576</b>	<b>31,636</b>	<b>33,130</b>

### Restricted fixed asset investments

Under the Community First programme, up to 100% of capital gains over the original value of the investment, indexed by the Retail Price Index (RPI), may be paid to endowment fund grant making (restricted) accounts annually. The balance is now £863k and will be drawn down once the spending plans are finalised by the fund holder.

# Notes to the accounts

## 14 Endowment funds

The LCF holds both expendable and permanent endowment funds. Many of The 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 material funds are shown below along with totals for each scheme. We have separated out any individual Grassroots Grant Fund or Community First Fund with an opening balance of over £250,000. The remainder of funds are grouped together under Other Grassroot Grants funds or Other Community First funds.

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2023 £000	
<b>Grassroots</b>	Bromley Community Fund	287	–	–	(11)	<b>276</b>	
	Croydon Community Fund	456	–	–	(18)	<b>438</b>	
	Deutsche Bank Fund	725	–	–	(29)	<b>696</b>	
	Evening Standard Dispossessed Fund	2,884	–	–	(109)	<b>2,775</b>	
	Gordon Family Fund	351	–	–	(14)	<b>337</b>	
	Lambeth Community Fund	283	–	–	(108)	<b>175</b>	
	Norton Rose GG Endowment Fund	534	–	–	(60)	<b>452</b>	
	Victoria Foundation Fund	449	–	–	(17)	<b>414</b>	
	Westminster Fund	471	–	–	(19)	<b>452</b>	
	Other Grassroots Grants funds	1,950	–	–	(118)	<b>1,847</b>	
	<b>Total Grassroots Grants funds (expendable)</b>	<b>8,390</b>	<b>–</b>	<b>–</b>	<b>(195)</b>	<b>(333)</b>	<b>7,862</b>
	<b>Community First</b>	Barnet Fund	392	–	–	(16)	<b>376</b>
Gordon Family CF Endowment Fund		1,152	–	–	(109)	<b>998</b>	
Cadogan Kensington and Chelsea Foundation CF Endowment Fund		272	26	–	(10)	<b>288</b>	
Land Securities Westminster Fund		279	–	–	(10)	<b>269</b>	
Living Cities Community Fund		1,142	–	–	(25)	<b>1,074</b>	
The London Leg Up Fund		409	–	–	(15)	<b>394</b>	
Other Community First funds		2,814	–	–	(30)	<b>2,678</b>	
<b>Total Community First funds (expendable)</b>		<b>6,460</b>	<b>26</b>	<b>–</b>	<b>(164)</b>	<b>(245)</b>	<b>6,077</b>

## 14 Endowment funds (continued)

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2023 £000	
<b>Expendable</b>	Cresswell Trust	77	–	–	(2)	73	
	Lambeth Endowment Fund	1,495	–	–	–	1,438	
	Lewisham Fund	424	–	–	–	407	
	Portuguese Fund	784	–	–	–	754	
	South London Opportunity Fund	201	–	–	–	193	
	Wandsworth Community Fund	620	–	–	(15)	581	
	<b>Total other expendable endowment funds</b>	<b>3,601</b>	<b>–</b>	<b>–</b>	<b>(17)</b>	<b>(138)</b>	<b>3,446</b>
<b>Total expendable endowment</b>	<b>18,451</b>	<b>26</b>	<b>–</b>	<b>(376)</b>	<b>(716)</b>	<b>17,385</b>	
<b>Permanent</b>	Barnet Endowment	90	–	–	–	87	
	Beaufoy Trust	1,778	–	–	–	1,711	
	Pedlar's Acre Trust unapplied total return	1,295	38	–	(230)	979	
	Pedlar's Acre Trust	1,837	–	–	–	1,837	
	Richmond Civic Trust	599	–	–	–	577	
	<b>Total permanent endowment</b>	<b>5,599</b>	<b>38</b>	<b>–</b>	<b>(230)</b>	<b>(216)</b>	<b>5,191</b>
	<b>Total endowment funds</b>	<b>24,050</b>	<b>64</b>	<b>–</b>	<b>(606)</b>	<b>(932)</b>	<b>22,576</b>

