

Trustees' Annual Report and Financial Statements

For the year ended 31 March 2020

londoncf.org.uk

Registered charity number 1091263

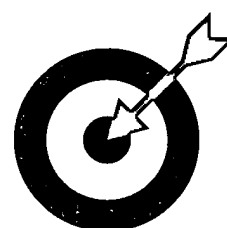
Company limited by guarantee number 4383269



Who we are

We are The London Community Foundation, the charity for London's grassroots. We exist to help build strong and connected communities.

We do this by inspiring London's generosity to invest in small charities and community groups.

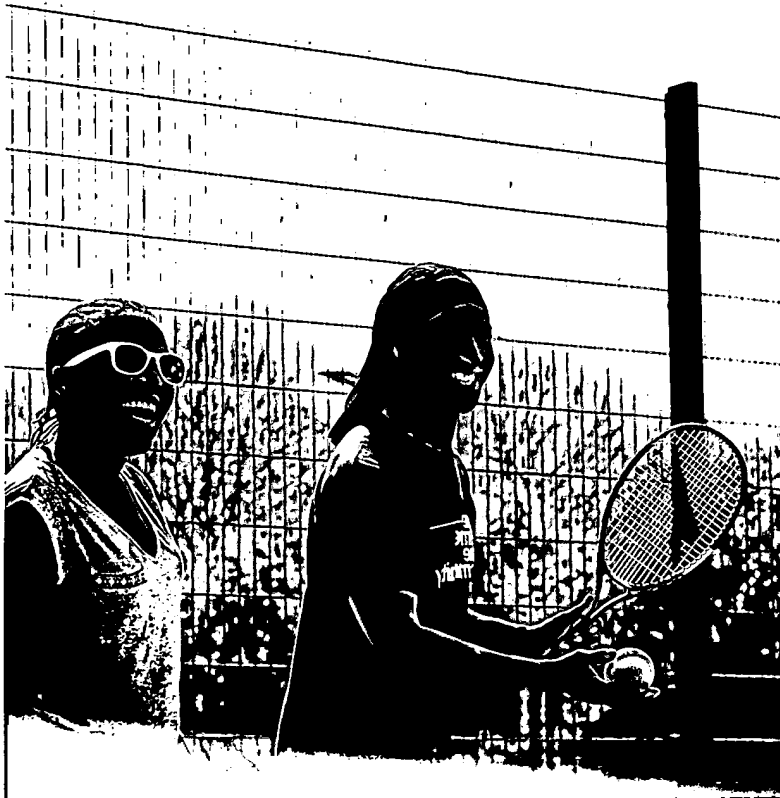


Since 2010, we have committed over

£65m

in grants to support London's grassroots organisations





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Chair's statement

Partnerships built on trust

As I reflect on this first year as Chair of The London Community Foundation (LCF), I am struck by the overwhelming power and importance of partnership.

Our partnerships come in many forms. With the charitable organisations we seek to serve and work alongside - through them we learn from the profound community trust, reach and insight that they bring. With the donors and funders whose impact ambitions we help guide and develop. With the people whose life experiences so often help shape and inform our work. And of course, the LCF team whose expertise and determination have propelled our work forward this year.

Without just one of these critical components, we are not The London Community Foundation: accountable, impactful and resolute in connecting London's constituents to help drive social change and equality across the Capital's communities.

We present these Accounts when the world has been thrown into uncertainty by COVID-19. The crisis has shone a light on the deep-rooted inequalities we have long known exist but failed to tackle as a society. It will be the most vulnerable who are hit the hardest and for longest. London is no exception to this, and its communities are in our thoughts and plans looking forward.

Acknowledging the incredible challenges that lie ahead, it's perhaps all the more important that LCF, for its team, Trustees, donors and beneficiaries, can record the achievements made in the year leading up to COVID-19.

During this first year of our new strategy, LCF committed over 760 grants just exceeding £9M in value. Donors have responded positively to our revised fund products, including the first year of our Themed Pooled Funds. We ended the year with a planned modest surplus, allowing us to devote funds to invest in key development work - including team training, digital and operational improvements.

I am also heartened to see a greater move to higher value and multi-year funding to help the resilience of London's community organisations. And to the shining examples of donors and funders working with us, and each other, to tackle the issues that matter to London. Of note, we launched The Evening Standard Dispossessed Fund (ESDF) Excluded Initiative, with our colleagues at The Evening Standard, tech entrepreneur Martin Moshal and the John Lyon's Charity.



This pioneering 3-year initiative will work with 8 schools to develop whole-school models to cut pupil exclusions. And equally of significance, the Home Office has joined donors on our other ESDF initiative, Save London Lives, tackling violence affecting young people.

This year we also initiated work on the Violence Against Women and Girls Grassroots Fund commissioned by the Mayor's Office for Policing and Crime. Though the launch was COVID-19 delayed we are incredibly proud to have secured this important fund for London. Co-design, service user voice and community representation will sit at the heart of its work going forward.

And so, the end of the financial year has brought the importance of our partnerships into sharp focus as we launched into a full-scale appeal and emergency response. We are incredibly grateful to the donors and funders who have stood with us and to the grassroots organisations whose response we have been privileged to support, and to the LCF team who make this happen.

Russell Prior
Chair

Trustees' Annual Report
and Financial Statements

Key highlights

£14,658

Average grant size
to organisations

765

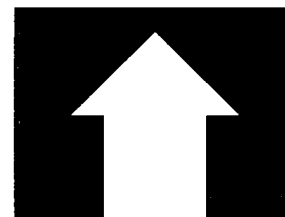
Grants awarded

£9,090,533

Value of grants committed

213,470

Londoners reached



Chief
Executive's
welcome

Authenticity is key

Authenticity is not a word to use lightly but it is a description I hear frequently from donors and partners about LCF's work. It is a phrase we must, and do, hold sincerely.

Our mission is to support equality and opportunity in London's communities by inspiring those who can donate funds to invest in the people and communities that have the solutions. In doing so we have to represent the voice and ambitions of all partners to each other.

Young people, their voice and experience of life in London have featured heavily in our work this year. It has been inspiring to follow the journey of the Grenfell Young People's Fund community panel, who designed the legacy fund created from the Appeal following the fire. It is their experience – many of whom were directly affected by the fire – that continues to drive the impact of the fund. In February, our partnership with the Citi Foundation saw the inaugural London Impact Awards dedicated to those grassroots organisations working to provide hope and opportunity to young people affected by knife crime and violence. The evening touched many hearts – some with tears, including my own – proving that change is possible, and we all have a vital role to make this city a place of safety and opportunity for young people.

It is rare there is a grassroots organisation in London that one of the LCF team does not know, even if we have yet to fund them. They are the definition of go-to knowledge. This year's Annual Report illustrates some of the key thematic areas that our work has focused on, but of equal value to what we fund, is how we fund. Focusing our partners' support and generosity on sustaining organisational resilience in London's grassroots has been a powerful message this year, endorsed by the thought leadership from the team. In 19/20 over one third of the grants we committed went to organisations new to LCF. Going forward we must, and will, continue to challenge ourselves to ensure the funds we raise can reach those who need them the most and that our routes to funding are accessible and representative.

In the autumn, LCF's annual event convened London's local homeless charities and donors with think tank and local authority representation to discuss the Capital's complex homeless emergency. We heard powerful representation from people experiencing homelessness and



from our longstanding partner, the Wimbledon Foundation on the approach of their Homelessness Fund. The debate – often necessarily uncomfortable – demonstrated the importance of diversity of perspective and experience.

We ended the financial year standing in alliance with London's funding community. LCF signed #WeStandwithSector, a series of responsible funding principles during a crisis. And we joined forces with over 60 London funders to collaborate on the London Community Response, designing emergency and sustaining funding programmes for the charitable organisations mobilising critical support following the COVID-19 outbreak.

I am incredibly grateful to the LCF team and to the Trustees for their expertise, insight, and support, particularly as we look forward with uncertainty but with sure knowledge of the role we must take for London's communities.

Kate Markey
CEO

Trustees' Annual Report
and Financial Statements

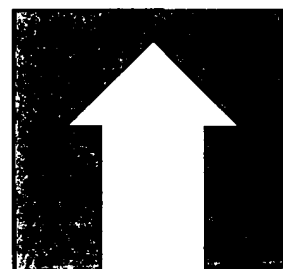
Key highlights

£120,268

Median annual income
of the organisations we
supported

£200,000

Our largest grant to
an organisation



Our impact

ESDF Grenfell Young People's Fund

"As a young person, I've always felt control has been out of my hands – with the world just happening around me. My passion has always been there but I would get frustrated when I didn't know how to put it into action. I think the Grenfell Young People's Fund has, at the very least, showcased to other young people how change can come about."

Tayshan, panel member

In 2018/2019, we set up the ESDF Grenfell Children Young People's Fund with the balance of monies raised following the Grenfell Tower fire and with an additional restricted donation of £410,000 from the Royal Borough of Kensington & Chelsea. The second year of this important fund for the community in and around the Grenfell Tower committed almost £570,000 (16 multi-year grants) to grassroots organisations and charities supporting children and young people. Led by a community panel of people affected by the tragedy, 20/21 will be the final year of this fund and we are committed to capturing the impact and personal stories that lie behind it. We are grateful for the further funds donated in year including royalty donations from the Artists for Grenfell single.

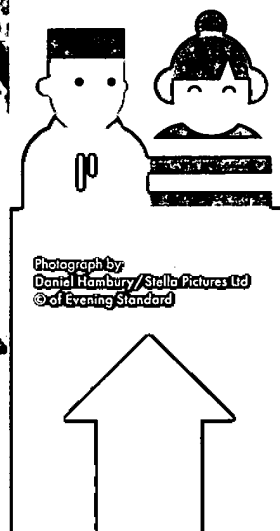


Trustees' Annual Report
and Financial Statements

**Grenfell Young
People's Fund
Total**

**Over
£1.3
million
raised**

since January 2019



Photograph by
Daniel Hambury/Stella Pictures Ltd
© of Evening Standard

Our impact

London Impact Awards

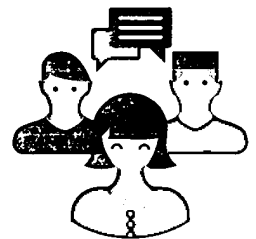
"It was an honour to be nominated for the award. However, I only really put this all into perspective during the awards evening, whereby I was able to gain insights into the amazing work of other organisations and young leaders. Being recognised in the same light prompted a great deal of personal pride and provided me with further ammunition to 'be the change'."

Azi Mohammed, Young Leader with Impact

In February, CCF partnered with the Citi Foundation to hold the inaugural London Impact Awards. Aimed at recognising the people and organisations working to reduce the impact of knife crime and violence on young Londoners, awards totalling £20,000 were given alongside nominee videos made for all the shortlisted organisations.



The London Impact Awards had four categories celebrating organisations leading the way in building positive futures for children and young people at risk.



This year's winners were:

Best Innovator:
The Ben Kinsella Trust

Best Collaborator:
Street Doctors

Best Youth Voice:
XLP

Young Leaders with Impact:
Ebinehita Iyere and Azi Mohammed

A year in London

LCF highlights by month

April 2019

London Marathon – 19 runners raised £32,000 for LCF



May 2019

The Home Office backed the Evening Standard – Save London Lives initiative with £500,000

June 2019

Nearly £1.3 million distributed through Cockayne - Grants for the Arts

July 2019

Launched our 'Voices from the Frontline' report

Awarded £400,000 through the Wimbledon Foundation's special grants initiative supporting homelessness organisations - 'A Roof for All'

Partnered with Microsoft to mark opening of their London flagship store with a Community Fund supporting digital skills training

August 2019

London Mayor's Violence Reduction Unit announced £1.4 million funding with LCF for local community groups tackling knife crime

September 2019

UKCF, the membership body for community foundations in the UK, held their 'Empowering communities together' conference



October 2019

Kate Markey, Chief Executive, and Francis Salway, former Chair of Trustees, listed in The Progress 1000: London's most influential people – Activists: Philanthropy

Inaugural London Impact Awards – Powering Youth supported by the Citi Foundation opened for applications

Paid out over £1 million in grants in one day

November 2019

LCF's annual supporters event discussing homelessness held



December 2019

Peabody Young People's Fund pilot launched, aimed at addressing violence against young people

Over £300,000 awarded to 10 organisations through the second round of the ESDF Grenfell Young People's Fund

Trustees' Annual Report and Financial Statements

January 2020

The Evening Standard Dispossessed Fund Excluded Initiative launched with the John Lyon's Charity and tech entrepreneur Martin Moshal

LCF chosen to manage the Mayor's Office for Policing and Crime's (MOPAC) Violence Against Women and Girls (VAWG) Grassroots Fund

Deutsche Bank Opportunities Fund launched – with a new focus on supporting homelessness organisations in Newham

February 2020

London Impact Awards ceremony

March 2020

LCF signed London Funders 'We Stand with the Sector' Funders' Statement in response to the COVID-19 crisis

The National Emergencies Trust Coronavirus Appeal launched with community foundations working in partnership to deliver funds locally

Launched London Communities Coronavirus appeal

Trustees' Annual Report and Financial Statements

For the year ended 31 March 2020

Charity No. 1091263
Company No. 4383269
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 ended 31 March 2020. The Report has been prepared in compliance with Part 8 of the Charities Act 2011. The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the Financial Statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice

applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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

Legal and administrative information

Name of Charity:
The London Community Foundation (LCF)

Status:
Charity registered in England and Wales –
number 1091263
Company limited by guarantee registered in
England & Wales – number 4383269

Principal office and registered address:
Unit 1.04, Piano House,
9 Brighton Terrace,
London,
SW9 8DJ

Financial Statements

Trustees:

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

Russell Prior
Chair (from December 2019)

Rosanna M Machado
Vice Chair

Timothy C Ingram
Chair of Audit, Risk and Investment Committee

Gaynor Humphreys

Nicholas T J Reid

Paul G Cattermull

Sanjay Mazumder

John Hume
(from December 2019)

Francis W Salway
Chair (until December 2019)

Martin E Richards
Vice Chair (until March 2020)

Patricia K Biggers
(until November 2019)

W Rhys Moore
Chair of Programmes and Grants Committee and Trustee (until March 2020)

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 (from August 2019)

Kelly Rust:
Director of Grants and Impact

Other principal officers serving during the period were:

David Nagle:
Director of Business Development and Communications (Until January 2020)

Benjamin Clarkson:
Director of Finance and Resources and Company Secretary (Until August 2019)

Rebecca Crosswell:
Director of Business Development and Communications (Until April 2019)

Auditor:
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

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

Bankers:
CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4J

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

Sarasin & Partners LLP (Until June 2019)
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Implications of COVID-19

At the start of COVID-19, LCF Trustees worked with the Senior Management Team (SMT) to ensure strategic oversight of the Charity's requirements to Team, Donors, Beneficiaries and Suppliers in relation to COVID-19. Work was overseen by the full Board and specific work areas delegated to Sub-Committees.

