

THE LONDON COMMUNITY FOUNDATION

England & Wales · Charity number 1091263

Details

Other names	CAPITAL COMMUNITY FOUNDATION, SOUTH EAST LONDON COMMUNITY FOUNDATION, THE CAPITAL COMMUNITY FOUNDATION, CCF, SELCF
Status	Registered
Legal form	Charitable company
Company number	04383269
Registered	2002-03-21
Register	View on the Charity Commission register

Contact

Address	Canopi Unit A Arc House 82 Tanner Street London SE1 3GN
Phone	02075825117
Email	info@londoncf.org.uk
Website	www.londoncf.org.uk

Activities

Objects: 1. THE PROMOTION OF ANY CHARITABLE PURPOSES FOR THE BENEFIT OF THE COMMUNITY OF 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 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 TO THE AREA OF BENEFIT.

Activities: The London Community Foundation makes a difference to the lives of Londoners by connecting people who need help with those who are willing to give. That's what we do. We are dedicated to improving the lives of London's most disadvantaged. Child poverty, unemployment, isolation, homelessness, domestic

violence and gang crime are just some of the issues we are tackling through our grant making.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment, Recreation, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** THE LONDON BOROUGHES AND THE CITY OF LONDON
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£9,328,000	£10,284,000	£30,186,000	21
2024-03-31	£11,555,000	£13,100,000	£32,256,000	19
2023-03-31	£13,000,000	£13,550,000	£31,636,000	18
2022-03-31	£12,183,000	£10,805,000	£33,130,000	20
2021-03-31	£21,474,000	£20,033,000	£29,735,000	20

Trustees

Name	Role	Appointed
Fiona Bickley		2022-07-01
John Hume		2019-12-23
Owen Jenkins		2022-03-11
Urmi Dutta-Roy		2022-03-11
Veesh Vishal Sharma		2020-12-07

Linked charities

- PEDLAR'S ACRE (1091263-1)
- THE BEAUFOY TRUST (1091263-2)

THE LONDON COMMUNITY FOUNDATION

England & Wales - Charity number 1091263

Accounts



**The London
Community
Foundation**

Annual report and financial statements

For the year ending 31 March 2025

londoncf.org.uk

Registered charity number 1091263
Company limited by guarantee number 4383269

Who we are

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

We believe London is the greatest city in the world. But London is a polarised city, of extreme inequality, where many people struggle just to get by.

At The London Community Foundation, we believe in the vital role local community organisations play in rising to London's challenges. We also believe in the generosity and solidarity of Londoners wanting to make a difference to where they live and work. Our task is to champion local organisations by connecting donors to them, channelling funds to their work, and supporting them directly to be stronger.



Since 2010,
we have
committed over

**£134
million**

in grants to support
London's grassroots
organisations





Contents

Chair's statement	06
Chief Executive's welcome	08
Our impact	10
Women: Valuing women in their community	10
Young people: Investing in opportunities, apprenticeships and relationships	12
Local: The power of local	14
A year at The London Community Foundation	16
Trustees' report	18
Legal and administrative information	19
Objectives and activities	23
Grant making policy	25
Structure, governance and management	25
Public benefit statement	28
Achievements and performance	28
Financial review	31
Reserves	33
Reserves policy	34
Investment policy and management	36
Principal risks and uncertainties	38
People and pay	42
Future plans	50
Our approach to fundraising	52
Statement of Trustees' responsibilities	53
Independent auditor's report to the members of The London Community Foundation	55
Statement of financial activities	61
Balance sheet	62
Statement of cash flows	63
Notes to the financial statements	65

Chair's statement

Collaboration is key in changing, uncertain times

There is immense power in partnership, and we're privileged to stand with London's community and voluntary sector to help meet their needs and challenges. We can't do it alone and we wouldn't want to try to do so either.

The London Community Foundation is built on collaboration – whether it's working together with our generous donors to support their social impact and philanthropic goals or supporting our network of community organisations through funding, guidance and organisational development. But in times of turbulence and uncertainty, working together becomes even more vital. Global markets have become increasingly unpredictable this year, which has had a knock-on effect on donors and charities alike.

Our commitment to supporting grassroots community organisations remains a constant but we're increasingly looking for ways to draw others in to become part of the solution. For example, we were delighted to work with Sainsbury's and Comic Relief on our first Holiday Activities and Food (HAF) programme over the summer holidays. Collaboration was also a key part of establishing the Adobe UK Community Fund, with our colleagues at Berkshire Community Foundation. Valuable insight and guidance from sector experts Inclusion London shaped the programme supporting digital and creative inclusion for disability organisations.

Early in the year we convened a gathering of property developers to explore how we could see even greater social impact through collaboration across the real estate sector. Knight Dragon gave us insight into their partnership with Royal Borough of Greenwich while British Land shared their model for joining forces with their customers and tenants to help the communities surrounding their London campuses.

Both of our pooled 'All Together' funds - Women's Fund for London and Youth Futures Fund - have continued to grow in both value and number of donors. This year Youth Futures surpassed the milestone of £1 million, with £1.4 million raised and distributed to support young people across London. Thanks to generous match funding from CCLA Investments this includes nearly £400,000 going to organisations helping London's young care leavers to thrive.

A personal highlight for me was to watch our team of London Marathon runners race through the city's streets. Each of these generous runners taking on a personal challenge but working together to raise over £50,000 to

help us support good causes across London. Whatever the future holds for London and our network of community organisations, we can be confident that working together to support London's communities will put us all in a stronger position.

This year has seen a change in leadership of The London Community Foundation and I would like to express my thanks to Paul Buchanan MBE for his hard work and dedication during his first year as CEO. It is fitting that he was recognised in the King's New Year's Honours list for his services to charity and I am excited to see him lead us forward into the future. I would also like to recognise The London Community Foundation team and Board of Trustees and thank them for all their hard work this year.

Russell Prior OBE
Chair
The London Community Foundation



Our impact across London



£8,523,000

awarded to charitable organisations

703

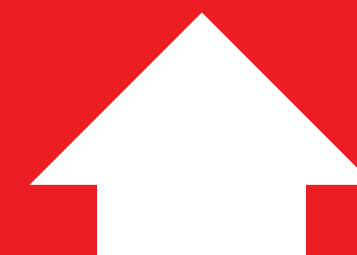
grants allocated

£12,124

average grant size

78%

of grantees have an annual income of under £500,000



Increasing our focus on impact

At The London Community Foundation, we are driven by a deep belief in the power of grassroots organisations to lead meaningful change.

In a year of continued economic and social pressures in our communities, our focus has remained on increasing our impact, by supporting those closest to the challenges, and the solutions.

In 2024–25, we awarded over £8.5 million in funding through 703 grants, with nearly 80% going to organisations with annual incomes under £500,000. The charities we support are embedded in their communities and they are trusted and responsive. They understand the complex issues

facing many Londoners and deliver support that is based on the needs of individuals, is inclusive, is culturally relevant, and always transformative.

We recognise that the success of the community organisations we support, means success for us and our donors. It is the community organisations themselves who know how to make a difference and are best placed to understand their own needs. So, we have continued to deepen our engagement with community organisations, to understand their needs,

and look to provide as much supportive funding as possible. This includes providing longer term, co-designed, and core funding to organisations wherever possible.

It is inspirational to work with so many thoughtful and responsive donors, from all sectors, who care about improving the lives of Londoners facing challenges. Working alongside incredible donors like Adobe to support disability organisations that desperately need more core funding to meet burgeoning demand, especially in underserved cold spots in London. Likewise with the Wimbledon Foundation who are supporting local homelessness charities with long term, flexible funding based on their needs. Or through the impactful, long-standing partnership with MOPAC to tackle violence against woman and girls which provides collaboration, learning, and development opportunities for grantees, alongside funding, to tackle this pernicious issue.

I would also like to thank the Godin Legacy Fund for their kind donation to The London Community Foundation, which has been incredibly valuable for us as a charity, in furthering our work to

support women in London through our funding programmes.

Looking ahead our priority is to be impact led. We are putting the foundations in place for a long-term strategy to grow our impact. We will work closely with our donors to be a supportive and understanding funder. We will collaborate widely to avoid duplication and leverage more value for communities. We will advocate for grass roots community organisations and ask more incredible donors to join our collective mission, to make London a fairer and more equitable place for all.

As I reflect on my first year as CEO of The London Community Foundation, it's been an honour to lead the organisation as we continue to evolve to meet the needs of London grassroots charities. And it's a privilege to lead such a dedicated, committed and caring team; supported by our outstanding trustees.

Paul Buchanan MBE
Chief Executive Officer

Our values and behaviours

Our vision:

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

Our purpose:

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

Our values:

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

Our behaviours:

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

Our impact: Women

Reaching those women most at risk in our city

"Your financial partnership means that we can continue to focus our small charity resources on our in-depth, holistic and survivor-centred work which is truly transformational for the women we work with. We are incredibly grateful for your support."

Strength and Stem

With nearly five million women and girls living in London, the range of issues faced by those women marginalised by poverty, race, culture, community, religion and language is vast. Our funding programmes are designed with the ambition to ensure that all get the chance to receive the support and provision they need. However, the layered nature of the experiences and challenges they face, means that women often face additional disadvantage. The impact of this can start to be felt at a young age too.

This year the **Evening Standard** ran an investigation into the prevalence of misogyny in schools and its impact on young women and girls, committing £500,000 as part of their **Show Respect** campaign to tackle the issue. Grants were awarded to 12 community organisations across London from the **Evening Standard Dispossessed Fund**. The programme has already impacted 2,089 students across 35 schools in 13 London boroughs. The campaign also received

prominent coverage in several editions of the Evening Standard newspaper and on their website.

In September, we gathered together with 36 specialist community organisations tackling violence against women and girls (VAWG), with special guest outgoing **Deputy Mayor Sophie Linden**. The current cohort from **MOPAC Violence Against Women and Girls (VAWG) Grassroots Fund 2023-25** have already supported 7,794 women with recovery and engaged young girls and boys in the prevention of harmful attitudes. Despite systemic barriers, these small led by and for organisations deliver culturally sensitive and trauma-informed services to those experiencing multiple disadvantages. The £3+ million multi-year programme represents everything we aspire to as a flexible and responsive funder – yet this merely scratches the surface in this area of great need.

Just one month later we hosted another group of community organisations bringing hope and

opportunity specifically to women across the city. Our new **Women's Fund for London** has now awarded £210,000 to support four community organisations providing skills, training and employment opportunities to disadvantaged women. As one of our pooled 'All Together' funds, it offers the perfect way for anyone – individuals, trusts or companies – to help us achieve sustainable, flexible support and bring greater financial resilience to disadvantaged women and their families.

In December, **Godin Legacy Fund** gave an unrestricted £50,000 donation in recognition of our commitment to supporting women in the capital through our wide grantmaking programmes and projects, including the **Women's Fund for London**.

Our Women's Fund for London runs throughout the year. If you would like to know more about supporting women across the city, please contact philanthropy@londoncf.org.uk

Funding and support

£2,045,975

of funding was
awarded to community
organisations
supporting women

28%

of our overall
funding was
focused on women

7,794

women and young people
supported through VAWG
recovery and education
programmes



Our impact:
Young people

Helping the capital's young people to thrive

"I've never been in an environment where I feel so valued for being me. The sense of family and community that The Big House Theatre Company generates is truly unique and amazing."

Young person, supported by The Big House Theatre Company

Young people in London feel the impact of the city's inequality as much as anyone. Young people under 25 make up nearly a third of London's population and many of them struggle to access the opportunities, services, and support they need to thrive. Resources can be stretched for organisations supporting young people and funding gaps become inevitable. This year we have been able to identify some important areas where funding for young people can make a significant impact, such as tackling misogyny in schools, providing summer holiday activity and food programmes and supporting young people leaving care.