### The purposes and restrictions of these funds are summarised below:

Bromley Community Fund	To support the local community in Bromley
Croydon Community Fund	To support the local community in Croydon
Deutsche Bank Fund	To support homeless people and those at risk of homeless
Evening Standard Dispossessed Fund	To tackle a variety of social issues affecting disadvantaged Londoners
Gordon Family Fund	To support older people who are experiencing poverty and isolation
Lambeth Community fund	To support the local community in Lambeth
Norton Rose GG Endowment Fund	To support community sports organisations for young people
Victoria Foundation Fund	To support the New Victoria Hospital in Kingston
Westminster Fund	To support employment and opportunities for young people in Westminster
Barnet Fund	To support the local community in Barnet



## 14 Endowment funds (continued)

Gordon Family CF Endowment Fund	To support older people who are experiencing poverty and isolation
Cadogan Kensington and Chelsea Foundation CF Endowment Fund Grants	To support the local community in Kensington and Chelsea near the Cadogan estate
Land Securities Westminster Fund	To support employment and opportunities for young people in Westminster
Living Cities Community Fund	To support local communities to take action on climate in Southwark and Westminster
The London Leg Up Fund	To benefit community organisations supporting disadvantaged people across London, with a focus on young people
Cresswell Trust	To support the local community in Wandsworth
Lambeth Endowment Fund	To support the local community in Lambeth
Lewisham Fund	To support the local community in Lewisham
Portuguese Fund	To support the local Portuguese community in Lambeth
South London Opportunity Fund	To support the local community in Wandsworth
Wandsworth Community Fund	To support the local community in Wandsworth
Barnet Endowment	To support the local community in Barnet
Beaufoy Trust	To support the local community in Lambeth
Pedlar's Acre Trust	To support the local community in Lambeth
Richmond Civic Trust	To support the local community in Richmond

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 2023 can be seen in Note 15.

Transfers out of expendable endowment funds to restricted funds represent a release of the capital representing capital return. The transfers operate under The 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 17.

## 15 Restricted funds

LCF holds many restricted funds. We have separated out any material fund with an opening balance or closing balance of over £100,000. 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. They take into account multi-year commitments, to be paid to beneficiaries in future financial years.

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Balance at 31 March 2023 £000
Safe Accommodation PIE	–	750	–	–	750
JP Morgan	805	742	(833)	–	714
Stanhope Foundation	319	654	(435)	–	538
Peabody Community Fund	471	850	(830)	–	491
Wimbledon Foundation Community Fund	400	624	(622)	–	402
GLA 82072 MoJ DA SV 22-25	–	1,482	(1,092)	–	390
The CJ Fund	379	–	(30)	–	349
Cockayne Fund	20	1,800	(1,467)	(8)	345
Skill Up Step Up Employability Fund	353	450	(465)	–	338
Lambeth Grants Funds (Combined)	–	–	(144)	447	303
Youth Futures Fund	317	146	(308)	83	238
Lambeth Wellbeing Fund	141	107	(95)	42	195
Living Communities Fund	272	43	(162)	17	170
Gordon Family (combined)	131	–	(35)	29	125
Broadgate Community Fund	5	120	–	(6)	119
Lambeth Youth Opportunities Fund	53	51	(1)	–	103
Deutsche Bank Older People's Fund	47	33	(27)	–	53
Evening Standard Dispossessed Appeal	548	38	(414)	78	250
Lambeth CF Endowment Fund	196	20	–	(196)	20
Pedlar's Acre Trust	104	5	–	126	235
Sue Estermann Fund	159	–	–	–	159
Other restricted funds	3,464	3,594	(5,146)	(76)	1,836
<b>Total Restricted Funds</b>	<b>8,184</b>	<b>11,509</b>	<b>(12,106)</b>	<b>536</b>	<b>8,123</b>

# Notes to the accounts

## 15 Restricted funds (continued)

The purposes and restrictions of these funds are summarised below:

Safe Accommodation PIE	To support improvements to safe accommodation for domestic abuse survivors
JP Morgan	To support pathways to economic opportunities for BME communities
Stanhope Foundation	To support disadvantaged communities with employability and opportunities
Peabody Community Fund	To support residents where Peabody Housing association operates
Wimbledon Foundation Community Fund	To support the local community in Merton and Wandsworth
GLA 82072 MoJ DA SV 22-25	To support victims of domestic abuse and sexual violence
The CJ Fund	To support young people in Kensington and Chelsea with employability and mental health
Cockayne Fund	To support art projects for artists from diverse cultures
Skill Up Step-Up Employability Fund	To support disadvantaged young people with skills, employability and training
Lambeth Grants Funds (Combined)	To support the local community in Lambeth
Youth Futures Fund	To support disadvantaged young people with skills, employability and training
Lambeth Wellbeing Fund	To support the wellbeing and health of marginalised communities in Lambeth
Living Communities Fund	To support local communities to take action on climate in Southwark and Westminster
Gordon Family (combined)	To support older people who are experiencing poverty and isolation
Broadgate Community Fund	To support local communities around the Broadgate campus near Liverpool Street
Lambeth Youth Opportunities Fund	To support young people in the borough of Lambeth
Deutsche Bank Older People's Fund	To support older people who are experiencing poverty and isolation
Evening Standard Dispossessed Appeal	To tackle a variety of social issues affecting disadvantaged Londoners
Lambeth CF Endowment Fund	To support the local community in Lambeth
Pedlar's Acre Trust	To support small, grassroots community organisations in Lambeth
Sue Estermann Fund	To support research at the Royal Free Hospital

## 15 Restricted funds (continued)

### Transfers between funds

'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 Children and Young People's Fund

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 £410k in 2018-19. Any new funds raised in relation to the Grenfell Tower are now added to this fund.

## 16 Designated Funds

The tangible fixed assets fund of £8k (2022: £6k) represents the net book value of The 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.

# Notes to the accounts

## 17 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 2023 are shown below:

	Notes	The London Community Foundation £000	Pedlar's Acre Trust £000	Total £000
<b>Assets of each charity at 31 March 2023</b>				
Opening balance at 1 April 2022		29,998	3,132	<b>33,130</b>
Income		12,962	38	<b>13,000</b>
Expenditure		(13,550)	–	<b>(13,550)</b>
Fund transfers in/(out)	18	230	(230)	–
Loss on investments		(820)	(124)	<b>(944)</b>
<b>Net movement in funds</b>		<b>(1,178)</b>	<b>(316)</b>	<b>(1,494)</b>
<b>Closing balance as at 31 March 2023</b>		<b>28,820</b>	<b>2,816</b>	<b>31,636</b>
<b>Tangible fixed assets</b>				
Tangible fixed assets		8	–	<b>8</b>
Fixed asset investments		20,922	2,816	<b>23,738</b>
Debtors		397	–	<b>397</b>
Cash at bank and in hand		10,210	–	<b>10,210</b>
Creditors: amounts falling due within one year		(2,717)	–	<b>(2,717)</b>
<b>Net assets at 31 March 2023</b>		<b>28,820</b>	<b>2,816</b>	<b>31,636</b>
<b>Funds of the charities</b>				
Expendable endowment funds		17,385	–	17,385
Permanent endowment funds		2,375	2,816	5,191
Restricted funds		8,123	–	8,123
Unrestricted funds		937	–	937
<b>Closing balance at 31 March 2023</b>		<b>28,820</b>	<b>2,816</b>	<b>31,636</b>



## 18 Application of the power of total return to Pedlar's Acre Trust

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 regards 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, until the power to release the funds is exercised.

The Trustees have selected the date of the valuation for total return purposes to be the value of the endowment 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 the 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 restricted income funds and so is available for grant-making expenditure. During the year to 31 March 2023, 3.5% of the value of the fund as at 31 December 2021 was transferred 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 investment fund and application of total return to permanent endowment fund is as follows:

	Total 2023 £000	Total 2022 £000
Opening value of permanent endowment at 1 April	3,132	2,810
Less:		
Value of endowment at 31 March 2004	(1,837)	(1,837)
<b>Opening value of unapplied total return at 1 April</b>	<b>1,295</b>	<b>973</b>
Add:		
Investment return: income	38	58
Investment return: unrealised (loss)/gain on investment	(124)	264
Less:		
Transfers to income	(230)	–
<b>Unapplied total return after transfer to income</b>	<b>979</b>	<b>1,295</b>
Add:		
Value of endowment at 31 March 2004	1,837	1,837
<b>Permanent endowment including unapplied total return as at 31 March</b>	<b>2,816</b>	<b>3,132</b>

# Notes to the accounts

## 19 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 31 March 2023 there were no assets or liabilities relating to the fund (2022: NIL).