The organisation moved smoothly to virtual operations, covering the operating environment for the team, including wellbeing, financial procedures both in terms of general operations and grant making; heightened control measures in light of funds under operations both in terms of increased volume and virtual risk management.

Trustees established a series of strategic principles for LCF's COVID-19 related grant making which have been monitored regularly. The Sub-Committees moved into fortnightly engagement with the SMT, alongside Risk Matrix reporting to the full Board of Trustees. Emergency funding to London's grassroots was managed by a project team from across the organisation. LCF's procedures were monitored carefully balancing the need to expediently deploy funds alongside potential heightened risk of fraud, learning we also shared with other funders in London.

At the start of COVID-19 LCF Trustees also set a series of principles in monitoring unrestricted income levels from its own Appeal and through partners UKCF and the National Emergencies Trust, acknowledging the high-profile nature of the funds and also the needs on the ground. This takes into consideration LCF's reputation as a major funder in London and our longstanding donor relationships and goodwill held with our wider stakeholders.

These principles have been monitored through the COVID-19 pandemic and are reported on LCF's website and to donors.

LCF Trustees continue to review the potential long-term impact of COVID-19 on the Charity's sustainability, including forecast lost Donor Advised Funds not related to COVID-19, performance of its own and Donors' Endowments, unsustainable cost management and the long-term impact of remote working in relation to premises costs. This is alongside the Trustees oversight of health and safety and wellbeing of the LCF team.

LCF does not hold a defined pension scheme.

We continue to share learning and insights with our peer community foundations as part of the UKCF network on future impact whilst also understanding – through working with partners in London – the implications for the grassroots and small charities we support.

Objectives and activities

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

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

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

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

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

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

1. Facilities for recreation or other leisure time occupation with the object of improving the conditions of life of the persons for whom the opportunities and facilities are primarily intended.

2. Other exclusively charitable purposes in the United Kingdom and elsewhere with a preference for those which are in the opinion of the Trustees beneficial for the Area of Benefit.

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

Our core activities are:

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

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

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

Wherever possible, we strive to include community members and people with lived experience in fund design and grant-making decision panels.

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

Financial Statements

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

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. LCF works with a third-party investment house to provide this service.

We also manage public sector funds on behalf of local and central government departments. All donors benefit from LCF's established and professional grant-making 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 how they engage their clients' giving.

As the primary DAF service dedicated to London, LCF aims to build community assets in the form of endowments which can respond to changing needs over time and provide a sustainable source of funding for charities and community organisations in London. At 31 March 2020, LCF held £19,597,000 (2019: £20,886,000) in endowment funds, the variance due mainly to market conditions at the end of the financial year as a result of COVID-19.

Endowment funds held have been raised primarily through:

- a. Individuals and companies that want to create a legacy in a particular geography or cause.
- b. Trust transfers. 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. LCF 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.

Structure, governance and management

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

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

Appointment, induction and training of Trustees

As set out in the Articles of Association, new Trustees are appointed by the Trustees in office. There are no powers of appointment or co-option by any external organisation. New Trustees are appointed through an external recruitment process, including non-executive search agencies, nomination by other Trustees, recommendations from respected individuals, engagement with LCF through professional networks and community engagement. The Nominations & Remunerations Sub-Committee of the Board is responsible for nominations and makes recommendations to the full Board of Trustees on appointments.

At 31 March 2020 LCF had 8 trustees (maximum 18), including people who were formerly Trustees of the other London foundations that have merged with LCF since 2011.

Prior to appointment, prospective Trustees meet with the Chair, CEO and are interviewed by a Panel of Trustees, as well as meeting key staff where

appropriate. New Trustees receive key induction information including Memorandum and Articles, 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.

Structure

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

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

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

During the year, LCF also partners with individuals from the communities in which we work, to provide insight and help inform grant-making. We do this to ensure our work is rooted in, and shaped by, the experience and voice of London's communities. The Trustees and Team wish to express their sincere appreciation to expertise and knowledge of these

individuals during the year, including those people involved in the Grenfell Young People's Fund; the Evening Standard Dispossessed Fund Save London Lives; the Peabody Young People's Fund; and awardees and nominees to the London Impact Awards.

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

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

The Nominations and Remunerations Committee meets quarterly and at other times as required. The Nominations and Remunerations Committee is responsible for:

- leading on governance and trustee recruitment;
- overseeing LCF's equity, diversity and inclusion as delegated by the Board of Trustees;
- providing oversight on organisational culture and human resources, including remuneration of LCF team.

Day-to-day operation of LCF is the responsibility of the Senior Management Team (SMT). The average number of team members employed during the year using a full-time equivalent basis was 18 (2019: 19).

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

LCF is a quality accredited member of UK community foundations, the membership body that supports and promotes community foundations in the UK. There are 46 quality accredited community foundations serving most of the UK population. With endowment funds of over £800M, over 15,000 donors and annual grant-making in the last year exceeding £100M, the network is the fourth largest grant maker in the country.

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

Public benefit statement

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

The remainder of this report sets out LCF's objectives, and report on the activity and successes in the year to 31 March 2020, as well as explaining the plans for the current financial year. LCF's work benefits a range of small charities and community groups and their beneficiaries.

The Trustees have considered this matter and concluded that:

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

Strategic report

2019/20 objectives, achievements and performance

Following the appointment of a new CEO last year, 19/20 also saw LCF welcome a new Chair and Trustee. The Trustees have made a commitment to additional recruitment to the Board into 20/21 to ensure LCF continues to represent the diversity of London's communities as well as the range of skills and perspectives the Charity requires.

In the first year of its new strategy and driving LCF's purposeful convening role, the Charity made good progress. We ended the year with a planned modest surplus £10k (against a budgeted position

of £32k) but also allowing ourselves to invest in key areas of work from general running costs.

Encouraging donors to give differently has featured heavily throughout the year, including moving to multi-year funding, core funding and importantly collaborating with other funding partners.

The voice of London's communities has featured throughout our work – on fund design, community panels, guest blogs and events and we are committed to building on and learning from this activity in the year ahead.

We report below against our primary strategic objectives:

Financial Statements

1. Inspiring London's generosity

We will seek to diversify and sustainably grow LCF's donor base:

This year saw LCF introduce new fund values and products with donors - Ways to Give - focusing on how we can increase the sustained impact for both grassroots organisations and those people and companies seeking to support them. Ways to Give was received well by new donors and we continue to work with existing donors to support their giving against these new products.

We launched LCF's External Advisory Group and will be building on its engagement with the Charity next year, supporting LCF's profile and engagement in the wealth advisory and professional services space.

At the end of the financial year, our collaboration with London funders to respond to COVID-19 saw significant engagement of other foundation partners, who don't fundraise, directing companies and individuals to LCF. We have a key role - alongside other agencies in London - to help those who can support, navigate their way through the opportunities to give in the Capital.

During the year we secured a number of new high value trust transfers from the wealth advisory space and individual donors seeking to collaborate on initiatives delivered by LCF.

We value all our partnerships that collectively enable LCF to sustain its support to London's communities. Of particular note this year includes:

The ESDF Grenfell Young People's Fund:

The second year of this important fund for the community in and around the Grenfell Tower committed almost £370,000 (19 multi-year grants) to grassroots organisations and charities supporting children and young people. Led by a community panel of people affected by the tragedy, 20/21 will be the final year of this fund and we are committed to capturing the impact and personal stories that lie behind it. We are grateful for the further funds donated in year including royalty donations from the Artists for Grenfell single.

ESDF Save London Lives:

We are grateful to the Home Office and to L&Q Housing Association for their support to this initiative supporting young people at risk or affected by knife crime. This year the fund committed £957,638 and is providing capacity-building support (co-designed with the grassroots organisations) and evaluation. We are delighted Citi Foundation, a longstanding partner to LCF, continues to be a significant supporter of this work also. And we are grateful to the Evening Standard for our longstanding and impactful relationship.

Peabody Community Fund:

The Peabody Housing Association's charitable foundation was a strong partnership during the year, both through its Community Fund and our pilot, the Peabody Young People's Fund. The Community Fund committed almost £300,000 (17 multi-year grants) supporting community activity in and around its homes.

#iwill:

The voice of young people featured heavily in LCF's delivery of the government's #iwill programme. In partnership with our UKCF community foundations, the fund supported £252,253 (28 grants) to empower young people in social action.

London Impact Awards:

In February, LCF partnered with the Citi Foundation to hold the inaugural London Impact Awards, to recognise people and organisations working to reduce the impact of knife crime and violence on young Londoners. Awards totalling £90,000 were given alongside nominee videos made for all the shortlisted organisations.

ESDF: The Excluded Initiative:

Working with the tech entrepreneur Martin Moshal, The Evening Standard and the John Lyon's Charity, LCF awarded £225,000 to 4 schools for a 3-year period. Matching funds from the John Lyon's Charity for a further 4 schools, the programme will support 8 schools to develop whole-school approaches to reducing permanent exclusions.

Violence Reduction Unit, Mayor of London:

In the London's Mayor's Violence Reduction Unit partnered with LCF to award 37 organisations a total of £1,367,691 for their work on the ground supporting young people at risk. The work included collaborative events with grantees to build on and innovate ideas to reduce violence.

2. Funding for London

Against a target of £8,260,000 from existing and new donors in 19/20 we secured £8,966,000 to support London's communities. This was achieved through LCF's work with the following partners and donors:

| | |
|-------------------------|-----|
| Trusts and Foundations | 41% |
| Corporate Philanthropy | 26% |
| Local Government | 2% |
| Individual Philanthropy | 10% |
| Central Government | 21% |

Grant-making during 2019/20 totalled £9,090,533 with 765 grants made to small charities, community groups and individuals. The specific breakdown of grants is:

| | |
|------------------------------------|------------|
| Grant awards to individuals (147) | £31,992 |
| Grant awards to institutions (618) | £9,058,541 |

(During this year, LCF made the strategic decision to move away from grants to individuals).

3. Increase our accountability to London's grassroots

Voices from the Frontline – the largest beneficiary analysis conducted by LCF – published in year provided a compelling picture of what it means to be a grassroots organisation in London, their organisational needs, and the wider funding environment. The report continues to support our engagement with donors. We secured 6 new high value multi-year funds providing grassroots organisations with increased surety of future funding, supporting greater organisational resilience.

In November, our Annual Event was dedicated to showcasing the work of grassroots homeless organisations in London. Providing a platform for their voice and experience to London's philanthropic community, alongside local authority representation, the event also featured LCF's long-time partner, the Wimbledon Foundation, and their new Homelessness Fund.

4. Invest in LCF's digital capabilities

Work to progress LCF's digital capabilities was initially slower than planned but in the later part of the year preparations for emergency work for COVID-19 saw us move our grant-making procedures and current digital work completely virtual.

Though not as we had planned, the benefits we have experienced from this transition has been significant and a priority for next year will be to analyse long-term gains for LCF organisationally, for grantees and for donors and partners.

5. Maintaining impactful grant-making procedures

During 19/20 LCF received a total of 1,573 applications from small charities and community groups funding with a total value request of just over £21,000,000. Looking forward into to next year, this figure will look substantially different due to COVID-19. A total of 765 applications were successful totalling £9,090,533. Success ratio of 44% against volume and 43% against value. This is a strong result for LCF in managing application demand, guiding, and supporting organisations in their application process.

In line with our strategy to help build organisational resilience of the grassroots organisations LCF supports, we saw an increase in the average grant size to organisations committed to £14,658 (compared to £13,377 in 2018/19). These figures include multi-year commitments made subject to receipt of funding from our partners.

The Programmes Team engaged in a range of development opportunities linked to the technical aspects of grant making and also thematic work, including violence against women and girls.

LCF revised its eligibility criteria for funding, developed by the Programmes Team. We will continue to review this work, particularly in light of COVID-19. Work to improve our grant-making procedures is an iterative process, linked significantly to our digital improvement programme.

Financial review

Income

The total income for the year 2019/20 was £9,796,000 compared to 2018/19 was £9,255,000. Donations came from a range of donors including companies, central and local government, individual philanthropists, and social sector organisations. The breakdown is as follows:

- Unrestricted income from donations for the year 2019/20 is £914,000 compared to £816,000 in 2018/19, an increase of 12%.
- Restricted voluntary income received for the year 2019/20 was £7,906,000 compared to £7,441,000 in 2018/19, an increase of 6%.
- Investment income increased slightly to £761,000 compared with £747,000 in 2018/19 (an increase of 2%). The small increase partly reflects the increase in endowments held but is also due to strong financial performance of the related investments
- Income from other trading activities in 2019/20 was £69,000 compared with £53,000 in 2018/19 (an increase of 30%). This relates specifically to rental income from sub-letting office space.

Expenditure

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

'Charitable activities' represents all grants made to beneficiary organisations and individuals as well as expenditure on capacity building and evaluation related to some of LCF's funds and initiatives to support grassroots organisations. It also includes the cost of running grant-making operations and associated support costs. Grants payable in 2019/20 totalled £8,905,000 compared to £7,696,000 in 2018/19 (an increase of 16%).

LCF's main cost is our team, which represented 60% of the Charity's expenditure (excluding grant awards) in 2019/20. This compares to 62% in 2018/19. Staff costs are allocated to the costs of raising funds and charitable activities based on time spent on these activities. Support team costs are allocated in a similar manner. Team costs have slightly increased to £895,000 from £881,000 in 2018/19 (an increase of 2%). The Charity's headcount decreased slightly to 18 average full-time equivalent staff (2018/19: 19).

Cash position

LCF's cash balances (excluding any cash held by the Investment Managers) have increased to £5,195,000 during 2019/20 up from £4,335,000 at the end of 2018/19, largely due to the receipt of investment income on investments. Cash held by LCF mainly represents restricted funds held for the purposes of grant-making and of this balance £4,703,000 represented restricted and endowment funds (2018/19: £3,974,000). 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 needs of the community and grant applicants, as well as internal resources and planning.