Our **Youth Futures Fund** continues to grow, with over £1.4 million raised and distributed to community organisations across the capital. With previous rounds focusing on post-pandemic mental health, education and employment and healthy relationships, this year's theme was helping young care leavers to thrive. Thanks to £150,000 of match funding from **CCLA Investments**, we were able to raise £395,000 to support six specialist community organisations helping those leaving care to transition to adulthood. Broadcaster, TV presenter and inspirational speaker **Ashley John-Baptiste** joined us to share his experiences of leaving the care system, at the launch of the match-funded care leavers programme.

This summer we also launched our first summer holiday activities and food (HAF) programme, with **Sainsbury's** and **Comic Relief** identifying key communities across the city that were not eligible or prioritised for existing government HAF programmes. The **Nourish the Nation Summer Holiday Activities and Food programme** distributed £400,000 to 41 community organisations in 18 London boroughs in 2024. We were also able to work with Sainsbury's and Comic Relief to facilitate HAF funding for fellow community foundations in Manchester, Northern Ireland, Scotland and Wales.

Young people supported by the **Wimbledon Foundation Community Fund** featured prominently in the 10th anniversary of the **Wimbledon Foundation** celebrated at The Championships this year. Young people representing two of the grantee organisations (Ashdon Jazz Academy and Carney's Community) took part in the coin toss for the Singles Finals at Wimbledon 2024.

Our Youth Futures Fund runs throughout the year. If you would like to know more about supporting young people across the city, please contact philanthropy@londoncf.org.uk

Funding and support

£3,015, 534

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

41%

of our overall funding
was focused on children
and young people

6,088

children provided with
meals and summer
activities through Nourish
the Nation



Our impact: Strengthening organisations

Supporting community organisations beyond the financial

"The P2E programme has been transformative, helping us identify and capitalise on our strengths while addressing areas for improvement. The impact has been profound, fostering a shared sense of purpose, improved communication, and enhanced leadership capabilities."

P2E partner organisation

Supporting London's charity sector means more than channelling financial resources to the community organisations that need them most. Offering capacity-building to ensure organisations remain sustainable and can thrive is crucial, especially where their teams have limited access to training and consultancy.

This year saw the conclusion of the **£2million Pathways to Economic Opportunities (P2E)** programme, in partnership with **Action for Race Equality and Ubele Initiative** and funded by **JPMorganChase**. This multi-year programme demonstrates the transformational impact of combining grant-making with tailored organisational development support - strengthening the very organisations we are dedicated to championing.

Between 2022 and 2024, 19 ethnic minority-led organisations working to tackle economic inequalities in London were supported through core and project funding. In addition, they received a comprehensive

package of organisational development - peer learning workshops, consultancy, leadership development and resource sharing. This culturally sensitive, collaborative approach enabled organisations to build sustainable infrastructure and leadership, not just deliver projects. Peer learning and the ability to work with consultants who understand their communities' lived experiences enhanced both impact and engagement.

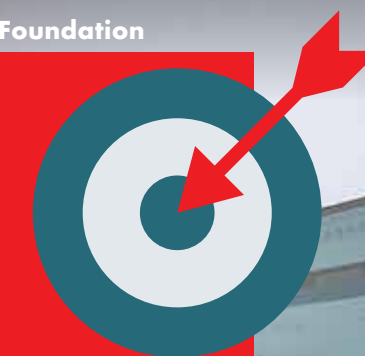
In February, building on the success of the original VAWG Grassroots Fund and the learnings from the P2E programme, we launched a programme for both the **Mayor's Office for Policing and Crime (MOPAC) Violence Against Women and Girls (VAWG) Grassroots Fund 2023-2025** and the **Home Office VAWG Specialist Support Services Fund 2023-2025**. Our delivery partner **IG Advisors** will offer more than 30 learning and networking opportunities for organisations over the year-long programme, including one-to-one support, action learning sets and online resources.



Crucially, in all these programmes, the support has been informed by the learning needs and ambitions of the grantee partners and co-designed with the organisations taking part. The P2E programme saw capacity increase up to 36% for participating grantees (an average of 21% across the whole cohort) and some organisations leveraging additional funding of up to six times the original grant.

When we go beyond financial support, investing in the long-term resilience and leadership of community organisations, the social and economic returns are profound. This approach offers a model for funders seeking to build a more equitable and effective social sector.

If you would like to know more about strengthening community organisations across the city, please contact philanthropy@londoncf.org.uk



Impact in numbers:

64

organisations offered
organisational
development support

46

workshops and learning
opportunities for grantees

500+

hours of one-to-one
consultancy

21%

improvement in capacity
across P2E programme



A year at The London Community Foundation

April

We were proud to receive a ‘good’ **Foundation Practice Rating** (<https://foundationpracticering.org.uk/>) – alongside 100 of the largest UK foundations for our good practice in diversity, accountability and transparency.

We hosted a gathering of property owners and developers, hearing from **Knight Dragon**, **Grosvenor** and **British Land** about ways to collaborate across the sector to maximise social impact.

Our team of 36 runners raised over £50,000 taking part in the **London Marathon**.



May

The **Adobe UK Community Fund**, in partnership with **Adobe Foundation**, opened for applications. 12 grassroots disability and community organisations received two-year grants totalling £432,000.



June

The **Evening Standard** launched the **Show Respect** campaign to support 12 grassroots community organisations tackling violence against women and girls, with grants of £500,000 to highlight the issue of misogyny and unhealthy relationships in schools.



July

Wimbledon Foundation celebrated their 10th anniversary at **The Championships at the All England Lawn Tennis and Croquet Club**. Young people representing grantees from **Wimbledon Foundation Community Fund** took part in the coin toss in the finals.

CCLA Investments hosted the launch of the latest round of our **Youth Futures Fund**. They provided match funding to help us raise over £400,000 for community organisations supporting young care leavers in London.

August

We surveyed our network of community organisation in response to the **UK riots**. We received 181 responses with 80% reporting their community had increased concerns around safety and mental health.

TV personality and **Comic Relief** ambassador Oti Mabuse visited Somerville Centre – one of 41 Holiday Activity and Food (HAF) projects funded by **Sainsbury’s Nourish the Nation**. The programme, in partnership with **Comic Relief**, distributed £400,000 in grants across London over the summer.

September:

Outgoing **Deputy Mayor Sophie Linden** joined us at an event for the 36 specialist community organisations supported by the **MOPAC Violence Against Women and Girls (VAWG)** Grassroots Fund at Sadlers Wells Theatre.

A new round of the **Wimbledon Foundation Homelessness Fund** opened for applications on the same day as the latest round of **Wimbledon Foundation Community Fund** closed.

October

Our Director of Development and Communications **Harbi Jama** had the opportunity to speak with professional advisers at the national **Financial Planning Conference** in Manchester.

Representatives of the community organisations supported by grants of £210,000 from **Women’s Fund for London** came together to meet each other at Luminary Bakery in Camden.



November

We celebrated the conclusion of **JPMorganChase’s** £2million **Pathways to Economic Opportunities** with an event at their offices in Canary Wharf.

Representatives of four other community foundations supported by **Sainsbury’s Nourish the Nation** (in partnership with **Comic Relief**) joined us for a learning and knowledge sharing session, with a view to strengthening the partnership for future years.

Newly appointed **Deputy Mayor for Policing and Crime Kaya Comer-Schwartz** visited Rahab Project – one of the organisations supported by **MOPAC Violence Against Women and Girls (VAWG)** Grassroots Fund.

To round off a busy month, **The London Community Foundation office** moved from Borough just down the road to Bermondsey.

Annual report and financial statements

The London Community Foundation

December

New funding opportunities were launched for Lambeth **Wellbeing Fund**, **Deptford Challenge Trust Open Programme** and **Lambeth Mental Health Inequalities Fund**.

Godin Legacy Fund gave an unrestricted £50,000 donation in recognition of our commitment to supporting women in the capital through our wide grantmaking programmes and projects.

January

Chief Executive **Paul Buchanan** received an MBE for services to charity in the **King’s 2025 New Year’s Honours list**.

Lord Bassam of Brighton hosted our community of endowment holders for a special afternoon tea at the House of Lords.

February

Grosvenor’s Greener Futures Fund opened for another round of applications, taking the number of grants offered for environmental projects in Westminster to almost £650,000 since it launched in 2021.



March

Sainsbury’s donated a further £400,000 to extend the **Nourish the Nation** (in partnership with **Comic Relief**) HAF programme for summer 2025.

Annual report and financial statements

For the year ending March 2025

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 (LCF) for the year ending 31 March 2025. The report has been prepared in compliance with Part 8 of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in

accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Trustees' report is also a directors' report for the purposes of the Companies Act 2006 and other company legislation and meets the requirements for a strategic report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. We can confirm that qualifying third party indemnity insurance was held on behalf of the company directors during the year.

Legal and administrative information

Name of charity:
The London Community Foundation (LCF)

Status:
**Charity registered in England and Wales:
1091263**
**Company limited by guarantee registered
in England and Wales: 4383269**

Principal office and registered address:
**82 Tanner Street,
London
SE1 3GN**

londoncf.org.uk
info@londoncf.org.uk
+44 (0)20 7582 5117
X (formerly Twitter): @london_cf
Instagram @london_cf

Registered charity number **1091263**
Company limited by guarantee number **4383269**

Trustees' report

Trustees:

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

Russell Prior
(Chair of the Board)

Fiona Bickley
(Vice Chair of the Board)

John Hume
(Chair of Development, Impact and Influence Committee)

Veesh Sharma
(Chair of Finance, Risk and Resources Committee)

Natalie Creary
(Resigned 26 November 2024)

Urmi Dutta-Roy

Owen Jenkins

Satnam Sagoo

Principal officers / Senior Management Team:

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

Paul Buchanan
Chief Executive Officer

Nick Diamond
Interim Director of Development

Harbi Jama
(to September 2025)
Director of Development and Communications

Nicola Jaworska
Company Secretary

Laura Perkins
(to August 2024)
Director of Development and Communications

Maureen Sebanakitta
(to March 2025) Chief Operating Officer

Kate Stewart
(to August 2024)
Director of Grants and Impact

Simon Theobald
Director of Finance

Auditor:

MHA
Sixth Floor
2 London Wall Place
London
EC2Y 5AU

Legal advisors:

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

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

Bankers:

NatWest
504 Brixton Road
London
SW9 8EW

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

Investment managers:

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



Objectives and activities

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

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

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

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

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

Our objectives, as defined in the Memorandum and Articles of Association are:

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

1. Facilities for recreation or other leisure time occupation with the object of improving the conditions of life of the

persons for whom the opportunities and facilities are primarily intended.

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

The ‘Area of Benefit’ for The London Community Foundation (LCF) is the London Boroughs and the City of London.

Our core activities are:

1. Funding and developing predominantly small charities and community groups that do not attract mass public support.

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

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

Objectives and activities (continued)

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

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

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

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

3. Fund management and grant-making services:

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

Donors benefit from our established and professional services, including fund set-up, due diligence, assessment, grant deployment, portfolio management and impact reporting. We also work

with the wider wealth advisory market to inform and support their clients in giving.

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

As of 31 March 2025, The London Community Foundation held £22,571k (2024: £23,955k) in endowment funds, this variance is due to fluctuations in market value during the year.

Endowment funds held have been raised primarily through:

- Individuals and companies that want to create an enduring legacy in a particular geography or cause in the Capital. We can work with donors to consider their philanthropic ambitions and how to achieve them, now and in the future, as a flexible alternative to establishing their own charitable foundation or trust.
- Charitable trusts can be transferred to LCF (as with other community foundations), with the support of initiatives like the Revitalising Trusts Initiative by the Charity Commission. We can honour the original objectives and/or work with trust representatives to revive them for modern-day needs. Trusts may be transferred if they have become dormant or ineffective, or if Trustees feel that LCF will help to increase the impact of their charitable assets.