## 20 Related party transactions

Organisation	Trustee / Employee	Relationship with LCF	Description	31 March 2023 £000	31 March 2022 £000
The London Community Foundation	Gaynor Humphries	Trustee	Donation	4	4
Carers Hub Lambeth*	Laura Perkins	Employee	Grant	10	–
English Touring Company*	Tim Ingram	Trustee	Grant	–	25

\*Paid in full, with no outstanding balance at the end of the year.

## 21 Analysis of grants

### 21a Analysis of grants by recipient

	Total 2023 £000	Total 2023 Number
Grants awarded to institutions	14,167	649
<b>Total</b>	<b>14,167</b>	<b>649</b>

Most of the grant-making at LCF is to charities and community groups each year.

No individual grant is considered material to the Charity, hence there are no individual named grant recipients.

There was no material value of grants awarded to one single institution.

## 21b Analysis of grants by theme

Primary beneficiary	Total Awarded £000	Number of grants awarded
Black and Minoritised Ethnic communities	4,532	146
Children and Young People	2,614	148
Arts	1,492	94
People with mental health or physical health issues	1,455	51
Women	845	22
Older People	711	41
People affected by homelessness	493	26
Refugees and migrants	479	33
Alcohol / Drug Addiction	405	1
Local residents	387	30
People living in poverty	202	19
People with learning difficulties	128	12
Ex-offenders or offenders or at risk of offending	127	3
Families/Parents/Lone parents	80	7
LGBTQ+ communities	75	5
Carers	69	6
Men	33	3
People affected by violence, crime, or abuse	30	1
Long-term unemployed	10	1
<b>Grand Total</b>	<b>14,167</b>	<b>649</b>

## 22 Post balance sheet event

There were no post balance sheet events to report for 22/23.

## Prior year comparatives

### Statement of financial activity for the year to 31 March 2022

	Notes	Restated Unrestricted funds £000	Designated funds £000	Restated Restricted funds £000	Endowment funds £000	Restated Total 2022 £000	Total 2021 £000
<b>Income and endowments from:</b>							
Donations and legacies	2a	992	–	10,264	27	<b>11,283</b>	20,284
Charitable activities	2b	79	–	23	–	<b>102</b>	369
Investments	2c	296	–	383	58	<b>737</b>	761
Other trading activities	2d	61	–	–	–	<b>61</b>	60
<b>Total income</b>		<b>1,428</b>	<b>–</b>	<b>10,670</b>	<b>85</b>	<b>12,183</b>	<b>21,474</b>
<b>Expenditure on:</b>							
Raising funds	3a	542	–	12	–	<b>554</b>	531
Grants programme	3b	883	58	9,285	–	<b>10,226</b>	19,481
Community development	3c	2	–	23	–	<b>25</b>	21
<b>Total expenditure</b>		<b>1,427</b>	<b>58</b>	<b>9,320</b>	<b>–</b>	<b>10,805</b>	<b>20,033</b>
<b>Net income / (expenditure) before investment gains and losses</b>		<b>1</b>	<b>(58)</b>	<b>1,350</b>	<b>85</b>	<b>1,378</b>	<b>1,441</b>
Net gains / (losses) on investments	9	25	–	–	1,992	<b>2,017</b>	4,235
<b>Net income / (expenditure)</b>		<b>26</b>	<b>(58)</b>	<b>1,350</b>	<b>2,077</b>	<b>3,395</b>	<b>5,676</b>
Transfers in / (out) between funds	14,15	68	–	1,534	(1,602)	–	–
<b>Net movement in funds</b>		<b>94</b>	<b>(58)</b>	<b>2,884</b>	<b>475</b>	<b>3,395</b>	<b>5,676</b>
<b>Reconciliation of funds</b>							
Total funds at 1 April		796	64	5,300	23,575	29,735	20,059
<b>Total funds at 31 March</b>	12	<b>890</b>	<b>6</b>	<b>8,184</b>	<b>24,050</b>	<b>33,130</b>	<b>29,735</b>