At the end of 2019/20, of the £704,000 (2018/19: £695,000) free reserves: £442,000 is a cash balance representing unrestricted funds (2018/19: £310,000) and £251,000 is invested (2018/19: £259,000), leaving other net assets of £11,000 (2018/19: £126,000). The fall in unrestricted net assets since 2018/19 is due to a general reduction in our debtors and creditors. The invested funds, which are held under the Reserves Policy, are not expected to be needed in the short term and can be invested to generate a higher return than current interest rates allow. During 2018/19, Trustees designated £50,000 of the Charity's unrestricted fund to its digital investment programme; as at 31 March 2020 these funds are held entirely as cash.

Diversity of income and financial sustainability

Our business plan sets out that LCF should aim that no one programme should contribute more than 20% of the Charity's income or 35% of the Charity's grant-making in any year, this goal has been achieved for 2019/20.

Investments

LCF's investment managers are CCLA Investment Management Ltd and Sarasin & Partners LLP (until 06 June 2019). LCF has set a clear investment policy which is driven by the Charity's principles. This policy is reviewed annually and is consistent with Trustees' responsibilities under the Charities Act.

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

The total value of funds invested, including cash held by investment managers for re-investment, amounted to £20,786,000 (2019: £21,880,000). The market value movement in the year represented an unrealised loss, slightly offset by sales of investments for grant-making purposes during the year.

(The funds invested at Sarasin & Partners LLP were valued at £10,631,000 at 31 March 2019 and the funds held at CCLA were valued at £11,239,000 at 31 March 2019).

The portfolio of 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 reviews investment performance regularly. 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 provide quarterly reports and present to the Sub-Committee at least once a year whilst also responding to specific requests during the year.

| | Total investment performance in year to 31 March 2020 (net of fees and costs) | Total investment performance in year to 31 March 2019 (net of fees and costs) | Total investment performance annualised three-year return to 31 March 2020 (net of fees and costs) |
|---|---|---|--|
| CCLA - COIF Investment Fund | (0.05%) | 11.53% | 5.52% |
| ARC Steady Growth (peer group comparison) | (7.88%) | 5.97% | (0.35%) |

Reserves policy

LCF holds the following types of reserves:

Endowment reserves comprise capital sums donated under the restrictions that they are invested, and that the investment return is available for expenditure in accordance with the donors' strategies for giving. Within the category of endowment are two subcategories: expendable and permanent endowment. 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 lasting and sustained impact. The capital of permanent endowment may not be spent. Endowment reserves at 31 March 2020 stood at £19,597,000 (2019: £20,886,000), the decrease of £1,289,000 (6.2%) is predominantly due to investment losses at year-end and withdrawals for grant-making.

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

Restricted reserves at 31 March 2020 were £3,695,000 (2019: £4,141,000). The decrease of 11% is mainly due to the timing of grant programmes, with significant grant awards in year.

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

During the year to 31 March 2019, Trustees approved the designation of a £50,000 fund for LCF's digital investment programme to cornerstone a fundraising effort for the total initiative. At 31 March 2020, no funds had been spent, and the balance remains at £50,000, out of a total designated fund balance of £63,000 (2019: £56,000); the remaining sum relates to LCF's tangible fixed assets.

The remaining designated reserves represent the tangible fixed assets fund. Which reflects the net book value of the leasehold improvements to the rented offices of LCF, as well as any office or IT equipment which LCF has capitalised in line with its accounting policy. The value of the assets at 31 March 2020 was £13,000 (2019: £6,000). The designation is made in recognition of the fact that these assets are essential to the day-to-day running of the Charity and should therefore not be considered realisable to meet commitments.

Free reserves are the balance of LCF's unrestricted reserves that have not been designated for a particular purpose and as such are freely available to the Trustees for any of the charity's purposes. The free reserves held at 31 March 2020 were £704,000 (2019: £695,000). The increase reflects the operating surplus for the year.

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

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

This level is judged necessary after considering the following factors:

- The uncertainty of income, particularly following the COVID-19 pandemic. A relatively small proportion of LCF's income can be guaranteed beyond one year as few of our donors currently commit to funding further ahead than one year;
- Free reserves at this level enable us to plan for the longer term and to utilise resources more efficiently;
- Holding of endowment. LCF holds £19,597,000 of endowment funds, of which £4,210,000 are permanently endowed; LCF's free reserves

are intended to allow us to guarantee our sustainability and ability to manage endowed funds into the future;

- Holding of restricted funds. At any point LCF typically holds between £2,000,000 and £5,000,000 of restricted funds intended for grant-making across a wide range of funds, the Reserves Policy must ensure LCF has sufficient reserves to fulfil the intentions of the donors in regard to distributing the grant-making funds held;
- Planning in the longer term. LCF operates a five-year planning process in order to allow a long-term strategy.

LCF's level of free reserves as at 31 March 2020 was £704,000. This amount is greater than the figure calculated under the Reserves Policy, described above, which suggests a value of £630,000 was needed at 31 March 2020. However, the Trustees are comfortable with the level of reserves held at the current time, given the continuing uncertainty over future income levels and facing a year post-COVID-19 pandemic.

Pedlar's Acre Trust

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

The total return approach to investment allows LCF to utilise some of the capital growth of the fund for current 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 regard to supporting both current and future beneficiaries and will only use the power to spend the capital growth to the extent that the ability to support future beneficiaries will not be prejudiced.

Beaufoy Trust

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

Endowment spending policy

LCF's policy regarding expendable endowments is to allocate a set percentage of the value of each fund at December each year for expenditure on grants and direct charitable expenditure in the next financial year. The Trustees review this policy every year and set the appropriate percentage to be applied to the fund value as at 31 December. During 2019/20 the percentage used was 3.5% (2018/19: 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% (2019: 3.5%) of the value of the fund at December each year, plus the annual contribution towards LCF's costs. If the Trustees judge that a higher or lower amount would better fulfil the duty of being even-handed in the treatment of present and future beneficiaries of the fund, the amount may be varied in future decisions. The Trustees expect to spend a total of 3.5% on grant making in the coming year for the permanent endowment fund 'Pedlar's Acre Trust' which has a total return approach agreed.

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

Executive remuneration

Remuneration policies

LCF had on average 18 full-time equivalent staff during 2019/20 (2018/19: 19). Salaries are reviewed and agreed annually by LCF's Nominations and Remuneration Committee, a Sub-committee of our Board of Trustees. Recommendations for annual changes to existing team salaries are made to this Committee by the CEO in consultation with relevant line managers. The recommendation for the CEO's salary is made by the Chair to the Nominations and Remuneration Committee. In extraordinary circumstances, there is the opportunity to increase the pay of an individual outside the formal annual review.

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

Our approach to pay

LCF employs people based on the specific skills, knowledge, and behaviours that they bring to their particular role and to the success of LCF as a whole. We employ a flexible approach - depending on the needs of the business and of individual roles at any one time, we may recruit at the top of a band or towards the lower end to allow for emerging talent and for scope to grow. We want to reward 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, 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 require the charities and community organisations we fund to also pay the London Living Wage.

Remuneration of key management personnel

The Trustees consider that they, together with the Charity's SMT, comprise the key management of the Charity in charge of directing and controlling, running, and operating the Charity.

The SMT was made up as follows during the year 2019/20:

CEO, Director of Grants and Impact, Director of Finance & Resources until August 19, and Director of Business Development and Communications until January 20.

(18/2019: CEO, Director of Programmes & Strategic partnerships until June 18, Interim Director of Programmes June to September 18, Director of Grants and Impact from October 18, Director of Finance and Resources, and Director of Business Development and Communications) The total benefits including employer pension contributions of the employed SMT was £261,359 (18/2019: £314,143).

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 2020 (2019:0).

Pay ratio

The ratio of our highest salary rate to our median salary during 2019/20 was 2.35:1 (2019: 2.25:1).

Future plans for 2020-21

As we publish this Annual Report, we face understanding of the immediate and long-term impact on London's communities of COVID-19. Our Report in 2021/22 will look drastically different. Faced with so much uncertainty, we launched into our COVID-19 response with a series of strategic grant-making principles of how best LCF could serve its heartland of grassroots, communities most in need and help donors navigate the giving landscape. 2020/21 will see us report against those principles.

1. Collaboration for recovery

The grassroots moved London at a time of global crisis. Going forward LCF will be focusing – alongside other London funders – on how best we can collectively support the charitable sector to recover from the COVID-19 crisis. Returning to individual silos of grant making going forward – after the scale of collaboration even in the early weeks of lockdown, would be detrimental for the charities seeking support. Collaboration may come in different forms – impact driven, technical operations, insights or new partnerships – and LCF focus on the value it can bring for donors and grassroots London.

The crisis brought partners new and re-acquainted to LCF. Next year will also focus on retaining these donor partnerships with compelling reasons to give post COVID-19.

2. Equity, Equality, Diversity, and Inclusion:

As part of its ongoing commitment to equity, equality, diversity and inclusion, LCF is enhancing its reporting and transparency on people in the Charity. Although we are not legally required to report against diversity, we are committed to being transparent.

This work forms part of a wider programme at LCF on equity, equality, diversity and inclusion (EDI) reaching across the organisation including our governance, people, culture, grant making and donor engagement. At the time of writing this report, LCF had diversified its Board of Trustees following a recruitment drive and this will be represented in next year's Annual Report alongside wider (EDI) developments. LCF is also working with its peer community foundations diversity and inclusion as part of its membership of the UKCF network.

About the EDI Survey:

The following data table is taken from an anonymous diversity survey of Trustees and Team members at LCF.

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 gathering and representing data responsibly and respectfully is different compared to a large organisation. We intend to build on this over time and recognise there is no one solution to reporting.

For the Financial Year 19/20 we do not have all diversity data for team members who departed in year. This means our data is incomplete.

In this instance we have used the data responses submitted by those employees who responded to the survey, carried out in November 2020, and have more than 12 months' service with the Charity. A total of 13 Team members who were with the Charity as at 31 March 2020 remained employed by the Charity at the time this first survey was undertaken. Of those, 10 chose to respond and their data has been used to produce the following data tables.

This year we are reporting on a small number of diversity areas extracted from the survey but expect to expand the data reported over time.

Respondents were given a range of options under each question to reflect full diversity across each area – the table below is a summary of those category options and results.

| LCF Board of Trustees | | | |
|--|-----|------------------|-----|
| How do you describe your ethnicity? | | | |
| Asian/ Asian British: | 23% | | |
| Other ethnicities listed: | 0% | | |
| White: | 63% | | |
| Did not respond: | 13% | | |
| How do you define your gender identity? | | | |
| Female: | 25% | | |
| Male: | 63% | | |
| Of other gender identities listed: | 0% | | |
| Did not respond: | 13% | | |
| Which of the following options best describes how you think of your sexual orientation? | | | |
| Gay or Lesbian: | 13% | | |
| Heterosexual or straight: | 75% | | |
| Of other sexual orientations listed: | 0% | | |
| Prefer not to say: | 0% | | |
| Did not respond: | 13% | | |
| Do you consider yourself to live with a disability? | | | |
| No: | 88% | | |
| Yes: | 0% | | |
| Prefer not to say: | 0% | | |
| Did not respond: | 13% | | |
| What is your Age? | | | |
| 25-29: | 0% | 50-54: | 25% |
| 30-34: | 0% | 55-59: | 13% |
| 35-39: | 0% | 65+: | 25% |
| 40-45: | 0% | Did not respond: | 13% |
| 45-49: | 25% | | |

A total of 77% of Team members that could respond did so. Equally 88% of Trustees completed the survey with their choices. Data below represents their responses only.

| LCF Team | | | |
|--|-----|------------------|-----|
| How do you describe your ethnicity? | | | |
| Asian/ Asian British: | 0% | | |
| Other ethnicities listed: | 0% | | |
| White: | 77% | | |
| Did not respond: | 23% | | |
| How do you define your gender identity? | | | |
| Female: | 54% | | |
| Male: | 23% | | |
| Of other gender identities listed: | 0% | | |
| Did not respond: | 23% | | |
| Which of the following options best describes how you think of your sexual orientation? | | | |
| Gay or Lesbian: | 15% | | |
| Heterosexual or straight: | 54% | | |
| Of other sexual orientations listed: | 0% | | |
| Prefer not to say: | 8% | | |
| Did not respond: | 23% | | |
| Do you consider yourself to live with a disability? | | | |
| No: | 54% | | |
| Yes: | 8% | | |
| Prefer not to say: | 15% | | |
| Did not respond: | 23% | | |
| What is your Age? | | | |
| 25-29: | 15% | 50-54: | 15% |
| 30-34: | 8% | 55-59: | 0% |
| 35-39: | 23% | 65+: | 0% |
| 40-45: | 0% | Did not respond: | 23% |
| 45-49: | 15% | | |

Our approach to fundraising

3. Data and digital development

LCF demonstrated – even in the early days of COVID-19 lockdown – the scale of impact we can achieve working virtually. Next year we will build on these digital achievements and insights, both to support development of our internal operations, performance, and insights on our impact and importantly, to also pass on time efficiencies and capacity-building to applicants and grantees. We recognise the breadth and value of the data held by LCF on London's giving and grassroots action across this great city. We hold a privileged position on the intelligence and insights we possess. Aligned with our commitment to collaboration, we will build and share this data to help inform donor engagement, philanthropy across the city and grant-making.

4. Investing in talent

As we publish this report, LCF is still working remotely with no definitive plans to return to permanent office working. Investing in our teams will also include how we support, develop, and enable them to move towards a new way of working, supporting their wellbeing, professional development and building on the collective impact during COVID-19. Included in this work is specific investment in LCF's middle management team as the future leaders.

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

Only LCF's team and Trustees are involved in fundraising for the charity (aside from individuals raising donations on our behalf through fundraising events). We do not use any third-party professional fundraisers or agencies. We are registered with, and pay the voluntary levy to, the Fundraising Regulator and abide by its Code of Conduct. There were no complaints regarding our fundraising practices during the year ended 31 March 2020.