Grant making policy

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

Legal structures:

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

Governance

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

Bank account

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

Safeguarding

The organisation must have a up-to-date safeguarding policy in place that meets the requirements as listed in LCF’s safeguarding checklist.

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

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

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

Monitoring and evaluation may include:

- Visits to the partners and beneficiaries
- Formal evaluation processes such as impact assessment by LCF or a third party

If we are not satisfied that the grant is being managed according to the agreement, we discontinue the grant.

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

Structure, governance and management

The London Community Foundation is a Company Limited by Guarantee (CLG) and a Registered Charity governed by its Memorandum and Articles of Association.

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

The Trustees have delegated authority to two Sub-Committees:

- Finance, Risk and Resources
- Development, Impact and Influence

Each Sub-Committee consists of no fewer than three and no more than six Trustees, appointed by the Board. At least one Trustee of the Sub-Committee is appointed Chair.

Structure, governance and management (continued)

All Trustees are expected to sit on at least one Sub-Committee and are welcome to sit on more than one Sub-Committee.

Trustees can volunteer to serve on a Sub-Committee and can also be nominated. Trustees are voted onto a Sub-Committee by a simple majority vote of the Board.

Sub-Committee terms are three years (subject to remaining a Trustee), at which time Trustees' membership of that Sub-Committee shall be reviewed. This also applies to the Chair of the Sub-Committee.

After three years, Trustees may, subject to the majority agreement of the Board, serve a further period on a Sub-Committee or join another Sub-Committee. At the request of the Board, a Trustee may, during a term on the Sub-Committee, be asked to move to another Sub-Committee.

Unless otherwise determined by the Board, quorum for a Sub-Committee exists when at least three Trustee members are present.

Sub-Committees meet at least three times per year and meetings may be face-to-face or virtual. All Board Meetings are held in person.

Additionally, a Sub-Committee can recommend to the Board that up to two additional co-opted members be recruited, who are external and independent of LCF, with requisite specialist skills and expertise. Co-opted members can also be appointed by the Board, with a term agreed by the Trustees. If approved, co-opted members act in an advisory and observer capacity without voting rights.

General duties across all Sub-Committees:

- Provide appropriate scrutiny and support to the Senior Management Team, in particular the relevant Executive lead(s)
- Ensure strong and proactive communication with other Sub-Committees and the wider Board on a regular basis
- Support development of, approve and deliver a Sub-Committee Workplan in collaboration with the Executive(s) lead, reporting progress to the Board
- Lead on specific areas of risk identified in LCF's Risk Register and Control Framework related to each Sub-Committees Terms of Reference
- Ensure that the Board receives sufficient assurance – in their area of competence - that LCF performs its activities in a suitable and appropriate manner to achieve its long-term objectives, within its appetite for risk
- Focus during each financial year on the Board's Areas of Strategic Focus and Deep Dives with the support of the Executive Lead
- Ensure that equity, diversity, and inclusion are front and centre across LCF's work and governance

Development, Impact and Influence Sub-Committee

The Development, Impact and Influence Sub-Committee met four times during the year.

The purpose of this Sub-Committee is to:

- Provide strategic oversight and support to the Development and Communications function with specific reference to fundraising, donor engagement, external profile, and influence
- Provide strategic oversight of the grant making function with specific reference to grant making practices, learning, insights and impact

Structure, governance and management (continued)

- Maintain strategic assurance that LCF's work is delivering impact against its mission
- Ensure that LCF's grant making framework includes sound grant making principles, and that policies and processes are in place, including adequate resources
- Delegate grant making decisions to the Executive
- Provide assurance to the Board that LCF is achieving its charitable purpose and that its activities of grant making, fundraising, profile and influencing are conducted in line with charity law and regulation, the accepted good practice of the sector and LCF's policy framework and risk appetite
- Maintain all LCF policies that fall within the remit of the Committee

Finance, Resources and Risk Sub-Committee

The Finance, Resources and Risk Sub-Committee met four times during the year. The purpose of the Sub-Committee is to:

- Provide assurance to the Board of the long-term financial sustainability of LCF, by scrutinising the Charity's finances. This includes financial management, recommendations on investments, borrowing, capital expenditure and assessment and monitoring of the financial plans
- Provide assurance to the Board that LCF's financial and other internal control systems are compliant with statutory and other regulatory requirements
- Monitor the strategic risks and LCF's risk management policy
- Ensure LCF has appropriate arrangements in place for audit (external, and internal if necessary), investment management and banking
- Ensure LCF has a culture, values and behaviours in line with those agreed by the Board, and that

LCF is an inclusive, progressive, professional and rewarding workplace

- Lead the process for Board Appointments, making recommendations to the Board
- Oversee LCF's accreditation and quality assurance – on behalf of the Board – to membership of UKCF

Senior Management Team

The day-to-day operation of LCF is the responsibility of the Senior Management Team (SMT), made up of Directors, and the wider Senior Leadership Team (SLT). The CEO is recruited by the Board of Trustees. The CEO's direct reports, on the Senior Management Team, are recruited by the CEO and at least one trustee. Salaries are categorised in bands, and they are benchmarked.

The SMT reports formally to the Board of Trustees every quarter on progress against strategic objectives, financial and impact performance as well as the annual work plans of the Board Sub-Committees. It also presents proposals on forward strategy. Delegated authority currently sits with the Senior Management Team (SMT) for standard risk grants under £50k and the Senior Leadership Team (SLT) along with SMT for those under £25k.

UK Community Foundations

LCF is a member of UK Community Foundations (UKCF), the membership and accrediting body that supports and promotes community foundations in the UK. There are 47 community foundations serving most of the UK population. The network of community foundations gives grants totalling around £100 million annually. Together, this makes us the UK's fourth largest grant-maker holding over £700 million in endowments. Over the past 20 years, donors have given over £1 billion to and through community foundations to address local need. LCF does not have any branches or subsidiaries other than the Pedlar's Acre Trust and the Beaufoy Trust, both of which hold permanent endowments and have LCF as their sole trustee.

Structure, governance and management (continued)

Appointment, induction and training of Trustees

As set out in the Articles of Association, new Trustees are appointed by the Trustees in office. There are no powers of appointment or co-option by any external organisation. New Trustees are appointed through an external open and competitive recruitment process. The Finance, Resources and Risk Sub-Committee of the Board is responsible for nominations and makes recommendations to the full Board of Trustees on appointments.

On 31 March 2025 LCF had eight trustees (maximum 18) with the Board agreeing its optimal number is between 10 and 12. This is supported by a skills and expertise audit and a Board performance review every two years.

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

Public benefit statement

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

The remainder of this report sets out LCF’s objectives, and reports on the activity and successes in the year to 31 March 2025, as well as explaining the plans for the current financial year. LCF’s work benefits a range of local London charities, community groups and their beneficiaries.

The trustees have considered this matter and concluded that:

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

Achievements and performance

In 2024/25, The London Community Foundation continued to make significant strides in supporting London’s communities. We awarded £8.5 million in funding through 703 grants to community organisations across London, addressing a wide range of social issues.

The rest of our achievements are summarised in the table on page 29.

Strategic objective	In detail	Achievement
Grow our knowledge, reach & connection with London’s communities	• Impact strategy development • Improve community & stakeholder relationship development • Improve EDI in grant making • Enhance service delivery with active feedback	• Impact strategy workshop with team and trustees in December 2024, providing foundations for theory of change and measurement framework development in following financial year. • Several successful pilots on “led by and for” including Wimbledon Foundation and Adobe UK, providing further proof of concept • Regular grantee and partnership visits from whole team, including 11 project visits for communications, including four case studies shared on website. • Four flagship events, including a House of Lords donor engagement event, a real estate sector showcase and donor recruitment event, a VAWG event for all stakeholders and delivery partner with the Deputy Mayor for Policing and Crime, and the JPMorganChase Pathways to Economic Opportunities showcase • Five blogs focussed on amplifying activity and growing donor base shared on socials and website
Grow our donor portfolio	• Achieve total income target of £9.8m • Grow donor engagement in pooled funds with £250k • New planning structure with grants and development teams	• Delivered total income of £9.3m, but strengthened and extended our pipeline • Women’s Fund for London raised and granted £240k and Youth Futures Fund supporting care leavers raised £430k • Monthly capacity planning meetings across teams • New grant agreements for £7.4m were signed and awarded in year to 403 organisations. Total grants allocated were £8.5m which included current and multi year agreements
Make best use of our time, data & digital solutions, ensuring compliance	• New Salesforce implementation • Upgrade financial software • New grant management tools	• Continued work on upgrading our Salesforce database in collaboration with the UKCF Digital Team, with completion expected in Q2 2026 • Passed our Cyber Essentials assessment in 2024 • New grant agreement launched, new eligibility criteria launched, programme checklist launched. Standard operating procedures reviewed including risk management for grantees and round closure
Foster a culture of belonging & inclusion across the LCF team & Board	• Build on team engagement and culture • Progress Equity, Diversity and Inclusion (EDI) action plan • Maximise opportunities for team and trustee engagement • Roll out people survey • Implement pay progression and job framework	• Developed and implemented an Employee Engagement Survey with engagement scores rising from 73% in June 2024 to 90% in March 2025. • Action plans created and delivered off both surveys focussed on staff development, improving ways of working, and better communications. • Developed monthly internal colleague recognition. • Completed third year of EDI action plan, included active bystander training and new team profiles set up to understand work preferences • Implemented quarterly team and trustee meet and greets • Online training platform launched, including mandatory training for whole team on health & safety, safeguarding, and handling complaints
Build long-term financial resilience	• New approach to pipeline management • Cost modelling and pricing • Endowment review	• New long term weighted pipeline reviewed monthly enabling better forecasting • Tendered for cost modelling support

Financial review

Our total income in 2025 was £9.3 million (2024: £11.6 million), a decrease of 20% compared to the previous year. Our total expenditure was £10.3 million (2024: £13.1 million), a decrease of 21% compared to the previous year. This resulted in an overall deficit (before net gains / losses on investments) for the year of £1 million (2024: £1.5 deficit), with a specific deficit of £105k on the unrestricted funds (2024: £105k deficit).

Income

The total income for the year was £9.3 million (2024: £11.6 million). Donations came from a range of donors including companies, central and local government, individual philanthropists, and social sector organisations. Other sources include investment income and interest on investments. 90% of our income came from donations, followed by 10% from investment income and interest received.

Income has reduced as we refocussed on grassroots charities and removed ourselves from some activity that wasn't fulfilling this priority. We continued to diversify our income in the year, however in line with market trends we had a reduction in corporate income, and didn't deliver a seven figure corporate grant programme as we have in previous years.

The breakdown is as follows:

- Restricted voluntary income received was £7.6 million (2024: £10 million), a decrease of 24%
- Unrestricted voluntary income was £0.8 million (2024: £0.5 million), an increase of 60%
- Investment income was £0.9 million (2024: £0.9 million)
- Income from charitable activities was Nil (2024: £205k)

Expenditure

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

'Charitable activities' represent all grants made to beneficiary organisations and individuals, as well as expenditure on capacity building and evaluation related to some of LCF's funds, and larger initiatives to support London's local civil society. It also includes the cost of running grant-making operations and associated support costs. Grants payable in-year totalled £8.5 million (2024: £11.5 million), a decrease of 26%.

LCF's main core cost excluding grant payments is our team, which represented 60% of the Charity's unrestricted expenditure (2024: 73%). Staff costs are allocated to the costs of raising funds and charitable activities based on time spent. Support team costs are allocated in a similar manner. Team costs, which include employees and contractors, were £1.2 million (2024: £1.1 million) an increase of 9%. The charity maintained an average team size of 21 full-time equivalent staff (2024: 19).