## Prior year comparatives (continued)

### Refers to 2a – Income from donations and legacies

	Restated Unrestricted funds £000	Restated Restricted funds £000	Endowment funds £000	Restated Total 2022 £000	Total 2021 £000
Trusts and foundations	226	2,835	27	<b>3,088</b>	10,480
Corporations	432	3,195	–	<b>3,627</b>	4,020
Local public authorities	174	3,523	–	<b>3,697</b>	5,049
Individuals	160	711	–	<b>871</b>	735
<b>Total income from donations and legacies</b>	<b>992</b>	<b>10,264</b>	<b>27</b>	<b>11,283</b>	<b>20,284</b>

### Refers to 2b – Income from charitable activities

	Restated Unrestricted funds £000	Restated Restricted funds £000	Endowment funds £000	Restated Total 2022 £000	Total 2021 £000
Trusts and foundations	–	–	–	–	45
Corporations	4	–	–	<b>4</b>	4
Local public authorities	73	23	–	<b>96</b>	17
Individuals	2	–	–	<b>2</b>	–
National public authorities	–	–	–	–	303
<b>Total income from charitable activities</b>	<b>79</b>	<b>23</b>	<b>–</b>	<b>102</b>	<b>369</b>

### Refers to 2c – Income from investments

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Interest receivable	1	–	–	<b>1</b>	3
Investment income	295	383	58	<b>736</b>	758
<b>Total income from investments</b>	<b>296</b>	<b>383</b>	<b>58</b>	<b>737</b>	<b>761</b>

### Refers to 2d – Income from other trading activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Rental income	61	–	–	<b>61</b>	60
<b>Total income from other trading activities</b>	<b>61</b>	<b>–</b>	<b>–</b>	<b>61</b>	<b>60</b>

# Notes to the accounts

## Prior year comparatives (continued)

### Refers to note 3a – Expenditure on raising funds

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
<b>Investment management costs</b>						
Staff costs	6	9	–	–	9	8
Other direct costs		–	–	–	–	–
Allocated support costs	4	6	–	–	6	6
<b>Cost of raising donations and legacies</b>						
Staff costs	6	291	–	–	291	257
Other direct costs		21	12	–	33	38
Allocated support costs	4	204	–	–	204	212
<b>Cost of generating rental income</b>						
Staff costs	6	5	–	–	5	4
Other direct costs		3	–	–	3	3
Allocated support costs	4	3	–	–	3	3
<b>Total expenditure on raising funds</b>		<b>542</b>	<b>12</b>	<b>–</b>	<b>554</b>	<b>531</b>

### Refers to note 3b – Expenditure on charitable activities: grant programme

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Grants payable		–	9,169	–	9,169	18,432
Staff costs	6	550	8	–	558	563
Other direct costs		4	108	–	112	85
Allocated support costs	4	386	–	–	386	401
<b>Total expenditure on raising funds</b>		<b>940</b>	<b>9,285</b>	<b>–</b>	<b>10,225</b>	<b>19,481</b>



## Prior year comparatives (continued)

### Refers to note 3c – Expenditure on charitable activities: community development

Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Other direct costs	2	23	–	25	21
<b>Total expenditure on raising funds</b>	<b>2</b>	<b>23</b>	<b>–</b>	<b>25</b>	<b>21</b>

### Refers to Note 12 – Analysis of net assets between funds

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000
<b>Fund balances at 31 March 2022</b>					
Represented by:					
Tangible fixed assets	–	6	–	–	6
Fixed asset investments	329	–	622	24,050	25,001
Current assets - cash	683	–	9,645	–	10,328
Current assets - debtors	100	–	195	–	295
Creditors: amounts falling due within one year	(222)	–	(2,278)	–	(2,500)
<b>Total funds</b>	<b>890</b>	<b>6</b>	<b>8,184</b>	<b>24,050</b>	<b>33,130</b>

The restricted funds represented by fixed asset investments are made up of a few endowment funds where the 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.