Principal risks and uncertainties

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

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

The main risks identified in 2020/21 are shown below, along with the ways the risks are being mitigated:

1. Shortfall of income against costs: The result of this would be an erosion of reserves, reduced sustainability, and a contraction of the organisation. Cost management remains a key focus alongside revenue generation for LCF. Staffing remains the single largest cost and this is regularly reviewed by the SMT against fund management and new business development, the latter managed tightly through qualified pipeline analysis. However, as a funder dependent on the generosity of London's individual and corporate philanthropy and its public sector bodies, we face much of the uncertainty of other frontline charities. We have strengthened reserves in 19/20 and seek to manage costs through ongoing collaboration, effective cost management and pipeline analysis on future income.

2. Reputation in supporting Grassroots London: Without a responsive, transparent, and agile grant-making, LCF risks being a hindrance not an enabler to London's grassroots sector facing unprecedented challenges and competition for funding. We may not be able to fund or even save the organisations we may have previously funded but our reputation – both with applicants and donors – is critical. We will mitigate this through effective monitoring of data on grant making, clear communications and messaging with the sector and donors.

3. Developing a professional, high performing and knowledgeable team: LCF's team is our biggest asset. Ensuring the team can successfully transition to a new way of working post COVID-19 and that we can support their development and commitment to LCF's mission is a critical part of our own recovery from the pandemic.

4. Building on digital achievements: Capitalising on the advancements we have made virtually is a key part of cost management moving forward. Ensuring we can progress efficiencies will aid our operations, culture, and engagement with all stakeholders. Designated funds held on balance, coupled with advancements made, are key to mitigating the risks.

Statement of Trustees' responsibilities

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

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

In preparing these Financial Statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any

time the financial position of the charity and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

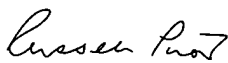
Each of the Trustees confirms that:

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

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

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

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



Russell Prior
Chair
Dated 1 February 2021

Independent Auditor's Report to the members of The London Community Foundation

Opinion

We have audited the Financial Statements of The London Community Foundation (the 'charitable company' year ended 31 March 2020) which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the Financial Statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or

• the Trustees have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or

- certain disclosures of Trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

- the information given in the Trustees' Report including the strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and

- the Trustees' Report including the strategic report has been prepared in accordance with applicable legal requirements.

Responsibilities of Trustees

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

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

the Trustees either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Financial Statements

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.

Buzzacott LLP

Catherine Biscoe
(Senior Statutory Auditor)

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

Dated: 19/02/2021

Trustees' Annual Report
and Financial Statements

Statement of Financial Activities for the year to 31 March 2020

| | Notes | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2020 £000 | Total 2019 £000 |
|--|-----------|----------------------------|--------------------------|-------------------------|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 2a | 914 | 7,906 | 146 | 8,966 | 8,455 |
| Investments | 2b | 281 | 422 | 58 | 761 | 747 |
| Other trading activities | 2c | 69 | - | - | 69 | 53 |
| Total income | | 1,264 | 8,328 | 204 | 9,796 | 9,255 |
| Expenditure on: | | | | | | |
| Raising funds | 3a | 467 | 14 | 122 | 603 | 567 |
| Charitable activities: | | | | | | |
| Grant programme | 3b | 787 | 8,979 | - | 9,766 | 8,492 |
| Community development | 3c | - | 36 | - | 36 | 64 |
| Total | | 1,254 | 9,029 | 122 | 10,405 | 9,123 |
| Net (expenditure) income before investment gains and losses | | 10 | (701) | 82 | (609) | 132 |
| Net (losses) / gains on investments | 9 | (7) | - | (1,103) | (1,110) | 1,272 |
| Net (expenditure) / income | | 3 | (701) | (1,021) | (1,719) | 1,404 |
| Transfer in / (out) between funds | 14,15 | 13 | 255 | (268) | - | - |
| Net movement in funds | | 16 | (446) | (1,289) | (1,719) | 1,404 |
| Reconciliation of funds: | | | | | | |
| Total at 01 April 2019 | | 751 | 4,141 | 20,886 | | 25,778 |
| Total at 31 March 2020 | 12 | 767 | 3,695 | 19,597 | 24,059 | |
| 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. | | | | | | |

Income and expenditure account for the year ended 31 March 2020

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Total income of continuing operations | 9,650 | 9,057 |
| Total expenditure of continuing operations | (10,405) | (9,123) |
| Net (expenditure) for the year before transfers and investment asset disposals | (755) | (66) |
| Transfers from endowment funds | 332 | 867 |
| Realised (losses) / gains on disposal of fixed asset investments | (24) | 4 |
| Net (expenditure) / income | (447) | 805 |

Total income comprises £1,264k (2019: £1,117k) of unrestricted funds, £8,328k (2019: £7,877k) of restricted funds and £58k (2019: £63k) of endowment funds.

Received in the year, but excluded from income, are new endowments of £146k (2019: £198k).

Detailed analysis of the expenditure is provided in the Statement of Financial Activities.

Net expenditure before investment asset disposals and transfers from the endowment funds for the year is £755k (2019: £66k).

This comprises of net unrestricted income of £10k (2019: £70k) net expenditure, net restricted expenditure of £701k (2019: £81k) and net endowment expenditure of £64k (2019: £77k).

Note that this excludes endowment income from donations and legacies as this is not considered to be continued operations.

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

The summary income and expenditure is derived from the Statement of Financial Activities which, together with the notes to the Accounts on pages 49 to 87, provides full information on the movements during the year on all funds of the charitable company.

Balance sheet as at March 2020

| | Notes | Total 2020 £000 | Total 2019 £000 |
|---|-------|-----------------------|-----------------------|
| Fixed assets: | | | |
| Tangible assets | 8 | 13 | 6 |
| Investments | 9 | 20,786 | 21,880 |
| Total | | 20,799 | 21,886 |
| Current assets: | | | |
| Debtors | 10 | 585 | 1,765 |
| Cash at bank and in hand | | 5,195 | 4,335 |
| Total | | 5,780 | 6,100 |
| Creditors: amounts falling due within one year | 11 | (2,320) | (2,208) |
| Net current assets: | | 3,260 | 3,892 |
| Net assets | | 24,059 | 25,778 |
| The funds of the charity: | | | |
| Capital funds: | | | |
| Expendable endowment funds | 14 | 15,387 | 16,336 |
| Permanent endowment funds | 14 | 4,210 | 4,550 |
| Total | | 19,597 | 20,886 |
| Revenue funds: | | | |
| Restricted funds | 15 | 3,695 | 4,141 |
| Unrestricted funds: | | | |
| Designated funds | 16 | 63 | 56 |
| General funds | | 704 | 695 |
| Total funds | | 24,059 | 25,778 |

The Financial Statements were approved by the Board of Trustees on: 1 February 2021

Russell Prior

Russell Prior
Chair of Trustees

T. C. V. Ingram

Timothy Ingram
Chair of Audit, Risk & Investment Committee

Company number: 4383269
Charity Number: 1091263

Statement of cash flows for the year ended 31 March 2020

| | Notes | Total 2020 £000 | Total 2019 £000 |
|---|----------|-----------------------|-----------------------|
| Cash flows from operating activities: | | | |
| Net cash provided by / (used in) operating activities | A | 104 | (682) |
| Cash flow from investing activities: | | | |
| Interest received | | 18 | 17 |
| Investment income received | | 743 | 730 |
| Purchase of property, plant and equipment | | (13) | (4) |
| Purchase of investments | | (10,798) | (243) |
| Proceeds from the disposal of investments | | 10,650 | 78 |
| Net cash provided by investing activities | | 600 | 578 |
| Cash flow from financing activities: | | | |
| Receipt of endowment | | 146 | 198 |
| Net cash provided by investing activities | | 146 | 198 |
| Change in cash and cash equivalents in year | | 850 | 94 |
| Cash and cash equivalents at 01 April 2019 | | 4,345 | 4,251 |
| Cash and cash equivalents at 31 March 2020 | B | 5,195 | 4,345 |
| Notes to the statement of cash flow for the year ended 31 March 2020 | | | |
| Note A: Net (expenditure) / income for the year (as per the statement of financial activities) | | (1,865) | 1,206 |
| Adjustments for: | | | |
| Net losses / (gains) on investments | | 1,110 | (1,272) |
| Depreciation charge | | 6 | 20 |
| Dividends and interest from investments | | (761) | (747) |
| Fees deducted from investments | | 122 | 164 |
| Decrease / (increase) in debtors | | 1,180 | (265) |
| Increase in creditors | | 312 | 212 |
| Net cash provided by / (used in) operating activities | A | 104 | (682) |
| Note B: Analysis of cash and cash equivalents: | | | |
| Cash at bank and in hand | | 5,195 | 4,335 |
| Cash held by investment manager for reinvestment | | 0 | 10 |
| Total | B | 5,195 | 4,345 |

Notes to the Accounts

1. Accounting policies

Basis of preparation

The Financial Statements of the Charity, which is a public benefit entity under FRS 102, 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 2020 with comparative information in respect to the year ended 31 March 2019.

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 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 2018), Financial Reporting Standard 102 and Companies Act 2006. The particular accounting policies adopted by the Board of Trustees are described:

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.

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.

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. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. Expenditure is classified under the following activity headings:

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• **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.

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

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

Support costs are cost 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.

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.

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.

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.

Endowment funds which are permanent, 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.

Expendable endowments must be invested to produce income. Depending on the conditions attached to the endowment, it may be possible to convert all or part of it into an income fund, which can be spent.

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

losses are taken to the part of the fund representing accumulated unapplied returns in the first instance.

An amount reflecting the deemed investment return each year is calculated using the Charity's endowment spending policy and is transferred to income funds to be applied within the terms of these funds.

Permanent endowment funds (without total return approach) only the income generated from the endowment is available to be applied towards charitable expenditure.

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.

Significant accounting estimates and judgments

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.

- 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 instruments and are initially recognised at transaction value and subsequently measured at fair value as at the balance sheet date using the closing market bid price.

The statement of financial activities includes the net unrealised gains and losses arising on revaluation and realised gains and losses arising from disposals throughout the year.

Realised gains and losses are calculated on the difference between sale proceeds and the opening carrying value or the purchase value if acquired in the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and the opening carrying value or purchase value if acquired in the financial year.

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Trustees' Annual Report
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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 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

As part of LCF activities is classified as exempt or non-business activities for the purposes of VAT, 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.

LCF has taken advantage of the exemption in respect to lease incentives on leases in existence at the date of transition to FRS 102 (01 April 2014) and continue to credit the lease incentives to the statement of financial activities over the period from the rent review date to the end of the lease term.

2 Income

| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2020 £000 | Total 2019 £000 |
|--|----------------------------|--------------------------|-------------------------|-----------------------|-----------------------|
| 2a Income from donations and legacies | | | | | |
| Trusts and foundations | 221 | 3,455 | 6 | 3,682 | 2,625 |
| Corporates | 294 | 1,921 | 140 | 2,355 | 2,380 |
| Local public authorities | 29 | 129 | - | 158 | 768 |
| Individuals | 236 | 634 | - | 870 | 529 |
| National public authorities | 134 | 1,767 | - | 1,901 | 2,153 |
| Total | 914 | 7,906 | 146 | 8,966 | 8,455 |
| 2b Income from investments | | | | | |
| Interest receivable | 18 | - | - | 18 | 17 |
| Investment income | 263 | 422 | 58 | 743 | 730 |
| Total | 281 | 422 | 58 | 761 | 747 |
| 2c Income from other trading activities | | | | | |
| Rental income | 69 | - | - | 69 | 53 |
| Total | 69 | - | - | 69 | 53 |

| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2020 £000 | Total 2019 £000 |
|--------------------------|----------------------------|--------------------------|-------------------------|-----------------------|-----------------------|
| 2020 Total income | 1,264 | 8,328 | 204 | 9,796 | |
| 2019 Total income | 1,117 | 7,877 | 261 | | 9,255 |

3 Expenditure

| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2020 £000 | Total 2019 £000 |
|---|-------------------------------|-----------------------------|----------------------------|-----------------------|-----------------------|
| 3a Expenditure on raising funds | | | | | |
| Investment management costs: | | | | | |
| Staff costs (note 6) | 7 | - | - | 7 | 4 |
| Other direct costs | 2 | - | 122 | 124 | 141 |
| Allocated support costs (note 4) | 5 | - | - | 5 | 2 |
| Cost of raising donations and legacies: | | | | | |
| Staff costs (note 6) | 239 | - | - | 239 | 243 |
| Other direct costs | 29 | 14 | - | 43 | 28 |
| Allocated support costs (note 4) | 174 | - | - | 174 | 126 |
| Cost of generating rental income: | | | | | |
| Staff costs (note 6) | 4 | - | - | 4 | 8 |
| Other direct costs | 4 | - | - | 4 | 14 |
| Allocated support costs (note 4) | 3 | - | - | 3 | 1 |
| Total | 467 | 14 | 122 | 603 | 567 |
| 3b Expenditure on charitable activities: grant programme | | | | | |
| Grants payable | - | 8,905 | - | 8,905 | 7,696 |
| Staff costs (note 6) | 452 | - | - | 452 | 446 |
| Other direct costs | 6 | 74 | - | 80 | 47 |
| Allocated support costs (note 4) | 329 | - | - | 329 | 303 |
| Total | 787 | 8,979 | - | 9,766 | 8,492 |
| 3c Expenditure on charitable activities: community development | | | | | |
| Staff costs (note 6) | - | - | - | - | 24 |
| Other direct costs | - | 36 | - | 36 | 25 |
| Allocated support costs (note 4) | - | - | - | - | 15 |
| Total | - | 36 | - | 36 | 64 |

| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2020 £000 | Total 2019 £000 |
|-------------------------------|-------------------------------|-----------------------------|----------------------------|-----------------------|-----------------------|
| 2020 Total Expenditure | 1,254 | 9,029 | 122 | 10,405 | |
| 2019 Total Expenditure | 1,187 | 7,796 | 140 | | 9,123 |

4 Analysis of support costs

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Support staff costs (note 6) | 138 | 118 |
| Professional fees | 90 | 84 |
| Premises costs | 153 | 125 |
| Office and other costs | 28 | 19 |
| Depreciation | 6 | 20 |
| IT costs | 24 | 24 |
| Governance costs (note 5) | 72 | 57 |
| Total | 511 | 447 |
| Attributed to: | | |
| Expenditure on raising funds (note 3a): | | |
| Investment management | 5 | 2 |
| Cost of raising donations and legacies | 174 | 126 |
| Cost of generating rental income | 3 | 1 |
| Expenditure on charitable activities: | | |
| Grant programme (note 3b) | 329 | 303 |
| Community development (note 3c) | - | 15 |
| Total | 511 | 447 |