Financial Review (continued)

Cash position

LCF’s cash balances (excluding any cash held by the investment managers) were £7.5 million (2024: £8.5 million), a decrease of 12%. Cash held by LCF mainly represents restricted funds held for the purposes of grant making and, of this balance, £6.1 million represents restricted and endowment funds (2024: £7.5 million). LCF works with donors to set a timetable for spending restricted funds throughout the year. Various factors determine the length of time funds are held in cash, including the needs of the community and grant applicants, as well as internal resources and planning.

Of the £730k net general reserves (2024: £830k), £1.4 million is a cash balance representing unrestricted funds (2024: £1 million) and net liabilities of £715k (2024: £225k). The funds are invested with CCLA to generate a higher return than would be earned if they were held in an ordinary bank deposit account.

Diversity of income and financial sustainability

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

Working with our donors and funding partners

We are grateful to key partners such as the Mayor’s Office for Policing and Crime (MOPAC), the Evening Standard, Trust for London, Centre for London, City Bridge Trust and our membership organisation UKCF (and its funding partners) for the opportunity to collaborate on funds and

programmes to support vulnerable Londoners. Our impact is built on the relationships we hold with donors and partners and the trust they place in our work with small charities in the Capital. This includes the many existing and new donors who have joined forces in LCF’s Youth Futures Fund and the Together for London Fund to provide critical emergency funding for charities struggling with the cost-of- living crisis. Their commitment to sharing decision- making and outcomes on these important funds continues to be a blueprint for future pooled funds and demonstrates what is possible when donors collaborate.

During 24/25, LCF’s funding sources included:

Funding Source	2025	2024	2023
Corporates	13%	20%	20%
Local public authorities	50%	52%	31%
Trusts and foundations	27%	25%	41%
Individuals	10%	2%	5%
National public authorities	–	–	5%

Going concern

LCF has a risk management policy designed to identify and assess key strategic and operational risks facing the Charity; our long-term financial stability is one such key risk. Where we determine risks to be above appetite, we take steps to mitigate them.

The charity experienced a planned deficit of £105k on unrestricted funds during the 2024/25 financial year. This strategic decision was made to invest in key organisational priorities and capacity building initiatives. Despite this deficit, and a challenging external economic outlook, the charity’s overall financial position remains stable. The general reserves of £0.7 million at year-end remain within our target range of five to nine months

of expenditure, ensuring the charity’s continued ability to meet its financial obligations and pursue its charitable objectives.

To address this deficit and strengthen our financial position, the Trustees have implemented the following measures:

- a. Diversifying income streams:** We continue to focus on diversifying our income streams - expanding our donor base, securing multi-year contracts, and exploring new partnerships with corporates and foundations. The introduction of new thematic funds, such as the Women’s Fund for London and the Youth Futures Fund, is a direct response to this strategy.
- b. Strengthening fundraising efforts:** We have set ambitious targets for increasing our unrestricted income, by enhancing engagement with existing donors, and targeting new supporters through events, campaigns, and individual giving initiatives.
- c. Cost management and efficiency:** The Trustees and Senior Management Team are continuously reviewing our cost structures and grant-making processes to balance efficiency with beneficiary needs.
- d. Reserves policy review:** We have conducted a formal review of our reserves policy, aligning it with our current financial landscape; and intended to strike a balance between managing unforeseen financial challenges while continuing to support our strategic objectives.
- e. Investment in strategic initiatives:** We remain committed to investing in long-term sustainability, including the ongoing upgrade of our Salesforce database to improve donor engagement and operational efficiency.

These actions are part of a broader plan to ensure The London Community Foundation’s resilience and long-term success. The Trustees are confident that this approach will address the current deficit while positioning the charity for future growth and impact.

Reserves

The total value of funds held at 31 March 2025 was £30 million (2024: £32 million).

Endowment reserves comprise capital sums donated under the restrictions that they are invested, and that the investment return is available for expenditure in accordance with the donors’ strategies for giving. Within the category of endowment are two subcategories: expendable and permanent endowment. A reasonable percentage of capital amounts of expendable endowment may be spent if the Trustees decide to do so, though the overall endowment is intended for enduring impact. The capital of permanent endowment may not be spent. Endowment reserves at 31 March 2025 stood at £23 million (2024: £24 million). The decrease of £1 million is due to investment market losses during the year.

Restricted reserves comprise funds available for expenditure in accordance with the donors’ strategies for giving. Donations are typically spent over one to two-year periods, however, LCF encourages its donors to open multi-year funds to support the ongoing resilience of charitable organisations, which in some cases leads to the build-up of restricted reserves. Restricted reserves, as of 31 March 2025 were £7 million (2024: £7.5 million). The decrease is due to the timing of grant programmes.

General reserves are the balance of LCF’s unrestricted reserves that have not been designated for a particular purpose and, as such, are freely

Reserves (continued)

available to the Trustees for any of the Charity's purposes. The general reserves held at 31 March 2025 were £0.7 million (2024: £0.8 million).

Reserves policy

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

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

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

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

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

A formal review of the reserves policy takes place every three years. In the intervening years the Finance, Risk and Resources Committee considers

the impact of the financial risks associated with the income and expenditure streams and balance sheet items and assesses the appropriateness of the reserves policy.

The policy was reviewed during 2022/23. The outcome was a new reserves policy based on a range of five to nine months of expenditure (£0.6 – £1.1 million) rather than a fixed amount and on the principle that LCF should be resilient to financial shocks and be able to continue operations despite fluctuations in income or expenditure.

The closing general reserves of £0.7 million are within the range stated in the reserves policy and represents six months of average unrestricted expenditure.

Pedlar's Acre Trust

LCF took over the trusteeship of the charity Pedlar's Acre Trust from Lambeth Council in 2009; the assets of this trust comprise permanent endowments. LCF applied to the Charity Commission for the power to use a total return approach regarding the fund's investments and this power was granted on 17 January 2011. The date from which the Trust for Investment (the value of the capital donated to the Pedlar's Acre Trust) is referenced is 31st March 2004, at which date the fund was valued at £1,836,806.

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

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

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.

The income from both the Beaufoy and Pedlar's Acre Trusts is restricted to supporting local communities in Lambeth.

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 2025 the percentage used was 3.5% (2024: 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% (2024: 3.5%) of the value of the fund on 31 December each year, plus the annual contribution towards LCF's costs. If the Trustees judge that a higher or lower amount would better fulfil the duty of being even-handed in the treatment of present and future beneficiaries of the fund, the amount may be varied in future decisions.

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

For permanent endowments where a total return approach is agreed, all income and gains, net of losses, are allocated to a pool, called Unallocated Total Return ("UTR"). LCF's policy is to assess the sum required to maintain the value of the Trust for Investment, and to allow to be allocated to Trust for Allocation (to be used for expenses and grant-making) the balance of the UTR. In September 2025 Sonnet Impact reported on the review of the status of, and application of this policy to, the Pedlar's Acre Trust, being the only Endowment in this category. On the basis of that advice LCF has changed its means of evaluating how much funding needs to be retained in UTR to maintain the value of the Trust for Investment, basing the new calculation on the uplift, year on year, in the UK Consumer Price Index. This is used because it reflects the types of expenditure commonly being funded by grants from this endowment. The unapplied total return on the Pedlar's Acre endowment fund at the end of the year is £1.0 million. Following this exercise there is a shortfall in the UTR required to maintain the value of the Trust for Investment of £420,120. This sum is planned to be recouped over a period not exceeding ten years, which should allow grant funding to current beneficiary organisations to continue broadly at recent levels whilst that happens.

Investment policy and management

LCF invests to support its charitable purposes and to secure the organisation’s long-term financial sustainability. The aim is to provide a reliable annual contribution to grant-making while protecting and growing the real value of our funds for future generations.

LCF’s assets are currently invested in the COIF Charities Investment Fund, managed by CCLA. The Fund’s long-term objective is to deliver a total return of UK CPI inflation plus 5% per annum, before fees and expenses. This is intended to grow the real value of invested capital while providing sustainable income for charitable spending.

The Trustees review the Investment Policy each year in line with Charity Commission guidance. They exercise

regular oversight of the investment manager to ensure the Fund is delivering consistent returns within an appropriate level of risk, in line with LCF’s objectives.

Ethical considerations

The Charity’s endowment funds are invested in the COIF Charities Investment Fund whose Board has adopted an ethical investment policy which prohibits investment in companies that have been identified as being involved in:

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



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

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

These ethical considerations are an integral part of CCLA’s approach and align with our values of promoting physical health and well-being, social equity and justice.

Risk management

The Trustees regularly assess the risks associated with our investment portfolio, including market volatility and economic uncertainty. By working closely with CCLA, we ensure that our investment strategy remains aligned with our financial objectives and risk tolerance. CCLA’s diversified approach helps mitigate risks, balancing the need for steady income with the preservation of capital.

Investment performance

The total value of funds invested, including cash held by investment managers for re-investment, amounted to £23 million (2024: £24 million). The portfolio at CCLA is invested in the investment managers’ own pooled funds with underlying holdings in a broad spread of international ‘blue chip’ equities, fixed income stocks and alternative investments.

- The COIF Investment Fund has the objectives of:
- Achieving a total return (capital and income) of inflation +5% as an annual average over the life of the business cycle
 - From the total return achieved, providing a reliable, sustainable and growing income distribution

- Managing the portfolio in line with an ethical policy which protects your reputational risk

Annualised returns % as at 31 March 2025	1 year	3 years	5 years	10 years
COIF Charities Investment Fund (net)	-1.98	2.90	8.62	7.75
ARC Steady Growth Charity Index (peer group, net)	2.71	2.54	7.28	4.80
Comparator benchmark	4.06	5.28	9.90	7.03
CPI plus 5% (target benchmark)	6.63	9.24	8.68	7.19

LCF’s Finance, Risk and Resources Sub-Committee is responsible for monitoring investment performance. LCF takes a long-term view and measures the long- term performance against the ARC Steady Growth benchmark. The benchmark is a standard indicator of relative performance used by the investment industry and charities. CCLA provides quarterly reports and presents them to the Sub-Committee at least once a year while also responding to specific requests during the year. This ensures that our investments are contributing effectively to the Charity’s financial sustainability while adhering to our risk profile.

Policy review

The Trustees review the investment policy annually to ensure it remains appropriate for the Charity’s current and future needs. This review process allows us to adapt our strategy as necessary, ensuring that our investments continue to support the long-term sustainability of the Charity.

Principal risks and uncertainties

Risk management

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

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

Risk appetite

Risk appetite is the amount of risk that LCF is willing to accept in relation to key drivers of the

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

Before accepting any risk, we consider the likelihood of its occurrence. We also evaluate the potential impact on our activities if the risk were to materialise. Any risk that seriously threatens the ability of The London Community Foundation, now or in the future, to further its purpose will not be acceptable. If such a risk cannot be extinguished, then all steps will be taken to minimise the likelihood of the risk occurring.