# Notes to the accounts

## Prior year comparatives (continued)

### Refers to Note 14 – Endowment funds

The LCF holds both expendable and permanent endowment funds. Many of The 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 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2022 £000	
<b>Grassroots</b>	Bromley Community Fund	263	–	–	24	<b>287</b>	
	Croydon Community Fund	418	–	–	38	<b>456</b>	
	Deutsche Bank Fund	663	–	–	62	<b>725</b>	
	Evening Standard Dispossessed Fund	3,652	–	–	(1,000)	<b>2,884</b>	
	Gordon Family Fund	321	–	–	30	<b>351</b>	
	Lambeth Community Fund	260	–	–	23	<b>283</b>	
	Norton Rose GG Endowment Fund	489	–	–	45	<b>534</b>	
	Victoria Foundation Fund	412	–	–	37	<b>449</b>	
	Westminster Fund	431	–	–	40	<b>471</b>	
	Other Grassroots Grants funds	1,786	–	–	–	<b>1,950</b>	
	<b>Total Grassroots Grants funds (expendable)</b>	<b>8,695</b>	<b>–</b>	<b>–</b>	<b>(1,000)</b>	<b>695</b>	<b>8,390</b>
	<b>Community First</b>	Barnet Fund	468	–	–	(112)	<b>392</b>
Gordon Family CF Endowment Fund		1,149	–	–	(93)	<b>1,152</b>	
Cadogan Kensington and Chelsea Foundation CF Endowment Fund		250	27	–	(27)	<b>272</b>	
Land Securities Westminster Fund		257	–	–	–	<b>279</b>	
Living Cities Community Fund		1,250	–	–	(207)	<b>1,142</b>	
The London Leg Up Fund		389	–	–	(13)	<b>409</b>	
Other Community First funds		2,733	–	–	(150)	<b>2,814</b>	
<b>Total Community First funds (expendable)</b>		<b>6,496</b>	<b>27</b>	<b>–</b>	<b>(602)</b>	<b>539</b>	<b>6,460</b>

## Prior year comparatives (continued)

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2022 £000
<b>Expendable</b>	Cresswell Trust	71	-	-	6	77
	Lambeth Endowment Fund	1,373	-	-	122	1,495
	Lewisham Fund	387	-	-	37	424
	Portuguese Fund	719	-	-	65	784
	South London Opportunity Fund	184	-	-	17	201
	Wandsworth Community Fund	570	-	-	50	620
	<b>Total other expendable endowment funds</b>	<b>3,304</b>	-	-	-	<b>297</b>
<b>Total expendable endowment</b>	<b>18,495</b>	<b>27</b>	-	<b>(1,602)</b>	<b>1,531</b>	<b>18,451</b>
<b>Permanent</b>	Barnet Endowment	83	-	-	7	90
	Beaufoy Trust	1,636	-	-	142	1,778
	Pedlar's Acre Trust	2,810	58	-	264	3,132
	Richmond Civic Trust	551	-	-	48	599
	<b>Total permanent endowment</b>	<b>5,080</b>	<b>58</b>	-	-	<b>461</b>
<b>Total endowment funds</b>	<b>23,575</b>	<b>85</b>	-	<b>(1,602)</b>	<b>1,992</b>	<b>24,050</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 2022 can be seen in Note 15.

Transfers out of expendable endowment funds to restricted funds represent a release of the capital representing capital return. The transfers operate under The 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 18.

# Notes to the accounts

## Prior year comparatives (continued)

### Refers to Note 15 – Restricted funds

The 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 2021 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Balance at 31 March 2022 £000
<b>Grant making funds</b>					
Deutsche Bank small grants	52	89	–	12	153
Evening Standard Dispossessed Fund – Homelessness Fund	575	4	(478)	–	101
Evening Standard Dispossessed Fund – The Excluded Initiative	237	46	(122)	–	161
Save London Lives (ESDF)	(8)	180	(43)	–	129
Gordon Family (combined) Fund	(7)	–	–	138	131
Grenfell Children and Young People's Fund	28	25	197	–	250
JPMorgan Fund	147	745	(86)	–	806
Lambeth Wellbeing Fund	101	342	(302)	–	141
Living Communities Fund	(1)	–	5	268	272
London Communities Coronavirus Appeal	112	(3)	(112)	3	–
London Impact Awards	152	–	(124)	–	28
Made by sport 'Clubs in Crisis' Fund	504	(140)	(364)	–	–
Mayor's Office for Policing & Crime Violence Against Women And Girls Fund (MOPAC)	705	1,543	(1,530)	–	718
Ministry of Justice Domestic Abuse and Sexual Violence Fund	–	800	(420)	–	380
Peabody Community Fund	440	410	(379)	–	471
Stanhope Foundation	70	551	(302)	–	319
Skill up Step-up Employability Fund	–	465	(112)	–	353
The CJ Fund	–	439	(60)	–	379
The Young People's Fund	123	–	(74)	–	49
Wimbledon Foundation Community Fund	–	499	(99)	–	400
Other grant making funds	798	4,292	(4,147)	177	1,120
<b>Total grant making funds</b>	<b>4,028</b>	<b>10,287</b>	<b>(8,552)</b>	<b>598</b>	<b>6,361</b>