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

5 Governance costs

| | 2020 £000 | 2019 £000 |
|---------------------------------|--------------|--------------|
| Staff costs (direct) | 55 | 42 |
| External auditor's remuneration | 13 | 12 |
| Legal and professional fees | 4 | 3 |
| Total | 72 | 57 |

6 Staff costs and remuneration of key management personnel

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|--------------|
| Salaries and wages | 683 | 725 |
| Social security costs | 65 | 76 |
| Employer pension contributions | 54 | 63 |
| Temporary staff costs | 90 | 12 |
| Redundancy costs | 3 | 5 |
| Total | 895 | 881 |

The average number of employees during the year was:

| Employees | 2020 FTE | 2019 FTE | 2020 Number | 2019 Number |
|--|-----------|-----------|----------------|----------------|
| Grant delivery and community development | 13 | 12 | 13 | 12 |
| Fundraising | 3 | 5 | 4 | 5 |
| Support | 2 | 2 | 2 | 2 |
| Total | 18 | 19 | 19 | 19 |

The number of staff whose emoluments were greater than £60,000 are:

| | 2020 | 2019 |
|-------------------|----------|----------|
| £60,001 - £70,000 | 1 | 1 |
| £70,000 - £80,000 | - | 1 |
| £80,001 - £90,000 | 1 | - |
| Total | 2 | 2 |

Emoluments is taken to mean actual payments due in-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 accrued employer pension contributions of £14,796 (2019: £15,048).

| |
|---|
| 22 employees participated in the charity's stakeholder pension scheme, inclusive of starters and leavers (2019: 24). |
| Key management personnel |
| The Charity considers its key management personnel comprises the trustees and senior management team. |
| The senior management team was made up as follows during the year: CEO, Director of Grants and Impact, Director of Finance & Resources until August 19, and Director of Business development and communications until January 20. (2019: CEO, Director of Programmes & Strategic partnerships until June 18, Interim Director of Programmes June to September 18, Director of Grants and Impact from October 18, Director of Finance & Resources, and Director of Business Development and Communications). |
| The total benefits including employer pension contributions of the employed senior management team were £261,359 (2019: £314,143). |
| The Trustees are not remunerated. Directly incurred expenses for travel and subsistence relating to their role as trustee are reimbursed if claimed. |
| No claims were made in 2020 (2019: 0). |

7 Net (expenditure)/income

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| This is stated after charging: | | |
| Staff costs (note 6) | 895 | 881 |
| Auditor's remuneration (excluding VAT): | | |
| Statutory audit services | 11 | 11 |
| Other services | - | 5 |
| Depreciation | 6 | 19 |
| Rentals under operating leases: property | 115 | 94 |
| Total | 1,027 | 1,010 |

8 Tangible fixed assets

| | Leasehold improvements £000 | Furniture, IT, Office equipment £000 | Total 2020 £000 |
|---|-----------------------------------|---|-----------------------|
| Cost: | | | |
| As at 01 April 2019 | 107 | 56 | 163 |
| Additions | - | 13 | 13 |
| As at 31 March 2020 | 107 | 69 | 176 |
| Depreciation: | | | |
| As at 01 April 2019 | 104 | 53 | 157 |
| Charge for the year | 1 | 5 | 6 |
| As at 31 March 2020 | 105 | 58 | 163 |
| Net Book Value as at 31 March 2020 | 2 | 11 | 13 |
| Net Book Value as at 31 March 2019 | 2 | 4 | 6 |

9 Fixed asset investments

| | 2020 £000 | 2019 £000 |
|---|---------------|---------------|
| 9a Investments at market value | | |
| Market value of listed investments at 01 April 2019 | 21,870 | 20,597 |
| Additions at cost | 10,798 | 243 |
| Disposal proceeds | (10,650) | (78) |
| Realised (losses) / gains on disposal | (24) | 4 |
| Fees deducted by the investment managers directly from the fund (note 3a) | (122) | (164) |
| Unrealised (losses) / gains | (1,086) | 1,268 |
| Market value of listed investments at 31 March 2020 | 20,786 | 21,870 |
| Cash held by investment managers | - | 10 |
| Total Market value of listed investments at 31 March 2020 | 20,786 | 21,880 |
| 9b Investments at historical cost | | |
| Market value at 31 March 2020 | 20,786 | 21,870 |
| Accumulated gains brought forward | (7,982) | (6,714) |
| Unrealised losses / (gains) for the year | 1,086 | (1,268) |
| Unrealised gain in respect to disposals in the year | 2,863 | 23 |
| Historical cost at 31 March 2020 | 16,733 | 13,911 |
| 9c Investments disposition | | |
| Cash and settlements pending | - | 10 |
| Common Investment Funds: Alpha CIF for Endowments (Income Units) | - | 10,631 |
| Common Investment Funds: COIF Charities Investment Fund | 20,689 | 11,138 |
| Common Investment Funds: COIF Ethical Investment Fund | 97 | 101 |
| Total market value of listed investments at 31 March 2020 | 20,786 | 21,880 |

During the year ended 31 March 2020, ICF consolidated its investment portfolio, to be administered by one investment manager, being CCIA. It disposed of its units in the Alpha CIF for Endowment Fund, held by Sarasin & Partners, and used the sales proceeds to make purchases in the COIF Charities Investment Fund.

10 Debtors

| | 2020 | 2019 |
|----------------|------------|--------------|
| | £000 | £000 |
| Trade debtors | 447 | 1,356 |
| Prepayments | 53 | 4 |
| Accrued income | 85 | 405 |
| Total | 585 | 1,765 |

11 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|--|--------------|--------------|
| | £000 | £000 |
| Grants payable | 2,351 | 2,021 |
| Other creditors | 27 | 66 |
| Accruals | 99 | 110 |
| Deferred income | 43 | 11 |
| Total | 2,520 | 2,208 |
| Movements on deferred income during the year was as follows: | | |
| Balance brought forward at 1 April 2019 | 11 | 7 |
| Amounts released to income | (3) | (7) |
| Cash received to be deferred | 35 | 11 |
| Balance carried forward at 31 March 2020 | 43 | 11 |
| Deferred income relates to funding where the agreement specifies some of the income is in relation to a future period. | | |

12 Analysis of net assets between funds

| | Unrestricted funds | Designated funds | Restricted funds | Endowment funds | 2020 | 2019 |
|--|--------------------|------------------|------------------|-----------------|---------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Fund balances as at 31 March 2020 | | | | | | |
| Represented by: | | | | | | |
| Tangible fixed assets | - | 13 | - | - | 13 | 6 |
| Fixed asset investments | 251 | - | 938 | 19,597 | 20,786 | 21,880 |
| Current assets – cash | 442 | 50 | 4,703 | - | 5,195 | 4,335 |
| Current assets – debtors | 164 | - | 421 | - | 585 | 1,765 |
| Creditors: amounts falling due within one year | (153) | - | (2,367) | - | (2,520) | (2,208) |
| Total | 704 | 63 | 3,695 | 19,597 | 24,059 | 25,778 |
| The restricted funds represented by fixed asset investments are made up of a few endowment funds where ICF's endowment spending policy has determined the portion of the capital gain on those funds which should be spent, but the investment assets will not be drawn down until spending plans are finalised. | | | | | | |
| The total unrealised gains as at 31 March 2020 constitutes movement on revaluation in respect of listed investments and are as follows: | | | | | | |
| Total unrealised gains included above: | | | | | | |
| On listed investments | | | | | 4,033 | 7,959 |
| Reconciliation of movements in unrealised gains: | | | | | | |
| Unrealised gains as at 01 April 2019 | | | | | 7,959 | 6,692 |
| Less disposals in year | | | | | (2,840) | (1) |
| Sub-total | | | | | 5,119 | 6,691 |
| Add net (losses) / gains arising on revaluation arising in-year | | | | | (1,086) | 1,268 |
| Total unrealised gains as at 31 March 2020 | | | | | 4,033 | 7,959 |

13 Obligations under operating leases

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| As at 31 March 2020, the Charity had total future minimum lease payments under non-cancellable operating leases for office rent as follows: | | |
| Within one year | 126 | 126 |
| After one but within two years | 126 | 126 |
| After two but within five years | 168 | 378 |
| Total | 420 | 630 |

14 Endowment funds

| | Bal. 01 April 2019 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Investment gain/ (loss) £000 | Bal. 31 March 2020 £000 | Bal. 31 March 2019 £000 |
|--|-------------------------------------|----------------|---------------------|------------------------------|---------------------------------------|----------------------------------|----------------------------------|
| ICF holds both expendable and permanent endowment funds. Many of ICF's endowment funds have benefited 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 the funds, are listed below along with totals for each scheme. | | | | | | | |
| Expendable endowments – Grassroots Grants Funds: | | | | | | | |
| Bramley Community Fund | 241 | - | (1) | (5) | (18) | 217 | 241 |
| Croydon Community Fund | 363 | - | (2) | (7) | (11) | 343 | 363 |
| Deutsche Bank Fund | 584 | - | (3) | 8 | (49) | 540 | 584 |
| Evening Standard Dispossessed Fund (Croydon) | 197 | 0 | (1) | 13 | (15) | 194 | 197 |

| | Bal. 01 April 2019 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Investment gain/ (loss) £000 | Bal. 31 March 2020 £000 | Bal. 31 March 2019 £000 |
|---|-------------------------------------|----------------|---------------------|------------------------------|---------------------------------------|----------------------------------|----------------------------------|
| Evening Standard Dispossessed Fund | 3,365 | - | (19) | (58) | (273) | 3,015 | 3,365 |
| Lambeth Community Fund | 224 | - | (1) | (3) | (6) | 214 | 224 |
| Peckham Fund | 152 | - | (1) | (3) | (4) | 144 | 152 |
| Rolls Royce Fund | 35 | - | 0 | (1) | (3) | 31 | 35 |
| Ruth's Fund | 132 | - | (1) | (3) | (3) | 125 | 132 |
| Victoria Foundation Fund | 375 | - | (2) | (6) | (29) | 338 | 375 |
| Wandsworth Educational Fund | 131 | - | (1) | (1) | (10) | 119 | 131 |
| Westminster Fund | 395 | - | (2) | (9) | (31) | 353 | 395 |
| Other Grassroots Grants Funds | 1,636 | - | (10) | (15) | (100) | 1,511 | 1,636 |
| Total | 7,830 | - | (44) | (90) | (552) | 7,144 | 7,830 |
| Expendable Endowments – Community First Funds: | | | | | | | |
| Barnet Fund | 431 | - | (3) | - | (11) | 417 | 431 |
| Friends Life Fund | 21 | - | - | - | (2) | 19 | 21 |
| Olive Camden CF Endowment Fund | 15 | - | - | - | 1 | 16 | 15 |
| Land Securities Capital Commitment Fund | 152 | - | (1) | - | (4) | 147 | 152 |
| Land Securities Westminster Fund | 220 | - | (1) | - | (6) | 213 | 220 |

| | Bal. 01 April 2019 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Investment gain / (loss) £000 | Bal. 31 March 2020 £000 | Bal. 31 March 2019 £000 |
|---|----------------------------------|----------------|---------------------|------------------------------|--|----------------------------------|----------------------------------|
| Living Cities Community Fund | 995 | 140 | (6) | - | (47) | 1,082 | 995 |
| London Community Foundation Fund | 68 | - | - | - | (2) | 66 | 68 |
| Love Kingston Fund | 122 | - | (1) | (6) | (1) | 114 | 122 |
| The London Leg-Up Fund | 347 | - | (2) | - | (10) | 333 | 347 |
| Other Community First Funds | 3,257 | 6 | (21) | (40) | (84) | 3,118 | 3,257 |
| Total | 5,628 | 146 | (35) | (46) | (166) | 5,527 | 5,628 |
| Expendable endowments - Other funds: | | | | | | | |
| Cresswell Trust | 66 | - | - | (1) | (6) | 59 | 66 |
| Lambeth Endowment Fund | 1,186 | - | (7) | (17) | (31) | 1,131 | 1,186 |
| Lewisham Fund | 333 | - | (2) | (7) | (9) | 313 | 333 |
| Portuguese Fund | 620 | - | (4) | (9) | (16) | 591 | 620 |
| South London Opportunity Fund | 158 | - | (1) | (3) | (4) | 150 | 158 |
| Wandsworth Community Fund | 515 | - | (3) | (4) | (38) | 470 | 515 |
| Total | 2,878 | - | (17) | (41) | (104) | 2,716 | 2,878 |
| Total Expendable Endowments | | | | | | 15,387 | 16,336 |
| Permanent Endowments: | | | | | | | |
| Barnet Endowment | 75 | - | - | - | (5) | 70 | 75 |
| Beaulay Trust | 1,399 | - | (8) | - | (35) | 1,356 | 1,399 |
| Pedlar's Acre Trust | 2,580 | 58 | (15) | (90) | (205) | 2,328 | 2,580 |

| | Bal. 01 April 2019 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Investment gain / (loss) £000 | Bal. 31 March 2020 £000 | Bal. 31 March 2019 £000 |
|--------------------------------------|----------------------------------|----------------|---------------------|------------------------------|--|----------------------------------|----------------------------------|
| Richmond Civic Trust | 496 | - | (3) | (1) | (36) | 456 | 496 |
| Total | 4,550 | 58 | (26) | (91) | (281) | 4,210 | 4,550 |
| Total Endowment Funds | 20,886 | 204 | (122) | (268) | (1,103) | 19,597 | 20,886 |

Grants from endowment funds are made from the restricted funds relating to the endowment funds of the same name, grants for the year ended 31 March 2020 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 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 represents the release of capital as allowed under the Total Return Order granted by the Charity Commission so that the funds may be applied to grants. Further details can be found in note 18.