Roles and responsibilities for managing risk

Role	Responsibility
Board of Trustees	• Leadership and control of the Charity • Set mandate and commitment for risk management and appetite • Lead risk management culture • Be aware of the risk to the reputation of LCF from activities that they may undertake elsewhere • Seek assurance from the Finance, Risk and Resources Sub-Committee that appropriate strategic risk management procedures are in place • Review approach to evaluation and mitigation of major risks annually at Full Board
Finance, Risk and Resources and Development, Impact and Influence Sub Committees	• Monitor the effectiveness of LCF’s risk management procedures via the ongoing review of the system of internal control. This includes receiving risk reports from the Development, Impact and Influence Sub-Committee for review, recommendation, or decision as per the Committees’ terms of Reference • Review the register on a quarterly basis and support SMT in potential mitigation (or escalation) of risks • Review wider risk related policies and frameworks across finance, operations, systems and people • Determine the requirement for internal audit on any areas of LCF’s operations • Oversee management of safeguarding, financial and organisational risk through grant making to ensure risks are covered and funds have maximum impact for our grantees and donors
Senior Management Team	• Identify, analyse and evaluate risks • Own risk management strategies • Oversee incident response and crisis management • Drive for continuous improvement in risk management
Director of Finance	• Develop the risk management policy and processes, specifically the co-ordination of the risk review and the categorisation and evaluation of risks identified • Ensure strategic risks are regularly reviewed by the SMT
Outsourced IT provider	• Risk identification, ownership and control: maintain an effective risk identification and management and control environment as part of day-to-day operations • Reporting to the Board and Board Sub-Committees
External auditors	• Independent internal and external audits to test design and operating effectiveness of systems and controls
Management, staff, partners and volunteers	• Be aware of the importance of risk management. There should be formal channels of communication both up and down to identify and manage risks • Control environment: all employees, volunteers and partners contribute to managing risk in their departments or area of expertise

Monitoring and review of the policy

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

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

Risk	Mitigation
Financial stability Long-term financial resilience for LCF remains a key strategic risk for the Charity. External shocks or trends impacting our income, cashflow or reserves could put our future financial stability at risk	• We monitor our actual and forecasts against the financial plans continuously so that we can implement appropriate measures in good time • The SMT reviews monthly reporting on income, expenditure and reserves positions • On a quarterly basis, we provide financial reports to the Finance, Risk and Resources Committee • We periodically review the reserves policy to ensure that it remains aligned with the challenges facing the Charity • Efforts to diversify income are being intensified to reduce reliance on key donors and funding partners • Effective cost management ensures that spending is aligned with available resources and to avoid any unnecessary strain on the Charity’s finances
Potential or perceived misuse of funds The result of which could be reputational and/or loss of donors and income. As a high-volume, small grant funder – and often at pace – LCF’s reputation relies on the trust bestowed upon the Charity by its donors and partners.	• We seek to mitigate the risk of potential fraud, funding inappropriate or eligible organisations and poor funding decisions through Standard Operating Procedures, controls, and development and training across the team • We undertake due diligence checks on grant making activities • Monthly meeting of Safeguarding group, and monthly reporting meeting with trustee safeguarding lead. Priorities include review of practice, training and review of safeguarding in our grant making.
Data and cyber security & GDPR There are risks if the organisation does not update its systems, processes, and public statements to reflect new requirements. Breach could lead to significant damage to our reputation with donors, beneficiaries, and the public	• We have mandatory training in place on data protection and information security to ensure the safe handling of data and compliance with regulations. We have clear processes in place to manage incidents • We have the Cyber Essentials certification • We regularly review our controls, team awareness and training, and Board oversight • A Technical audit was undertaken to review systems and processes to identify weaknesses and to recommend actions to tighten guidance and controls.

Principal risks and uncertainties (continued)

Workplace culture and leadership Failure to provide a safe and respectful workplace would be detrimental to the wellbeing of our staff and volunteers. Failure to attract, engage and retain the best staff, impacts our ability to achieve our charitable objectives.	• We recognise staff through team meetings and through performance reviews on organisational values and behaviours that reflect EDI • People engagement survey and pulse survey’s launched every 6 months to get anonymous feedback on employee engagement. • We have reviewed and rolled out an inclusive performance evaluation process for all staff. All staff have clear personal objectives, which help contribute to our vision and mission • We recently updated our recruitment policy and procedures with an EDI lens to ensure we can attract individuals from marginalised or under-represented groups within the LCF staff team • During 2024/25 we enabled internal first recruitment opportunities, to support opportunities for career progression within the organisation
Meeting regulator, donor and grantee expectations Failure to meet the compliance and service expectations set by our regulators and donors respectively would affect our ability to fundraise and operate as a charity	• Our governance is underpinned by a comprehensive set of policies and procedures designed to manage risks to successfully meet our legal and regulatory obligations



People and pay

Remuneration policies

LCF had an average of 21 full-time equivalent staff during 2025 (2024: 19).

Recommendations are received on salary structure from the CEO and SMT in consultation with relevant line managers. The recommendation for the CEO's salary is made by the Chair to the Finance, Risk and Resources Committee.

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

Our approach to pay

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

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

Remuneration of key management personnel

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

SMT was as follows during the year:

- CEO
- Director of Grants and Impact
- Chief Operating Officer
- Director of Development and Communications

The total benefits of the employed SMT, including employer pension contributions, was £361k (2024: £358k).

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 2025 (2024: 0).

Pay ratio

The ratio of our highest salary rate to our median salary during 2025 was 2.92:1 (2024: 2.29:1).

Our EDI Statement

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

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

We define equity, diversity, and inclusion as:

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

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



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

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

Reporting on our people

The London Community Foundation has concluded its three-year Equality, Diversity and Inclusion (EDI) strategy and is currently in the process of evaluating the outcomes in order to determine the next steps. We also embarked on a programme of Employee Engagement Surveys to get feedback from our people, and the results from the survey's conducted in June 2024 and March 2025, offered substantive insights into staff attitudes and organisational culture.

The June 2024 survey highlighted many positive aspects. Pride in working for LCF scored 100%,

demonstrating a strong sense of loyalty and commitment among staff. This remarkable level of pride is a testament to the supportive and inspiring culture that the organisation has cultivated. Although overall engagement was good at 73%, the "intent to stay" was notably low at 47%. This presented an opportunity for LCF to focus on retention strategies and further enhance employee satisfaction. The March 2025 Pulse Survey shows that overall engagement increased to 90%, representing a significant improvement. Employees specifically reported a 22% rise in their intention to stay with the company to 69%, along with a 9% boost in their sense of inspiration.

Figure 1: Engagement Item Score – 2024

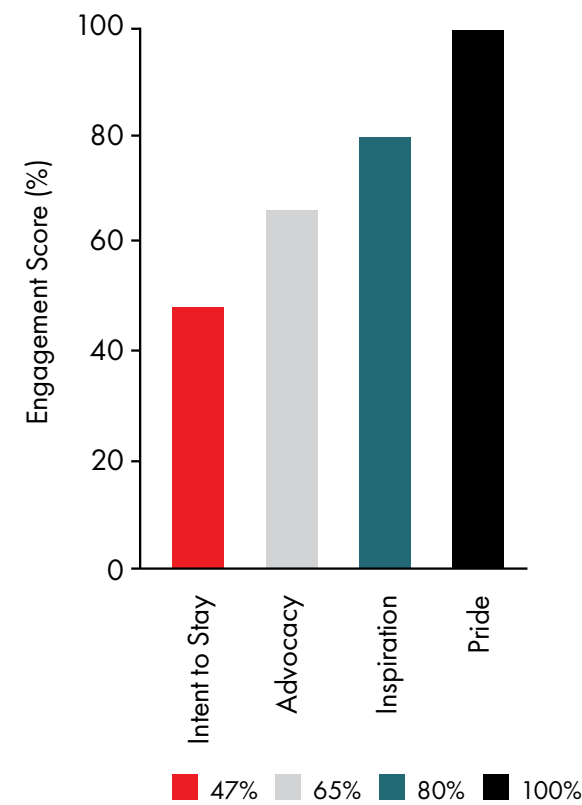


Figure 2: Engagement Item Score – 2025

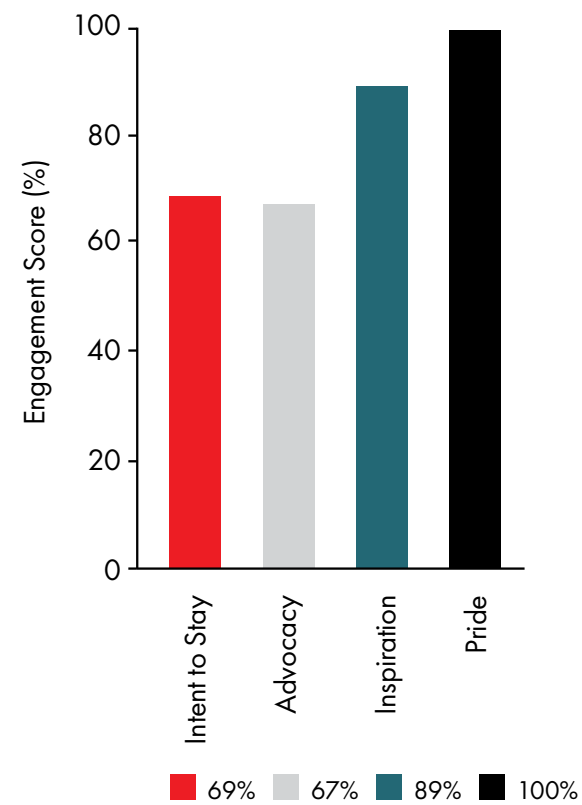
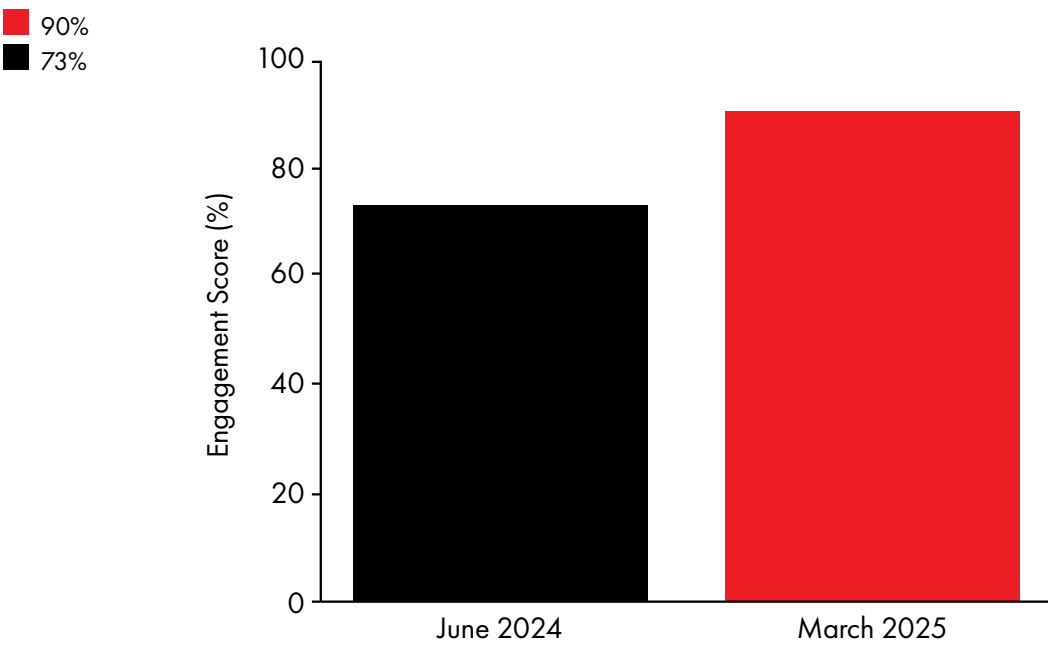


Figure 3: Overall Engagement Score Comparison



Action plans were developed from both surveys focused, on improving communication, systems, and staff development. Initiatives included planning for Salesforce and Sage system upgrades, widespread people policy updates, and training in active listening, and financial literacy. Internal recruitment was also prioritised to address concerns around pay and progression, while salary benchmarking is planned in for the coming financial year. LCF has implemented changes through their People Offer and new career progression pathways. These measures aim to support our employees in their professional development by offering relevant resources and assistance.