## Prior year comparatives (continued)

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Balance at 31 March 2022 £000
<b>Endowment funds (revenue element)</b>	103	3	(59)	–	47
Deutsche Bank Older People's Fund	81	92	(589)	964	548
Evening Standard Dispossessed Appeal	167	29	–	–	196
Lambeth CF Endowment Fund	99	5	–	–	104
Pedlar's Acre Trust	159	–	–	–	159
Sue Estermann Fund	663	254	(120)	(28)	769
Other endowment funds (income element)	147	745	(86)	–	806
<b>Total endowment funds (revenue element)</b>	<b>1,272</b>	<b>383</b>	<b>(768)</b>	<b>936</b>	<b>1,823</b>
<b>Total Restricted Funds</b>	<b>5,300</b>	<b>10,670</b>	<b>(9,320)</b>	<b>1,534</b>	<b>8,184</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. They take into account multi-year commitments, to be paid to beneficiaries in future financial years.

### Grant making funds

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

### 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 Children and Young People's Fund

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 in 2018-19. Any new funds raised in relation to the Grenfell Tower are now added to this fund.

# Notes to the accounts

## Prior year comparatives (continued)

### Refers to Note 17 – 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 2023 are shown below:

	Notes	The London Community Foundation £000	Pedlar’s Acre Trust £000	Total £000
<b>Assets of each charity at 31 March 2022</b>				
Opening balance at 1 April 2021		26,925	2,810	<b>29,735</b>
Income		12,125	58	<b>12,183</b>
Expenditure		(10,805)	–	<b>(10,805)</b>
Fund transfers in/(out)	18	–	–	<b>–</b>
Loss on investments		1,753	264	<b>2,017</b>
<b>Net movement in funds</b>		<b>3,073</b>	<b>322</b>	<b>3,395</b>
<b>Closing balance as at 31 March 2022</b>		<b>29,998</b>	<b>3,132</b>	<b>33,130</b>
<b>Funds of the charities</b>				
Tangible fixed assets		6	–	<b>6</b>
Fixed asset investments		21,869	3,132	<b>25,001</b>
Debtors		295	–	<b>295</b>
Cash at bank and in hand		10,328	–	<b>10,328</b>
Creditors: amounts falling due within one year		(2,500)	–	<b>(2,500)</b>
<b>Net assets at 31 March 2022</b>		<b>29,998</b>	<b>3,132</b>	<b>33,130</b>
<b>Funds of the charities</b>				
Expendable endowment funds		18,451	–	18,451
Permanent endowment funds		2,467	2,816	5,599
Restricted funds		8,184	–	8,184
Unrestricted funds		896	–	896
<b>Closing balance at 31 March 2022</b>		<b>29,998</b>	<b>2,816</b>	<b>33,130</b>



## Refers to Note 18 – 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 regards 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 endowment 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 the 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 is available for grant-making expenditure. During the year to 31 March 2022, it was decided not to transfer 3.5% of the value of the fund as at 31 December 2020 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 2021/22.

The investment fund and application of total return to permanent endowment fund is as follows:

	2022	2021
	£000	£000
Opening value of permanent endowment at 1 April 2021	2,810	2,328
Less:		
Value of endowment at 31 March 2004	(1,837)	(1,837)
<b>Opening value of unapplied total return at 1 April 2021</b>	<b>973</b>	<b>491</b>
Add:		
Investment return: income	58	60
Investment return: unrealised (loss)/gain on investment	264	523
Less:		
Transfers between funds	–	–
<b>Unapplied total return before transfer to income</b>	<b>1,295</b>	<b>1,074</b>
Less:		
Unapplied total return applied*	–	(101)
<b>Sub total: unapplied total return as at 31 March 2022</b>	<b>1,295</b>	<b>973</b>
Add:		
Value of endowment at 31 March 2004	1,837	1,837
<b>Permanent endowment including unapplied total return as at 31 March</b>	<b>3,132</b>	<b>2,810</b>

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