15 Restricted funds

| | Bal. 01 April 2019 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Total 2020 £000 | Total 2019 £000 |
|---|----------------------------------|----------------|---------------------|------------------------------|-----------------------|-----------------------|
| LCF holds many restricted funds, a sample of which are shown in the note below along with totals from each type of donor. | | | | | | |
| Building Stronger Britain Together | 27 | 32 | (59) | - | - | 27 |
| Capco Earls Court Fund | 1 | 153 | (154) | - | - | 1 |
| Clarion - decorating fund | (1) | - | 1 | - | - | (1) |
| Clarion Business Start-up Program | 10 | - | - | (5) | 5 | 10 |
| Clarion Digital Communities Fund | 15 | (11) | (4) | - | - | 15 |
| Clarion Re-Train Program | 12 | - | (10) | - | 2 | 12 |
| Clarion Re-work Program | 6 | - | (8) | 4 | 2 | 6 |
| Coelwynne Fund | 3 | 1,255 | (1,243) | - | 15 | 3 |
| Comic Relief RND Community Cash | 17 | - | - | (17) | - | 17 |
| Deutsche Bank small grants fund | (17) | 84 | - | 62 | 129 | (17) |

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| | Bal. 01 April 2019 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Total 2020 £000 | Total 2019 £000 |
|---|----------------------------------|----------------|---------------------|------------------------------|-----------------------|-----------------------|
| Elephant and Castle Community Fund (Lendlease) | 54 | 50 | (54) | 2 | 52 | 54 |
| Evening Standard Food for London - Citi funded | 33 | - | - | - | 33 | 33 |
| Evening Standard Food for London - Grants fund | 18 | - | 4 | - | 22 | 18 |
| Evening Standard Dispossessed Fund Angel Town | 6 | - | (6) | - | - | 6 |
| Evening Standard Dispossessed Fund - Save London Lives | 206 | 680 | (1,011) | (1) | (123) | 206 |
| Evening Standard Dispossessed Fund - Homelessness Fund | - | 344 | (80) | - | 264 | - |
| Evening Standard Dispossessed Fund - The Excluded Initiative | - | 225 | - | - | 225 | - |
| Grenfell Children and Young People's Fund | 1,166 | 46 | (571) | - | 641 | 1,166 |
| Lambeth - Healthier for Longer | 48 | - | 5 | - | 53 | 48 |
| Lambeth Wellbeing Fund | 12 | 78 | (73) | - | 17 | 12 |
| LandSec - Capital Commitment Fund | 51 | - | (40) | 4 | 15 | 51 |
| LandSec - Westminster Fund | 71 | - | (21) | 9 | 59 | 71 |
| Living Cities Community Fund | 33 | - | (65) | 157 | 125 | 33 |
| London Communities Coronavirus Appeal | - | 6 | - | - | 6 | - |
| London Impact Awards | - | 129 | (129) | - | - | - |
| Mayor's Office for Policing & Crime (MOPAC) | 60 | (30) | (23) | - | 7 | 60 |
| Mayor's Office for Policing & Crime (MOPAC) - Violence Against Women and Girls Fund | - | 26 | (18) | - | 8 | - |

| | Bal. 01 April 2019 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Total 2020 £000 | Total 2019 £000 |
|---|----------------------------------|----------------|---------------------|------------------------------|-----------------------|-----------------------|
| Mayor's Office for Policing & Crime (MOPAC) - Violence Reduction Unit Fund | - | 1,297 | (1,368) | - | (71) | - |
| Microsoft Fund | - | 70 | - | - | 70 | - |
| Mohn Westlake Foundation Fund | - | 90 | (180) | - | (90) | - |
| Norton Rose Fulbright Fund | 9 | 28 | (40) | 28 | 25 | 9 |
| Peabody Community Fund | 7 | 700 | (295) | - | 412 | 7 |
| Redbridge Community Projects Fund | (3) | - | - | 3 | - | (3) |
| Regents Place Community Fund | 1 | - | (1) | - | - | 1 |
| Span England Active Communities Fund | 224 | - | (218) | - | 6 | 224 |
| The Segro Community Fund for London | 9 | 60 | (93) | 27 | 3 | 9 |
| The Wembley Park Community Fund | 114 | 85 | (123) | - | 76 | 114 |
| UKCF & National Emergencies Trust Coronavirus Appeal (London Allocation) | - | 46 | - | - | 46 | - |
| UKCF Tampan Tax Community Fund | 9 | 315 | (315) | - | 9 | 9 |
| Unlocking Potential | 26 | - | - | (12) | 14 | 26 |
| Wimbledon Foundation Community Fund | 66 | 63 | (129) | 0 | 0 | 66 |
| Youth Social Action | - | 416 | (252) | (20) | 144 | - |
| Other grant making funds | 402 | 1,651 | (2,070) | 153 | 136 | 402 |
| Total grant making funds | 2,693 | 7,888 | (8,643) | 394 | 2,334 | 2,693 |
| Endowment funds (revenue element) | | | | | | |
| Beaumont Trust | 22 | 34 | 18 | - | 74 | 22 |

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| | Bal. 01 April 2019 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Total 2020 £000 | Total 2019 £000 |
|---|----------------------------------|----------------|---------------------|------------------------------|-----------------------|-----------------------|
| Croydon Community Fund | 12 | 8 | (13) | 7 | 14 | 12 |
| Deutsche Bank Fund | 59 | 10 | - | (70) | (1) | 59 |
| Evening Standard Dispossessed Appeal Fund - Croydon | 21 | 6 | - | (13) | 14 | 21 |
| Evening Standard Dispossessed Fund | 276 | 82 | - | 53 | 411 | 276 |
| Lambeth Endowment Fund | 16 | 5 | - | 3 | 24 | 16 |
| Living Communities Fund | 138 | 19 | - | (157) | 0 | 138 |
| London Community Foundation Fund | 3 | 2 | - | - | 5 | 3 |
| Love Kingston Fund | (9) | 2 | - | 6 | (1) | (9) |
| Peckham Fund | (9) | 5 | - | 3 | (1) | (9) |
| Pedlar's Acre Trust | 85 | 5 | (103) | 89 | 76 | 85 |
| Richmond Civic Trust | 12 | 11 | (9) | 1 | 15 | 12 |
| The London Leg Up Fund | (11) | 8 | - | - | (3) | (11) |
| Victoria Foundation Fund | 13 | 9 | (14) | 6 | 14 | 13 |
| Wandsworth Community Fund | (2) | 17 | (15) | 4 | 4 | (2) |
| Westminster Fund | 33 | 7 | - | 9 | 49 | 33 |
| Other endowment funds (income element) | 787 | 207 | (250) | (76) | 666 | 787 |
| Total endowment funds (revenue element) | 1,446 | 440 | (386) | (139) | 1,361 | 1,446 |
| Total Restricted Funds | 4,141 | 8,328 | (9,029) | 255 | 3,695 | 4,141 |

The funds of the Charity include restricted funds listed above; the closing balance represents the unexpended balances of income held on trust from specific purpose. They take into account multi-year commitments to be paid to charitable organisations in future financial years.

Grant-making Funds:

Funds held for the purpose 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.

COVID-19 Response Funds:

In late March 2020, following the outbreak of the COVID-19 pandemic, the Charity launched The London Coronavirus Appeal. Before the year end, it had received the first restricted funds into the Appeal. The

| | Bal. 01 April 2019 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Total 2020 £000 | Total 2019 £000 |
|--|----------------------------------|----------------|---------------------|------------------------------|-----------------------|-----------------------|
|--|----------------------------------|----------------|---------------------|------------------------------|-----------------------|-----------------------|

Charity also received the first element of the London allocation of restricted funding from the National Emergencies Trust Coronavirus Appeal and via UKCF (the Charity, alongside the Community Foundation network in UK, was selected as a preferred delivery Charity for the NET Appeal). On both of these funds, the primary fundraising and grant-making activity has occurred in 2020/21.

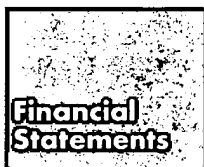
Grenfell Young People's Fund:

Following the closure of the Grenfell Tower emergency fund from the Evening Standard Dispossessed Fund and the Artists for Grenfell Appeals, legacy funds held were consolidated to form the Grenfell Young People's Fund. This five-year initiative was 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.

16 Designated Funds

The tangible fixed assets fund of £13,000 (2019: £6,000) represents the book value of the Charity'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 day-to-day operation of the Charity and should therefore not be considered realisable to meet commitments.

During the year to 31 March 2019, the Trustees elected to designate a fund of £50,000 to support the ICF's digital development programme. No funds have been added or spent from this fund in the year to 31 March 2020. Funds are expected to begin to be spent in 2020/21.



17 Funds of Pedlar's Acre Trust

| Assets of each charity at 31 March 2020 | LCF £000 | Pedlar's Acre Trust £000 | 2020 £000 |
|--|-------------|--------------------------------|--------------|
| 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 no. 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 2020 are shown below: | | | |
| Opening balance at 01 April 2019 | 23,198 | 2,580 | 25,778 |
| Income | 9,738 | 58 | 9,796 |
| Expenditure | (10,390) | (15) | (10,405) |
| Fund transfers in/ (out) (note 18) | 90 | (90) | - |
| Losses on investments | (905) | (205) | (1,110) |
| Net movement in funds | (1,467) | (252) | (1,719) |
| Closing balance as at 31 March 2020 | 21,731 | 2,328 | 24,059 |
| Tangible fixed assets | 13 | - | 13 |
| Fixed asset investments | 18,458 | 2,328 | 20,786 |
| Debtors | 585 | - | 585 |
| Cash at bank and in hand | 5,195 | - | 5,195 |
| Creditors: amounts falling due within one year | (2,520) | - | (2,520) |
| Net assets as at 31 March 2020 | 21,731 | 2,328 | 24,059 |
| Funds of the Charity | | | |
| Expendable endowment funds | 15,387 | - | 15,387 |
| Permanent endowment funds | 1,882 | 2,328 | 4,210 |
| Restricted funds | 3,695 | - | 3,695 |
| Unrestricted funds | 767 | - | 767 |
| Closing balance as at 31 March 2020 | 21,731 | 2,328 | 24,059 |

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

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| 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 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 2020 the Trustees elected to transfer 3.5% of the value of the fund as at 31 December 2019 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 2019/20. | | |
| The investment fund and application of total return to permanent endowment funds is as follows: | | |
| Opening value of permanent endowment 01 April 2019 | 2,580 | 2,580 |
| Less: Value of endowment at 31 March 2004 | (1,837) | (1,837) |
| Opening value of unapplied total return at 01 April 2019 | 743 | 743 |
| Add: Investment return income | 58 | 63 |
| Add: Investment return unrealised (loss) / gain on investment | (205) | 107 |
| Less: Investment management and legal costs | (15) | (20) |
| Unapplied total return before transfer to income | 581 | 893 |
| Less: unapplied total return applied** | (90) | (150) |
| Sub-total unapplied total return as at 31 March 2020 | 491 | 743 |
| Add: Value of endowment at 31 March 2004 | 1,837 | 1,837 |
| Permanent endowment including unapplied total return as at 31 March 2020 | 2,328 | 2,580 |
| ** During 2017/18 the transfer made for the unapplied total return was incorrect. An additional transfer has been made in 2018/19 to account for the difference. Therefore, the transfer made in 2018/19 consists of £96,724.46 relating to 2018/19, and an additional £53,422.05 relating to 2017/18, giving a combined total of £150,146.51. | | |

19 Funds held in capacity as Agents – Deptford Callange Trust

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| LCF manages the Deptford Challenge Trust (DCT) Fund on behalf of DCT as an agent and distributes the Fund to the beneficiary institutions selected by DCT. As the principal, DCT is responsible for ensuring the charitable application of the fund. | | |
| At the year-end date the following assets and liabilities relating to the Fund have been excluded from the balance sheet: | | |
| Cash at bank | 2 | 32 |
| Grant payable | 0 | (44) |
| Total funds held in capacity as Agents | 2 | (12) |

20 Related Party Transactions

| |
|--|
| As per note 6 the Trustees are not remunerated, and no expenses have been incurred in 2020 (2019: 0). |
| The total value of unrestricted donations made by the Trustees of the Charity for the benefit of the Charity during the year ended 31 March 2020 was £118,704 (2019: £15,050). |
| In the year ended 31 March 2020 no grants were made to organisations where a Trustee or member of the Senior Management Team held a declarable interest. |
| However, the following declarations were made in 2019: |
| During the year ended 31 March 2019, Lewisham Speaking Up received payments of £35,000 under the MOPAC Victims' Fund. Benjamin Clarkson (Director of Finance & Resources) is a Trustee of Lewisham Speaking Up. The Director of Finance & Resources has no influence on who receives grants from these programmes. There are no similar transactions during the year ended 31 March 2020. |
| Francis Selway (Chair) was appointed as a Trustee of Peabody Trust in May 2019 following a merger between Peabody Trust and Town & Country Housing Group, which he chaired. LCF has a longstanding relationship with Peabody Trust and operates the Peabody Community Fund, along with a number of other smaller funds. During the year, donations totalling £446,000 were made to the Peabody Community Fund and Peabody Youth Violence Fund. |
| During the year ended 31 March 2019, The Cranfield Trust received grants totalling £8,650 through the Evening Standard Dispossessed Fund. Gaynor Humphreys (Trustee) is a director of The Cranfield Trust. Gaynor Humphreys has no direct involvement in the grant awards for this programme. There were no similar transactions during the year ended 31 March 2020. |
| In the year ended 31 March 2019, the English Touring Opera received grants of £15,000, through the Cockayne Fund. Tim Ingram (Trustee) has served on the Development Sub-Committee of the English Touring Opera since March 2019. Tim Ingram has no direct involvement in the grant awards of this programme. There were no similar transactions during the year ended 31 March 2020. |

21 Analysis of grants

21a Analysis of grants by recipient

| | Number | Total 2020 £000 |
|---|------------|--------------------|
| Grants awarded to institutions | 618 | 9,039 |
| Grants awarded to individuals | 147 | 32 |
| TOTAL | 765 | 9,091 |
| The majority of the grant making at LCF is to charities and community groups each year. In the early part of the financial year, LCF also made its final grant awards to individuals under the funds set up by Clarion Housing Group. | | |
| The value shown in this note differs to the value of grants payable in note 3, due to grant returns and adjustments to historic creditors during the year. | | |
| We have listed below the institutions who have been awarded £40,000 or more in the year in total, from LCF. These may have come from one or more from our strategic themes, so we have separated out the total grants awarded by theme. | | |