We have demonstrated our commitment to continuous improvement with a proactive approach to employee feedback and workplace enhancements. By prioritising transparency, personal

development, better communication, and improved recognition; LCF has enhanced its employee engagement to enable all our people to contribute effectively to our strategic goals. These actions are directed towards promoting individual development and satisfaction, as well as strengthening teamwork within the organisation. Moving forward, LCF intends to continue to focus on inclusivity in everything we do, and to continue to improve employee engagement.

Diversity

In this sixth year of LCF reporting diversity data on its Board and team in its Statutory Accounts, we have added key insights and challenges as part of our continued commitment to being accountable for how we represent London. Though not a statutory requirement, the Charity is committed to this transparency as a key part of its EDI work. We are also committed to being transparent, holding ourselves to account and learning from our challenges and progress. This work forms part of a wider EDI strategy and commitment.

Our survey results

The following graphs are taken from an anonymous diversity survey of Trustees and team members at LCF with 25 out of 26 completing the survey. The responses to the survey are not mandatory, are self-reported and each question includes an option of 'Prefer not to say'. This means people do not need to complete the survey and could leave some or all sections unanswered. LCF is a small team and Board and, therefore, the process of gathering and representing data responsibly and respectfully is different compared to a large organisation.

Figure 1: Ethnicity

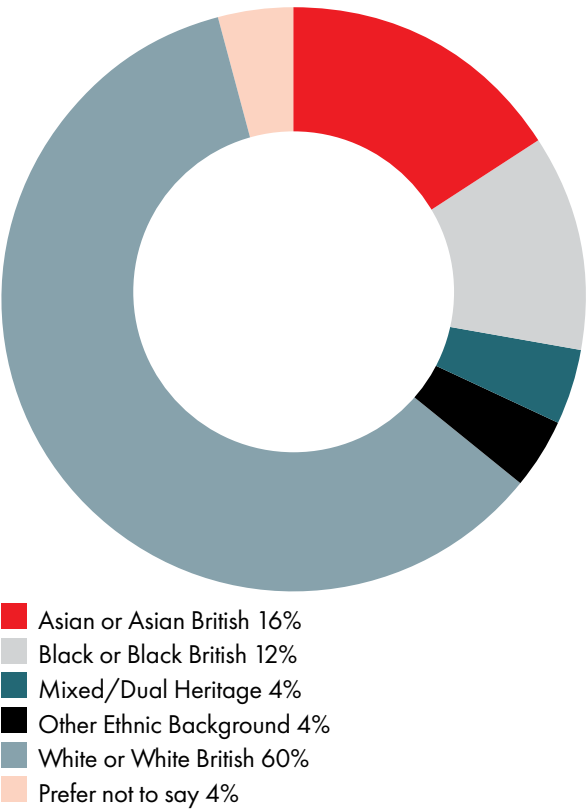


Figure 2: How long have you worked for/served as a Trustee at The London Community Foundation?

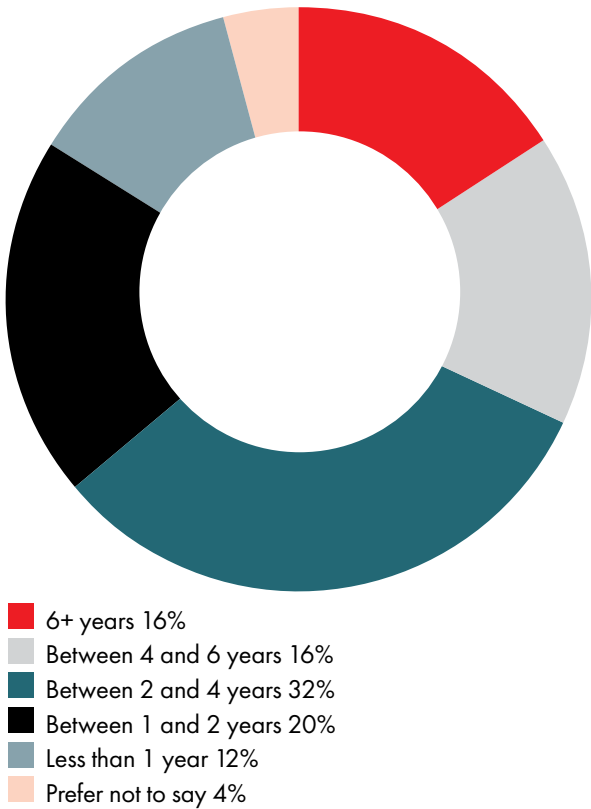


Figure 3: Which is the highest level of education you hold?

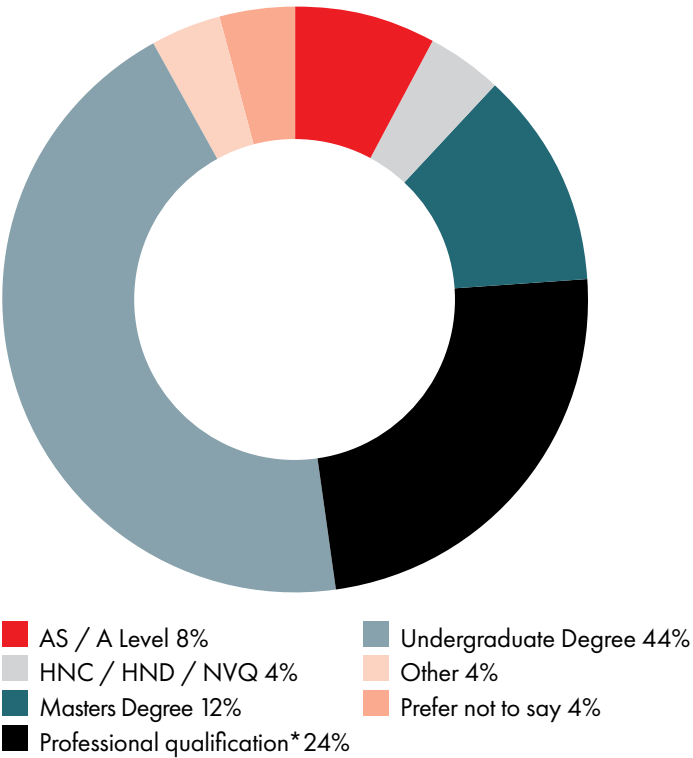


Figure 4: Did you receive free school meals at any point during your school years?

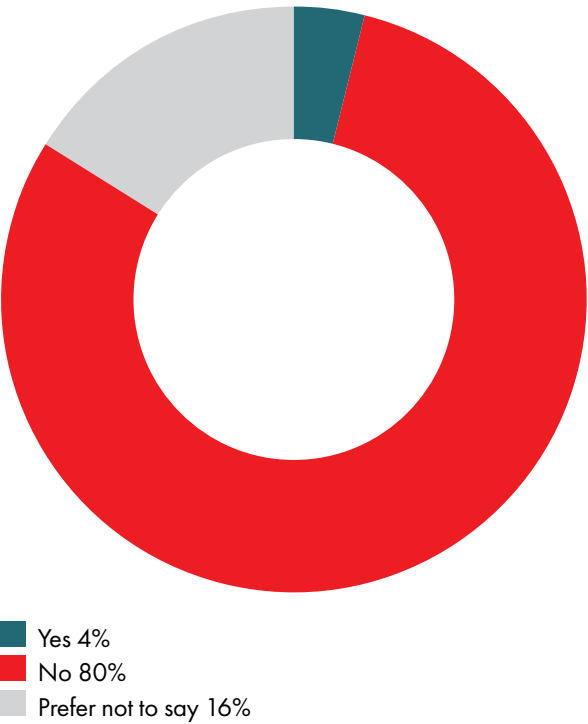


Figure 5: How do you define your gender identity?

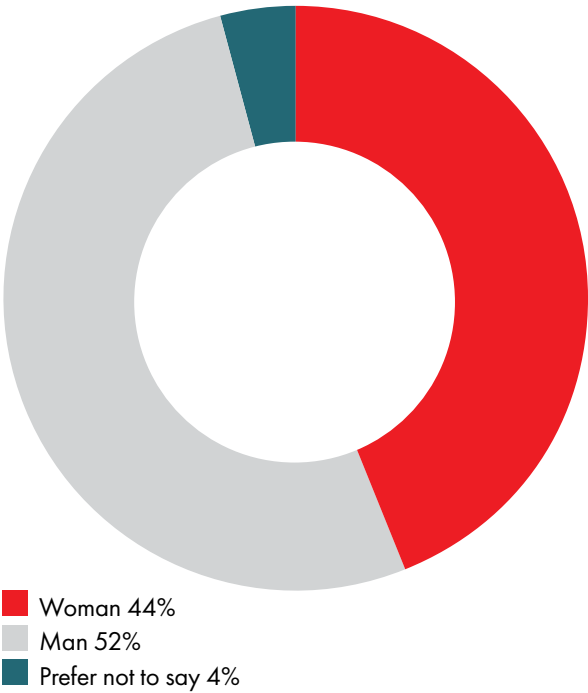
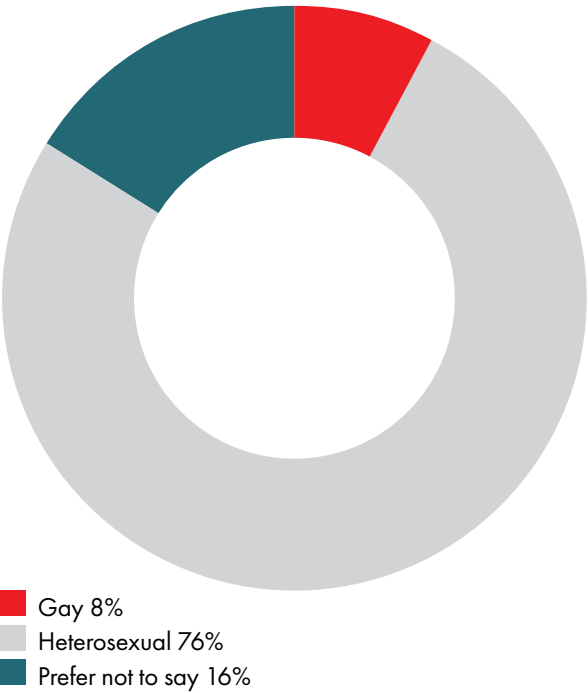


Figure 6: Which of the following best describes your sexual orientation?



*e.g. Accountancy, CIPS, CIPD

Figure 7: Which of the following best describes your religion and/or belief?

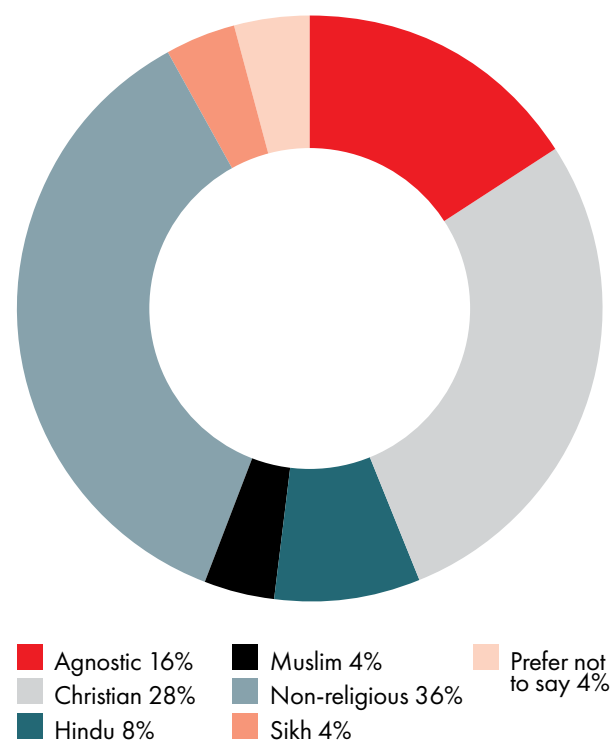


Figure 8: Did any of your parent(s) or guardian(s) complete a university degree course or equivalent (e.g. BA, BSc or higher)?

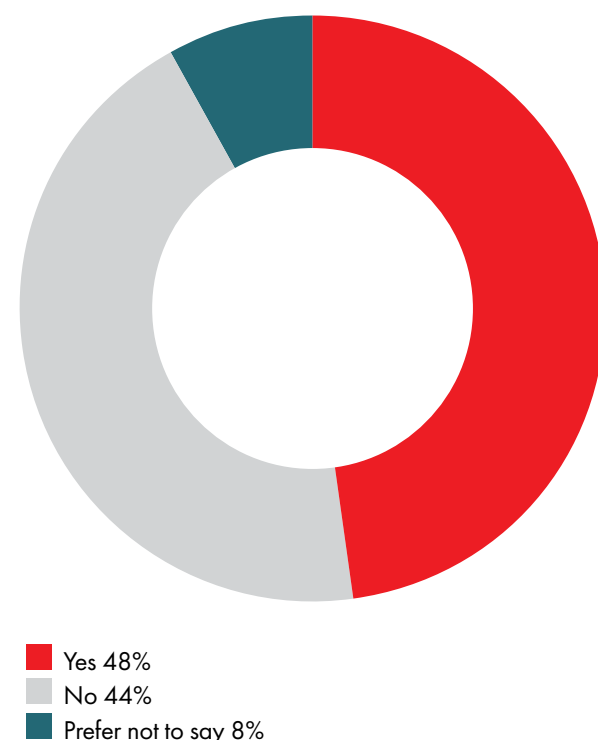


Figure 9: What is your age?

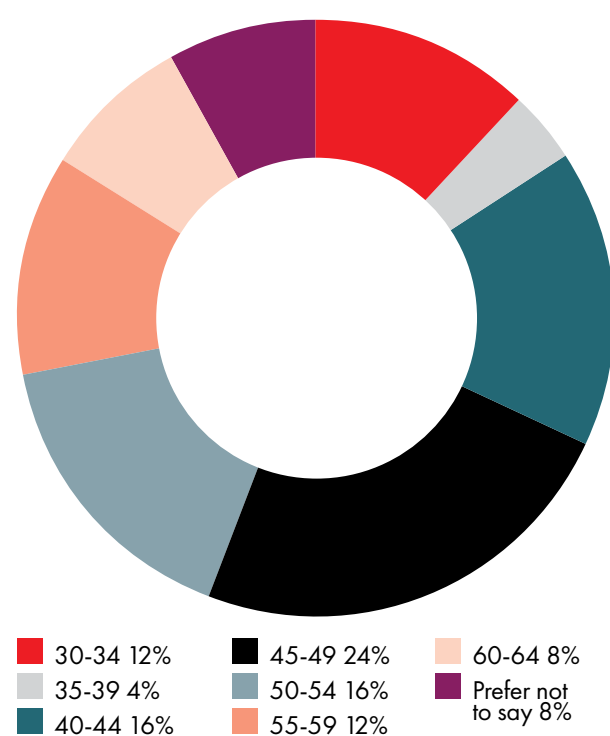
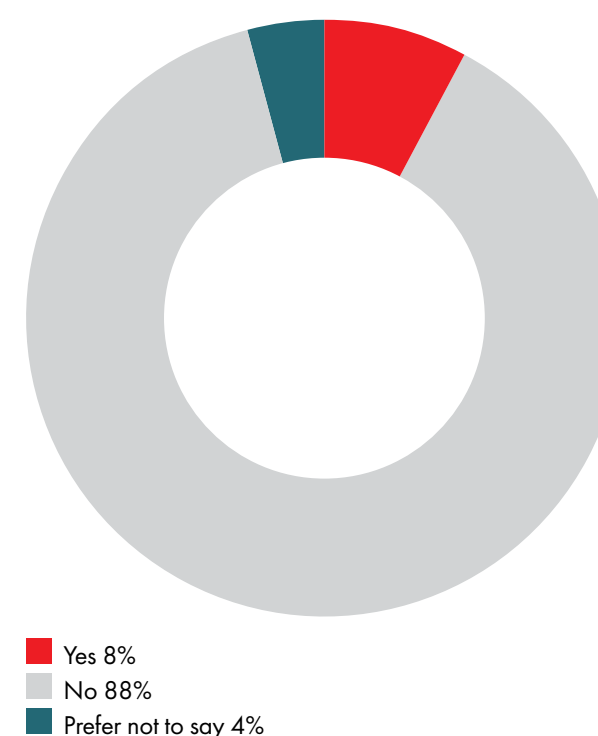


Figure 10: Do you consider yourself disabled?



Future plans

Trustees have agreed the following objectives for 2025/26:

Strategic Objective	In detail
Deliver grants effectively and efficiently to support grassroots organisations thrive and survive	• Effective grant delivery of awards, based on impact strategy, improve our reporting on grant making • Ways of working to improve efficiency and capacity and continuously improve our Standard Operating Procedures • Better capacity planning and alignment with Grants and Development teams • Test and learn for more impactful grant making to include insight gathering / co-designed and linked to our impact strategy • Led by and for: Increased percentage of grants applications to require lived experience at application stage
Deliver a sustainable and surplus budget	• Deliver total income of £8.9 million • Enhance endowment proposition and develop a 2030 endowment growth strategy • Diversify income to deliver a more balanced budget, with a renewed focus on trust transfers and legacy giving • New marketing acquisition strategy • Improve pipeline management • Review service offering by fund and a new approach to portfolio management
Consolidate and build the foundations for future growth	• Develop, roll out and embed LCF's impact strategy • Become more insight-led and learn from our grantees • Consolidate approach to safeguarding and wider grant making risks • Develop digital strategy, to include new Salesforce database implementation, upgrade financial software and review approach to AI • Set up approach to measure customer satisfaction, and gather testimonials as a key part of our communications strategy • Consolidate and further improve our safeguarding approach
Focused, effective and valued team and trustees	• Implement new personal development plans • Improved focus through more active meeting structures • Improved internal and trustee communications and reporting • People surveys (supported by half year pulse survey) • Develop new EDI plan, including key activities and regular training updates



Our approach to fundraising

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

Only LCF's team and Trustees are involved in fundraising for the Charity (aside from a small group of individuals raising donations on our behalf through fundraising events like the London Marathon).

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

There were no complaints regarding our fundraising practices during the year ended 31 March 2025.



Statement of Trustees' responsibilities

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

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

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

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

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

The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

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

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

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

Russell Prior

Russell Prior
Chair

29 September 2025

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

Year ended 31 March 2025

Opinion

We have audited the financial statements of The London Community Foundation (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Auditor's report

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

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

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

Use of our report

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



Stuart McKay BSc FCA DChA
(Senior Statutory Auditor)

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

Date: 18/12/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)



Statement of financial activities for the year to 31 March 2025

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2025 £000	Total 2024 £000
Income and endowments from:						
Donations and legacies	2a	538	7,583	-	8121	10,382
Charitable activities	2b	290	-	-	290	205
Investments	2c	528	365	24	917	948
Other trading activities	2d	-	-	-	-	20
Total income		1,356	7,948	24	9,328	11,555
Raising funds	3a	599	1	-	600	523
Grants programme	3b	1,070	8,572	-	9,642	12,495
Community development	3c	15	27	-	42	82
Total expenditure		1,684	8,600	-	10,284	13,100
Net income / (expenditure) before investment gains and losses		(328)	(652)	24	(956)	(1,545)
Net gains / (losses) on investments	9	-	-	(1,114)	(1,114)	2,165
Net income / (expenditure)		(328)	(652)	(1,090)	(2,070)	620
Transfers in / (out) between funds	14,15	223	71	(294)	-	-
Net movement in funds		(105)	(581)	(1,384)	(2,070)	620
Total funds brought forward at 1 April		832	7,469	23,955	32,256	31,636
Total funds carried forward at 31 March	13a	727	6,888	22,571	30,186	32,256

All of the activities of The London Community Foundation derive from continuing operations. There are no recognised gains and losses other than those shown above.

Balance sheet

as at 31 March 2025

	Notes	2025 £000	2024 £000
Fixed assets			
Tangible assets	8	113	53
Investments	9	22,825	24,211
		22,938	24,264
Debtors	10	878	1,172
Cash at bank and in hand		7,548	8,549
		8,426	9,721
Creditors: amounts falling due within one year	11	(1,178)	(1,729)
Net current assets		7,248	7,992
Net assets		30,186	32,256
Expendable endowment funds	14	17,230	18,323
Permanent endowment funds	14	5,341	5,632
		22,571	23,955
Revenue funds			
Restricted funds	15	6,888	7,469
Unrestricted funds			
General funds		727	832
Total funds		30,186	32,256

The financial statements were approved by the board on 29th September 2025

Russell Prior
Chair

Veesh Sharma
Chair of Finance, Risk & Resources Committee

Company number: 4383269

Charity number: 1091263

Statement of Cashflows

as at 31 March 2025

	Notes	2025 £000	2024 £000
Cash flows (used in) operating activities:			
Net cash used in operating activities	A	(2,125)	(4,276)
Interest received		224	222
Investment income received		693	726
Purchase of property, plant and equipment		(65)	(47)
Purchase of investments		(22)	(18)
Proceeds from the disposal of investments		294	1,710
Net cash provided by investing activities		1,124	2,593
Receipt of endowment		22	22
Change in cash and cash equivalents in the year		(1,001)	(1,661)
Cash and cash equivalents at 1 April 2024	B	8,549	10,210
Cash and cash equivalents at 31 March 2025	B	7,548	8,549
Notes to the statement of cash flows for the year ended 31 March 2025			
A. Reconciliation of net income / (expenditure) to net cash flow from operating activities			
Net income for the year (as per the statement of financial activities)		(2,070)	598
Adjustments for:			
Net losses / (gains) on investments		1,114	(2,165)
Depreciation charge		5	2
Dividends and interest from investments		(917)	(948)
(Increase) in debtors		294	(775)
(Decrease) / Increase in creditors		(551)	(988)
Net cash used in operating activities		(2,125)	(4,276)
B. Analysis of cash and cash equivalents			
Cash at bank and in hand		7,548	8,549
		7,548	8,549

C. Analysis of changes in net debt

As the Charity’s net debt equalled its cash and cash equivalent balances at both the current and prior year-ends, an Analysis of changes in net debt table has not been disclosed.

Notes to the financial statements

1 Accounting policies

Basis of preparation

The Financial Statements of the Charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, in accordance with the Financial Reporting Standard application in the UK and Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011. The Financial Statements have been prepared for the year ended 31 March 2025 with comparative information in respect to the year ended 31 March 2024.

Corporate status

The Charity is a company limited by guarantee registered in England and Wales and does not have share capital. Its members may be required to contribute a sum not exceeding £1 each in the event of the winding up of the company. The company is a registered Charity. The registered office is at Canopi, 82 Tanner Street, London SE13GN

Going concern

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

Accounting policies

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

Income

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

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

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

Income arising from grants and similar contracts is generated 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.

1 Accounting policies (continued)

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

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

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

Expenditure

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

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

Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings on the basis of headcount. Expenditure is classified under the following activity headings:

- **Cost of raising funds**
All expenditure associated with raising funds for the Charity, including staff costs associated

with fundraising and the fees payable to the investment manager.

- **Charitable activities**
All costs incurred towards achieving LCF's charitable objectives.

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

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

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

Support costs are costs incurred which are not directly attributable to our charitable activities, but which are vital to carry out the primary purposes of the Charity. These include costs such as finance, human resources, premises, communications, and information systems.

Pensions

LCF contributes to a defined contribution scheme in the UK.