21b Analysis of grants by theme

| Theme | Value | | | Value | | |
|--|----------------------|---------------------|---------------|--------------|-------------|----------------|
| | Institutions £000 | Individuals £000 | Total £000 | Institutions | Individuals | Total value |
| Connect | 3,406 | 0 | 3,406 | 301 | 0 | 301 |
| Future | 3,569 | 0 | 3,569 | 183 | 0 | 183 |
| Thrive | 2,083 | 32 | 2,115 | 134 | 147 | 281 |
| Total | 9,058 | 32 | 9,090 | 618 | 147 | 765 |
| Connect: "Tackling isolation in London and helping people feel connected and purposeful." | | | | | | |
| Future: "Empowering young people to help shape our Capital and their futures." | | | | | | |
| Thrive: "Supporting vulnerable Londoners live, work and thrive in London." | | | | | | |
| The majority of the grant-making at LCF is to charities and community groups each year. In the early part of the financial year, LCF also made its final grant awards to individuals under the funds set up by Clarion Housing Group. The Charity's new strategy now focuses on investing in charitable organisations. | | | | | | |
| The value shown in this note differs to the value of grants payable in note 3 due to grant returns and adjustments to historic creditors during the year. | | | | | | |
| We have listed below the organisations awarded £40,000 or more in the year in total from the Charity. These may come from one or more of our strategic themes, so we have separated out the total grants awarded by theme. | | | | | | |

21c Charitable organisations awarded £40,000
or more in the year total

| Institution name | Connect £ | Futura £ | Thrive £ | Total grants awarded £ | Total number of grants awarded |
|--|--------------|-------------|-------------|---------------------------|--------------------------------------|
| Jan Trust | 200,000 | - | - | 200,000 | 1 |
| SPEAR Housing Association Limited | - | - | 137,500 | 137,500 | 2 |
| Glass Door Homeless Charity | - | - | 124,093 | 124,093 | 2 |
| Barnardo's/National FGM Centre | 98,581 | - | - | 98,581 | 2 |
| ML Community Enterprise | 47,661 | 49,812 | - | 97,473 | 2 |
| Ace of Clubs | - | - | 95,470 | 95,470 | 3 |
| The VIP - Violence Intervention Project | - | 88,545 | - | 88,545 | 3 |
| Chaos Theory | - | 88,090 | - | 88,090 | 3 |
| The Greenleaf Trust Ltd | - | 86,630 | - | 86,630 | 3 |
| Ambition, Aspire, Achieve | - | 80,076 | - | 80,076 | 3 |
| The Spires Centre | - | - | 79,153 | 79,153 | 2 |
| The 4Front Project Ltd | 10,000 | 68,545 | - | 78,545 | 4 |
| IEAP Science and Maths School | - | 77,870 | - | 77,870 | 1 |
| Making Communities Work & Grow | 7,616 | 56,211 | - | 63,827 | 3 |
| Prosper | - | 61,794 | - | 61,794 | 3 |
| Streets of Growth | - | 53,191 | 8,000 | 61,191 | 3 |
| GOAL (Gospel Oak Action Link) | 10,000 | 49,900 | - | 59,900 | 2 |
| KeyLife CIO | - | 52,426 | 7,195 | 59,621 | 3 |
| Unique Talent CIC | - | 59,555 | - | 59,555 | 3 |
| Newham All Star Sports Academy | 10,000 | 37,415 | 9,750 | 57,165 | 4 |
| The St Matthew's Project | - | 56,234 | - | 56,234 | 2 |
| WISE Youth Trust | - | 55,977 | - | 55,977 | 2 |
| StreetDoctors | - | 55,165 | - | 55,165 | 2 |
| The London Sports Trust | 55,098 | - | - | 55,098 | 4 |
| Anti-Tribalism Movement | - | 51,016 | - | 51,016 | 2 |
| East London Dance | - | - | 50,000 | 50,000 | 1 |
| Institute of Contemporary Arts | - | - | 50,000 | 50,000 | 1 |
| S.P.I.D Theatre Company | - | - | 50,000 | 50,000 | 1 |
| Studio Voltaire | - | - | 50,000 | 50,000 | 1 |
| Ocean Youth Connexions | - | 50,000 | - | 50,000 | 1 |

| Institution name | Connect £ | Futura £ | Thrive £ | Total grants awarded £ | Total number of grants awarded |
|---|--------------|-------------|-------------|---------------------------|--------------------------------------|
| The Dwayne Simpson Foundation /Dwaymatics | - | 50,000 | - | 50,000 | 1 |
| Good Shepherd Voluntary Organisation | - | 49,996 | - | 49,996 | 1 |
| Southside Young Leaders Academy | - | 49,990 | - | 49,990 | 1 |
| Godwin Lawson Foundation | - | 49,738 | - | 49,738 | 1 |
| Craydon BME Forum | - | 49,736 | - | 49,736 | 1 |
| Academy Achievers | - | 49,550 | - | 49,550 | 1 |
| The Ben Kinsella Trust | - | 48,545 | - | 48,545 | 3 |
| Hactney Wick FC | 10,000 | 38,545 | - | 48,545 | 3 |
| The Show Crib | - | 47,000 | - | 47,000 | 1 |
| HOPE not hate Charitable Trust | 46,550 | - | - | 46,550 | 2 |
| Poplar Housing Ad Regeneration Community Association Ltd. | 45,970 | - | - | 45,970 | 1 |
| Solidarity Sports | - | 45,000 | - | 45,000 | 1 |
| The Clement James Centre | - | 45,000 | - | 45,000 | 1 |
| PSHE Association | 44,818 | - | - | 44,818 | 1 |
| Homeless Link | - | - | 44,400 | 44,400 | 1 |
| Midway Somali Development Network | - | 44,319 | - | 44,319 | 1 |
| Lancaster West Children's Community Network | - | 43,994 | - | 43,994 | 1 |
| Latimer Christian Fellowship Trust | - | 43,647 | - | 43,647 | 1 |
| Kensington and Chelsea Foundation | 43,614 | - | - | 43,614 | 1 |
| Third Age Project | 43,000 | - | - | 43,000 | 3 |
| Urbanwise London Limited | 8,343 | 34,530 | - | 42,873 | 3 |
| Fight for Change Foundation | - | 42,270 | - | 42,270 | 1 |
| Music Fusion | 41,612 | - | - | 41,612 | 1 |
| Rio Ferdinand Foundation | 40,671 | - | - | 40,671 | 1 |
| Migration Museum Project | 32,479 | 7,689 | - | 40,168 | 2 |

Prior Year Comparatives

Statement of Financial Activity for the year to 31 March 2019

| | Notes | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2019 £000 | Total 2018 £000 |
|---|------------|-------------------------------|-----------------------------|----------------------------|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Donations and legacies | 2a | 816 | 7,441 | 198 | 8,455 | 15,950 |
| Investments | 2b | 248 | 436 | 63 | 747 | 734 |
| Other trading activities | 2c | 53 | 0 | 0 | 53 | 34 |
| Charitable activities | 2d | | | | | (30) |
| Total income | | 1,117 | 7,877 | 261 | 9,255 | 16,688 |
| Expenditure on: | | | | | | |
| Raising funds | 3a | 423 | 4 | 140 | 567 | 731 |
| Charitable activities: | | | | | | |
| Grant programme | 3b | 749 | 7,743 | - | 8,492 | 17,059 |
| Community development | 3c | 15 | 49 | - | 64 | 168 |
| Total | | 1,187 | 7,796 | 140 | 9,122 | 17,958 |
| Net (expenditure) / income before investment gains and losses | | (70) | 81 | 121 | 132 | (1,270) |
| Net (losses) / gains on investments | | 20 | - | 1,252 | 1,272 | 258 |
| Net (expenditure) / income | | (50) | 81 | 1,373 | 1,404 | (1,012) |
| Transfer in / (out) between funds | 14, 15 | 27 | 763 | (790) | - | - |
| Net movement in funds | | (23) | 844 | 583 | 1,404 | (1,012) |
| Reconciliation of funds: | | | | | | |
| Total at 01 April 2018 | 774 | 3,297 | 20,303 | 24,374 | 25,386 | 774 |
| Total at 31 March 2019 | 751 | 4,141 | 20,886 | 25,778 | 24,374 | 751 |

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

Refers to note 2 Income

| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2019 £000 | Total 2018 £000 |
|--|-------------------------------|-----------------------------|----------------------------|-----------------------|-----------------------|
| 2a Income from donations and legacies | | | | | |
| Trusts and foundations | 191 | 2,417 | 17 | 2,625 | 1,765 |
| Corporates | 298 | 2,069 | 13 | 2,380 | 6,989 |
| Local public authorities | 72 | 696 | - | 768 | 340 |
| Individuals | 122 | 239 | 168 | 529 | 4,507 |
| National public authorities | 133 | 2,020 | - | 2,153 | 2,349 |
| Total | 816 | 7,441 | 198 | 8,455 | 15,950 |
| 2b Income from investments | | | | | |
| Interest receivable | 17 | - | - | 17 | 12 |
| Investment income | 231 | 436 | 63 | 730 | 722 |
| Total | 248 | 436 | 63 | 747 | 734 |
| 2c Income from other trading activities | | | | | |
| Rental income | 53 | - | - | 53 | 34 |
| Total | 53 | - | - | 53 | 34 |
| 2d Income from charitable activities | | | | | |
| Trusts and foundations | - | - | - | - | (30) |
| Total | - | - | - | - | (30) |
| 2019 Total income | | | | | |
| 2019 Total income | 1,117 | 7,877 | 261 | 9,255 | 16,688 |
| 2018 Total income | 1,061 | 15,376 | 251 | 16,688 | 16,688 |

Refers to note 3 Expenditure

| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2019 £000 | Total 2018 £000 |
|---|-------------------------------|-----------------------------|----------------------------|-----------------------|-----------------------|
| 3a Expenditure on raising funds | | | | | |
| Investment management costs: | | | | | |
| Staff costs | 4 | - | - | 4 | 3 |
| Other direct costs | 1 | - | 140 | 141 | 101 |
| Allocated support costs | 2 | - | - | 2 | 1 |
| Cost of raising donations and legacies: | | | | | |
| Staff costs | 243 | - | - | 243 | 364 |
| Other direct costs | 28 | - | - | 28 | 110 |
| Allocated support costs | 126 | - | - | 126 | 138 |
| Cost of generating rental income: | | | | | |
| Staff costs | 4 | 4 | - | 8 | 2 |
| Other direct costs | 14 | - | - | 14 | 11 |
| Allocated support costs | 1 | - | - | 1 | 1 |
| Total | 423 | 4 | 140 | 567 | 731 |
| 3b Expenditure on charitable activities: grant programme | | | | | |
| Grants payable | - | 7,696 | - | 7,696 | 16,359 |
| Staff costs | 445 | 1 | - | 446 | 446 |
| Other direct costs | 1 | 46 | - | 47 | 30 |
| Allocated support costs | 303 | - | - | 303 | 224 |
| Total | 749 | 7,743 | - | 8,492 | 17,059 |
| 3c Expenditure on charitable activities: community development | | | | | |
| Staff costs | - | 24 | - | 24 | 85 |
| Other direct costs | - | 25 | - | 25 | 32 |
| Allocated support costs | 15 | - | - | 15 | 51 |
| Total | 15 | 49 | - | 64 | 168 |

| | Unrestricted funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2019 £000 | Total 2018 £000 |
|-------------------------------|-------------------------------|-----------------------------|----------------------------|-----------------------|-----------------------|
| 2019 Total Expenditure | 1,187 | 7,796 | 140 | 9,122 | |
| 2018 Total Expenditure | 1,320 | 16,539 | 99 | | 17,958 |

Refers to note 12 Analysis of net assets between funds

| | Unrestricted funds £000 | Designated funds £000 | Restricted funds £000 | Endowment funds £000 | Total 2019 £000 |
|--|-------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------|
| Fund balances as at 31 March 2019 | | | | | |
| Represented by: | | | | | |
| Tangible fixed assets | 0 | 6 | 0 | 0 | 6 |
| Fixed asset investments | 259 | 0 | 735 | 20,886 | 21,880 |
| Current assets – cash | 310 | 50 | 3,974 | 0 | 4,334 |
| Current assets – debtors | 312 | 0 | 1,453 | 0 | 1,765 |
| Creditors: amounts falling due within one year | (186) | 0 | (2,021) | 0 | (2,207) |
| Total | 695 | 56 | 4,141 | 20,886 | 25,778 |
| The restricted funds represented by fixed asset investments are made up of a few endowment funds where ICF's endowment spending policy has determined the portion of the capital gain on those funds which should be spent, but the investment assets will not be drawn down until spending plans are finalised. | | | | | |
| The total unrealised gains as at 31 March 2019 constitutes movement on revaluation in respect of listed investments and are as follows: | | | | | |
| Total unrealised gains included above: | | | | | |
| On listed investments | | | 7,959 | | 6,691 |
| Reconciliation of movements in unrealised gains: | | | | | |
| Unrealised gains as at 01 April 2018 | | | 6,692 | | 5,685 |
| less disposals in year | | | (1) | | 754 |
| Sub-total | | | 6,691 | | 6,439 |
| Add net (losses) / gains arising on revaluation arising in-year | | | 1,268 | | 253 |
| Total unrealised gains as at 31 March 2019 | | | 7,959 | | 6,692 |

Refers to note 14 Endowment funds

| | Bal. 01 April 2018 £000 | Income £000 | Expenditure £000 | Transfer in / (out) £000 | Investment gain / (loss) £000 | Total 2019 £000 | Total 2018 £000 |
|--|----------------------------------|----------------|---------------------|-----------------------------------|-------------------------------------|-----------------------|-----------------------|
| LCF holds both expendable and permanent endowment funds. Many of LCF's endowment funds have benefited 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 the funds, are listed below along with totals for each scheme. | | | | | | | |
| Expendable endowments - Grassroots Grants Funds: | | | | | | | |
| Bramley Community Fund | 236 | - | (2) | (3) | 10 | 241 | 236 |
| Croydon Community Fund | 341 | - | (2) | (5) | 29 | 363 | 341 |
| Deutsche Bank Fund | 594 | - | (5) | (30) | 25 | 584 | 594 |
| Evening Standard Dispossessed Fund (Croydon) | 204 | - | (2) | (13) | 8 | 197 | 204 |
| Evening Standard Dispossessed Fund | 3,480 | - | (26) | (230) | 141 | 3,365 | 3,480 |
| Lambeth Community Fund | 210 | - | (1) | (2) | 17 | 224 | 210 |
| Peckham Fund | 143 | - | (1) | (2) | 13 | 152 | 143 |
| Rolls-Royce Fund | 34 | - | (0) | (0) | 1 | 35 | 34 |
| Ruth's Fund | 124 | - | (1) | (2) | 11 | 132 | 124 |
| Victoria Foundation Fund | 366 | - | (3) | (3) | 15 | 375 | 366 |
| Wandsworth Educational Fund | 127 | - | (1) | (0) | 5 | 131 | 127 |
| Westminster Fund | 387 | - | (3) | (5) | 16 | 395 | 387 |
| Other Grassroots Grants Funds | 1,561 | - | (10) | (28) | 93 | 1,636 | 1,581 |
| Total | 7,827 | - | (57) | (324) | 384 | 7,830 | 7,827 |

| | Bal. 01 April 2018 £000 | Income £000 | Expenditure £000 | Transfer in / (out) £000 | Investment gain / (loss) £000 | Total 2019 £000 | Total 2018 £000 |
|---|----------------------------------|----------------|---------------------|-----------------------------------|-------------------------------------|-----------------------|-----------------------|
| Expendable Endowments - Community First Funds: | | | | | | | |
| Barneet Fund | 401 | - | (3) | - | 33 | 431 | 401 |
| Friends Life Fund | 19 | - | (0) | - | 2 | 21 | 19 |
| Give Camden CF Endowment Fund | 15 | - | (0) | (1) | 1 | 15 | 15 |
| Land Securities Capital Commitment Fund | 178 | - | (1) | (38) | 13 | 152 | 178 |
| Land Securities Westminster Fund | 236 | - | (1) | (34) | 19 | 220 | 236 |
| Living Cities Community Fund | 1,044 | - | (6) | (119) | 76 | 995 | 1,044 |
| London Community Foundation Fund | 63 | - | (0) | - | 5 | 68 | 63 |
| Love Kingston Fund | 102 | 13 | (1) | - | 8 | 122 | 102 |
| The London Leg-Up Fund | 322 | - | (2) | - | 27 | 347 | 322 |
| Other Community First Funds | 3,084 | 17 | (19) | (79) | 254 | 3,257 | 3,084 |
| Total | 5,464 | 30 | (33) | (271) | 438 | 5,628 | 5,464 |
| Expendable endowments - Other funds: | | | | | | | |
| Cresswell Trust | 63 | - | (0) | (0) | 3 | 66 | 63 |
| Lambeth Endowment Fund | 1,121 | - | (7) | (21) | 93 | 1,186 | 1,121 |
| Lewisham Fund | 312 | - | (2) | (5) | 28 | 333 | 312 |

| | Bal. 01 April 2018 £000 | Income £000 | Expenditure £000 | Transfer in / (out) £000 | Investment gain / (loss) £000 | Total 2019 £000 | Total 2018 £000 |
|--|----------------------------------|----------------|---------------------|-----------------------------------|-------------------------------------|-----------------------|-----------------------|
| Portuguese Fund | 580 | - | (4) | (5) | 49 | 620 | 580 |
| South London Opportunity Fund | - | 168 | (1) | (14) | 5 | 158 | - |
| Wandsworth Community Fund | 499 | - | (4) | (0) | 20 | 515 | 499 |
| Total | 2,373 | 168 | (18) | (45) | 197 | 2,878 | 2,373 |
| Total Expendable Endowments | 15,866 | 198 | (108) | (640) | 1,019 | 16,336 | 15,866 |
| Permanent Endowments: | | | | | | | |
| Barnet Endowment | 73 | - | (1) | - | 3 | 75 | 73 |
| Beaufort Trust | 1,303 | - | (8) | - | 104 | 1,399 | 1,303 |
| Pedlar's Acre Trust | 2,580 | 63 | (20) | (150) | 107 | 2,580 | 2,580 |
| Richmond Civic Trust | 481 | - | (4) | - | 19 | 496 | 481 |
| Total | 4,437 | 63 | (33) | (150) | 233 | 4,550 | 4,437 |
| Total Endowment Funds | 20,303 | 261 | (141) | (790) | 1,252 | 20,886 | 20,303 |

Refers to note 15 Restricted funds

| | Bal. 01 April 2018 £000 | Income £000 | Expenditure £000 | Transfer in / (out) £000 | Total 2019 £000 | Total 2018 £000 |
|--|----------------------------------|----------------|---------------------|-----------------------------------|-----------------------|-----------------------|
| Grant making funds | | | | | | |
| Building Stronger Britain Together | (18) | 398 | (353) | - | 27 | (18) |
| Copco Earls Court Fund | (54) | 153 | (98) | - | 1 | (54) |
| Clarion - decorating fund | - | (2) | 1 | - | (1) | - |
| Clarion Business Start up Program | 25 | - | (14) | (1) | 10 | 25 |
| Clarion Digital Communities Fund | 10 | 79 | (74) | - | 15 | 10 |
| Clarion Re-Train Program | 64 | - | (32) | (20) | 12 | 64 |
| Clarion Re-work Program | 17 | - | (31) | 20 | 6 | 17 |
| Cockayne Fund | 70 | 956 | (1,023) | - | 3 | 70 |
| Comic Relief RND Community Cash | - | - | 17 | - | 17 | - |
| Croydon Tram Disaster | 2 | - | (2) | - | - | 2 |
| Deutsche Bank small grants fund | 13 | - | (36) | 6 | (17) | 13 |
| Elephant and Castle Community Fund (Lendlease) | 57 | 50 | (53) | - | 54 | 57 |
| Evening Standard Food for London - Citi funded | 59 | - | (26) | - | 33 | 59 |
| Evening Standard Food for London - Grants fund | 33 | - | (15) | - | 18 | 33 |
| Evening Standard Dispossessed Fund - Estates | 27 | - | - | (27) | - | 27 |
| Evening Standard Dispossessed Fund Angel Town | 18 | - | (12) | - | 6 | 18 |
| Evening Standard Dispossessed Fund - Save London Lives | - | 665 | (789) | 330 | 206 | - |
| Grenfell Fire Appeal - Artists for Grenfell | 223 | 46 | - | (269) | - | 223 |

Financial Statements

Trustees' Annual Report
and Financial Statements

| | Bal. 01 April 18 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Total 2019 £000 | Total 2018 £000 |
|--|-----------------------------|----------------|---------------------|------------------------------|-----------------------|-----------------------|
| Grenfell Fire Appeal - Evening Standard | 545 | 51 | - | (596) | - | 545 |
| Grenfell Children and Young People's Fund | - | 461 | (147) | 852 | 1,166 | - |
| Lambeth - Healthier for Longer | (57) | - | 105 | - | 48 | (57) |
| Lambeth Wellbeing Fund | 18 | 86 | (92) | - | 12 | 18 |
| LandSec - Capital Commitment fund | 8 | - | - | 43 | 51 | 8 |
| LandSec - Westminster fund | 18 | - | - | 53 | 71 | 18 |
| Living Cities Community Fund | 5 | 89 | (80) | 19 | 33 | 5 |
| Mayor's Office for Policing & Crime (MOPAC) | (92) | 2,020 | (1,868) | - | 60 | (92) |
| Mohn Westlake Foundation Fund | - | 44 | (44) | - | - | - |
| Norton Rose Fulbright fund | - | - | - | 9 | 9 | - |
| Peabody Community Fund | 86 | 310 | (389) | - | 7 | 86 |
| Redbridge Community Projects Fund | - | 175 | (178) | - | (3) | - |
| Reducing Isolation Fund | 27 | - | (27) | - | - | 27 |
| Rogens Place Community Fund | 13 | (8) | (4) | - | 1 | 13 |
| Sport England Active Communities fund | 224 | - | - | - | 224 | 224 |
| The Segro Community Fund for London | 32 | 60 | (83) | - | 9 | 32 |
| The Wembley Park Community Fund | 113 | 114 | (117) | 4 | 114 | 113 |
| UKCF Tampon Tax Community Fund | - | 284 | (275) | - | 9 | - |
| Unlocking Potential | 26 | - | - | - | 26 | 26 |
| Wimbledon Foundation Community Fund | 62 | 125 | (121) | - | 66 | 62 |
| Youth Social Action | 90 | 90 | (180) | - | - | 90 |
| Other grant making funds | 610 | 1,136 | (1,316) | (28) | 402 | 610 |
| Total | 2,274 | 7,382 | (7,336) | 395 | 2,695 | 2,274 |

| | Bal. 01 April 18 £000 | Income £000 | Expenditure £000 | Transfer in/(out) £000 | Total 2019 £000 | Total 2018 £000 |
|---|-----------------------------|----------------|---------------------|------------------------------|-----------------------|-----------------------|
| Endowment funds (revenue element) | | | | | | |
| Beaulay Trust | 84 | 34 | (96) | - | 22 | 84 |
| Bramley Community Fund | 1 | 11 | (17) | 5 | - | 1 |
| Croydon Community Fund | - | 7 | - | 5 | 12 | - |
| Deutsche Bank Fund | 23 | 12 | - | 24 | 59 | 23 |
| Evening Standard Dispossessed Appeal Fund - Croydon | 14 | 7 | - | - | 21 | 14 |
| Evening Standard Dispossessed Fund | 220 | 101 | - | (45) | 276 | 220 |
| Lambeth Endowment Fund | 8 | 6 | - | 2 | 16 | 8 |
| Living Communities Fund | 19 | 20 | - | 99 | 138 | 19 |
| London Community Foundation Fund | 2 | 1 | - | - | 3 | 2 |
| Love Kingston Fund | 2 | 2 | (13) | - | (9) | 2 |
| Peckham Fund | 31 | 3 | (45) | 2 | (9) | 31 |
| Pedlar's Acre Trust | 57 | - | (122) | 150 | 85 | 57 |
| Richmond Civic Trust | 11 | 11 | (10) | - | 12 | 11 |
| The London Leg Up Fund | - | 8 | (19) | - | (11) | - |
| Victoria Foundation Fund | 1 | 9 | - | 3 | 13 | 1 |
| Wandsworth Community Fund | - | 16 | (18) | - | (2) | - |
| Westminster Fund | 21 | 7 | - | 5 | 33 | 21 |
| Other endowment funds (income element) | 529 | 240 | (100) | 118 | 787 | 529 |
| Total | 1,023 | 495 | (440) | 368 | 1,446 | 1,023 |
| Total Restricted Funds | 3,297 | 7,877 | (7,796) | 763 | 4,141 | 3,297 |

Refers to note 17 Funds of Pedlar's Acre Trust

| | LCF £000 | Pedlar's Acre Trust £000 | Total 2019 £000 |
|---|---------------|--------------------------------|-----------------------|
| 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 no. 205817). At the date of the uniting direction the assets of Pedlar's Acre Trust were valued at £1,843,330. | | | |
| The transactions and assets of the separate charities for the year ended 31 March 2019 are shown below: | | | |
| Opening balance at 1 April 2018 | 21,794 | 2,580 | 24,374 |
| Income | 9,192 | 63 | 9,255 |
| Expenditure | (9,103) | (20) | (9,123) |
| Fund transfers in/(out) (note 22) | 150 | (150) | - |
| Gain on investments | 1,165 | 107 | 1,272 |
| Net movement in funds | 1,404 | (0) | 1,404 |
| Closing balance as at 31 March 2019 | 23,198 | 2,580 | 25,778 |
| Tangible fixed assets | 6 | - | 6 |
| Fixed asset investments | 19,269 | 2,611 | 21,880 |
| Debtors | 1,765 | - | 1,765 |
| Cash at bank and in hand | 4,335 | - | 4,335 |
| Creditors: amounts falling due within one year | (2,177) | (31) | (2,208) |
| Net assets at 31 March 2019 | 23,200 | 2,580 | 25,778 |
| Funds of the charities | | | |
| Expendable endowment funds | 16,336 | - | 16,336 |
| Permanent endowment funds | 1,970 | 2,580 | 4,550 |
| Restricted funds | 4,141 | - | 4,141 |
| Unrestricted funds | 751 | - | 751 |
| Closing balance at 31 March 2019 | 23,198 | 2,580 | 25,778 |

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

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| The investment power of total return was granted by a Charity Commission Order on 17 January 2011. The charity received advice from its legal advisors Bates Wells & Braithwaite with regard to the use of the power and ensuring its use does not prejudice the ability of the Charity to support both current and future beneficiaries. | | |
| This power permits the trustees to invest permanently endowed funds to maximise total return and apply an appropriate portion of the unapplied total return income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the note below), the unapplied total return remains invested as part of the permanent endowment. The trustees have selected the date of the valuation for total return purposes to be the value of the endowed fund at 31 March 2004. Pedlar's Acre Fund has been in existence since the 17th century, however no valuation is available for the charity prior to 31 March 2004. At this date Pedlar's Acre Trust Fund was valued at £1,836,806. The note below shows the opening unapplied total return and fund transfer in the year. | | |
| The power of total return allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for grant making expenditure. During the year to 31 March 2019 the Trustees elected to transfer 3.5% of the value of the fund as at 31 December 2018 to income funds, 3.5% being the amount LCF aims to spend of its permanent endowment funds holding Total Return power under its endowment spending policy. The Trustees decided that the duty to be even-handed to future and present beneficiaries was fulfilled by following LCF's standard policy in 2018/19. | | |
| The investment fund and application of total return to permanent endowment funds is as follows: | | |
| Opening value of permanent endowment 01 April 2018 | 2,580 | 2,565 |
| Less: Value of endowment at 31 March 2004 | (1,837) | (1,837) |
| Opening value of unapplied total return at 01 April 2018 | 743 | 728 |
| Add: Investment return income | 63 | 60 |
| Add: Investment return unrealised (loss) / gain on investment | 107 | 2 |
| Less: Investment management and legal costs | (20) | (10) |
| Unapplied total return before transfer to income | 893 | 780 |
| Less: unapplied total return applied** | (150) | (37) |
| Sub-total unapplied total return as at 31 March 2019 | 743 | 743 |
| Add: Value of endowment at 31 March 2004 | 1,837 | 1,837 |
| Permanent endowment including unapplied total return as at 31 March 2019 | 2,580 | 2,580 |
| ** During 2017/18 the transfer made for the unapplied total return was incorrect. An additional transfer has been made in 2018/19 to account for the difference. Therefore, the transfer made in 2018/19 consists of £96,724.46 relating to 2018/19, and an additional £53,422.05 relating to 2017/18, giving a combined total of £150,146.5. | | |

Contact

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