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

1 Accounting policies (continued)

Fund accounting

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

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

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

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

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

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

Under the terms on which the endowment funds were given to the Charity, an amount representing the cost to LCF of administering the fund is set against investment income arising in the year.

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

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

Permanent endowment funds (with total return approach) require all income, gains and losses be taken to the part of the fund representing accumulated unapplied total returns ("UTR") in the first instance.

Out of the UTR that does not need to be so retained an amount reflecting a reasonable distribution each year is calculated and is transferred to income funds to be applied within the terms of these funds' governing documents.

Any income funds not disbursed in the financial year are retained as unapplied total return. Should any year experience a negative return such that the total of UTR and the Trust for Investment are less than the sum reasonably required to maintain the value of the endowment, that negative balance will be held within the UTR fund and a set of steps established gradually to recover that position over a period not exceeding ten years.

1 Accounting policies
(continued)

Termination benefits
and payments

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

Significant accounting
estimates and judgements

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

- The estimate of useful economic life of tangible assets used to determine annual depreciation
- The basis on which support costs have been allocated across expenditure activity headings
- The assumption adopted in determining the value of any designation of unrestricted funds
- The rationale in determining an appropriate level of dilapidations provision associated with the leased premises
- The level of UTR required to be retained to maintain for future beneficiaries the real value of any Permanent Endowments to which Total Return Orders apply

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

Listed investments are stated at market value, valued at their bid price, at the balance sheet date.

It is the Charity’s policy to keep valuations of stock exchange listed investments up to date, such that when investments are sold there is no gain or loss arising relating to prior years. As a result the statement of financial activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are together treated as changes in the value of the investment portfolio throughout the year.

Debtors

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

Creditors and provisions

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

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

Value Added Tax

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

Expenditure in these Financial Statements is therefore shown inclusive of VAT paid and not reclaimable.

Operating lease

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

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.

2. Income

2a Income from donations and legacies

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2025 £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2024 £000
Trusts and foundations	188	2,040	-	2,228	85	2,477	22	2,584
Corporations	69	1,005	-	1,074	179	1,973	-	2,152
Local public authorities	73	3,826	-	3,899	195	5,152	-	5,347
Individuals	208	712	-	920	73	166	-	239
National public authorities	-	-	-	-	10	50	-	60
Total income from donations and legacies	538	7,583	-	8,121	542	9,818	22	10,382

2b Income from charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2025 £000	Unrestricted funds £000	Restricted funds £000	Total 2024 £000
Trusts and foundations	10	-	10	-	-	-
Local public authorities	280	-	280	205	-	205
Total income from charitable activities	290	-	290	205	-	205

2c Income from investments

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2025 £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2024 £000
Interest receivable	67	157	-	224	18	204	-	222
Investment income	461	208	24	693	449	249	28	726
Total income from investments	528	365	24	917	467	453	28	948

2d Income from other trading activities

	Unrestricted funds £000	Total 2025 £000	Total 2024 £000
Rental income	-	0	20
Total income from other trading activities	-	0	20



3 Expenditure

3a Expenditure on raising funds

	Notes	Unrestricted funds £000	Restricted funds £000	Total 2025 £000	Unrestricted funds £000	Restricted funds £000	Total 2024 £000
Investment management costs							
Staff costs	6	10	-	10	9	-	9
Allocated support costs	4	5	-	5	5	-	5
Cost of raising donations and legacies							
Staff costs	6	339	-	339	305	-	305
Other direct costs		52	1	53	33	1	34
Allocated support costs	4	185	-	185	162	-	162
Cost of generating rental income							
Staff costs	6	5	-	5	5	-	5
Allocated support costs	4	3	-	3	3	-	3
Total expenditure on raising funds		599	1	600	522	1	523

3b Expenditure on charitable activities: grant programme

	Notes	Unrestricted funds £000	Restricted funds £000	Total 2025 £000	Unrestricted funds £000	Restricted funds £000	Total 2024 £000
Grants payable		-	8,523	8,523	-	11,496	11,496
Staff costs	6	641	-	641	576	-	576
Other direct costs		78	49	127	34	82	116
Allocated support costs	4	351	-	351	307	-	307
Total expenditure on charitable activities: grant programme		1,070	8,572	9,642	917	11,578	12,495

3c Expenditure on charitable activities: community development

	Notes	Unrestricted funds £000	Restricted funds £000	Total 2025 £000	Unrestricted funds £000	Restricted funds £000	Total 2024 £000
Other direct costs		15	27	42	32	50	82
Total expenditure on charitable activities: community development		15	27	42	32	50	82

4 Analysis of support costs

	Notes	Unrestricted funds £000	Restricted funds £000	Total 2025 £000	Unrestricted funds £000	Total 2024 £000
Support staff costs	6	194	-	194	176	176
Professional fees		40	14	54	39	39
Premises costs		71	-	71	67	67
Office and other costs		17	-	17	15	15
Depreciation		5	-	5	3	3
IT costs		92	-	92	70	70
Governance costs	5	110	-	110	107	107
Total support costs		529	14	543	477	477

5 Governance costs

	Notes	Total 2025 £000	Total 2024 £000
Staff costs	6	78	70
External auditors' remuneration - statutory audit		20	22
External auditors' remuneration - other		6	-
Legal and professional fees		6	15
Total governance costs		110	107

6 Staff costs and remuneration of key management
personnel

	Total 2025 £000	Total 2024 £000
Salaries and wages	984	880
Social security costs	99	93
Employer pension contributions	62	54
Temporary staff costs	61	61
Total staff costs	1,206	1,088

Included in salaries and wages above are termination benefits of £42k (2024: £Nil) relating to one employee (2024: nil employees). These benefits were paid in full during the year and represent £18k of contractual benefits and £24k of non-contractual benefits. The non-contractual benefits represent an ex-gratia payment which the Trustees considered to be within the best interests of the Charity.

The average monthly number of employees during the year was:

Employees	2025 FTE	2024 FTE	2025 Number	2024 Number
Grant delivery and community development	13	11	15	12
Fundraising	4	5	5	5
Support	4	3	7	3
Total	21	19	27	20

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

	2025 Number	2024 Number
The number of staff whose emoluments are greater than £60,000 are:		
£60,001 – £70,000	1	1
£70,000 – £80,000	1	-
£80,001 – £90,000	-	1
£90,001 – £100,000	-	1
£100,000 – £110,000	1	-
Total	3	3

Emoluments is taken to mean actual payments due in the year for hours worked and is therefore not a full-time equivalent rate but an actual rate reflecting part time hours as well as employment for less than a full year.

The employees whose salary banding is disclosed above also received employer pension contributions of £18,806 (2024: £12,909).

23 employees participated in the Charity's stakeholder pension scheme (2024: 24), inclusive of all starters and leavers.

Key management personnel

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

Total key management personnel remuneration in the year, inclusive of employer pension and national insurance contributions, was £360,995 (2024: £357,811)

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 2025 (2024:0).

7 Net expenditure / (income)

This is stated after charging:

	Notes	2025 £000	2024 £000
Staff costs	6	1,206	1,088
Auditors' remuneration - statutory audit		20	22
Auditors' remuneration - other		6	-
Depreciation		5	2
Rentals under operating leases: property		-	42

8 Tangible fixed assets

	Assets under construction £000	Furniture, IT, office equipment £000	Total 2025 £000
As at 1 April 2024	49	45	94
Additions	53	12	65
Disposals	(7)	(29)	(36)
At 31 March 2025	95	28	123
As at 1 April 2024	-	41	41
Charge for the year	-	10	10
Disposals	-	(41)	(41)
At 31 March 2025	-	10	10
Net book value at 31 March 2025	95	18	113
Net book value at 31 March 2024	49	4	53

Assets under construction are an upgrade to the Customer Relationship Management system and were brought into use during the autumn of 2025.

9 Fixed asset investments

9a Fixed asset investments

	2025 £000	2024 £000
Market value of listed investments at 1 April	24,211	23,738
Additions at cost	22	18
Disposal at carrying value	(294)	(1,710)
Gains / (losses) on investments	(1,114)	2,165
Market value of listed investments at 31 March	22,825	24,211

9b Historical cost

	2025 £000	2024 £000
Market value at 31 March	22,825	24,211
Accumulated gains brought forward	(14,354)	(12,167)
Net (gains) / losses for the year	1,114	(2,165)
Historical cost at 31 March	9,585	9,879

9c Investments disposition

	2025 £000	2024 £000
Common Investment Funds: COIF Charities Investment Fund	22,715	24,101
Common Investment Funds: COIF Ethical Investment Fund	110	110
Total market value of listed investments at 31 March	22,825	24,211

10 Debtors

	2025 £000	2024 £000
Trade debtors	832	1,131
Prepayments	41	37
Accrued income	5	4
Total debtors at 31 March	878	1,172

11 Creditors: amounts falling due within one year

	Total 2025 £000	Total 2024 £000
Grants payable	237	1,301
Other creditors	824	311
Accruals	37	39
Deferred income	80	78
Total creditors at 31 March	1,178	1,729

11a Reconciliation of grants payable

	Notes	Total 2025 £000	Total 2024 £000
Balance brought forward 1 April		1,301	2,502
Grants awarded during the year	3b	8,523	11,496
Grants paid out during the year		(9,587)	(12,697)
Grant creditors at 31 March		237	1,301

11b Reconciliation of deferred income

	Total 2025 £000	Total 2024 £000
Balance brought forward at 1 April	78	-
Amounts released to income	(78)	-
Cash received to be deferred	80	78
Balance carried forward at 31 March	80	78

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

12 Obligations under operating leases

At 31 March 2025, the Charity had total future minimum lease payments under non-cancellable operating leases for office rent as follows:

	2025 £000	2024 £000
Within one year	-	-
Total obligations under operating leases	-	-

13a Analysis of net assets between funds

Fund balances at 31 March

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2025 £000	Total 2024 £000
Represented by:					
Tangible fixed assets	113	-	-	113	53
Fixed asset investments	-	254	22,571	22,825	24,211
Current assets – cash	1,442	6,106	-	7,548	8,549
Current assets – debtors	113	765	-	878	1,172
Creditors: amounts falling due within one year	(941)	(237)	-	(1,178)	(1,729)
Total funds	727	6,888	22,571	30,186	32,256

13b Analysis of net assets between funds (prior year)

Fund balances at 31 March 2024

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2024 £000	Total 2023 £000
Represented by:					
Tangible fixed assets	53	-	-	53	8
Fixed asset investments	-	278	23,933	24,211	23,738
Current assets – cash	1,057	7,470	22	8,549	10,210
Current assets – debtors	150	1,022	-	1,172	397
Creditors: amounts falling due within one year	(428)	(1,301)	-	(1,729)	(2,717)
Total funds	832	7,469	23,955	32,256	31,636

Restricted fixed asset investments

Under the Community First programme, up to 100% of capital gains over the original value of the investment, indexed by the Retail Price Index (RPI), may be paid to endowment fund grant making (restricted) accounts annually. The balance is now £254k and will be drawn down once the spending plans are finalised by the fund holder.

14 Endowment funds

LCF holds both expendable and permanent endowment funds. Many of The LCF's endowment funds have benefitted from match funding, in addition to donations made to funds, received from the government schemes Grassroots Grants (2008-2011) and Community First (2012-2015). A selection of material funds are shown below along with totals for each scheme. We have separated out any individual Grassroots Grant Fund or Community First fund with an opening balance of over £250,000. The remainder of funds are grouped together under Other Grassroot Grants funds or Other Community First funds.

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2025 £000
Grassroots						
Bromley Community Fund	297	-	-	-	(14)	283
Croydon Community Fund	442	-	-	(22)	(20)	400
Deutsche Bank Fund	760	-	-	-	(36)	724
Evening Standard Dispossessed Fund	2,531	-	-	-	(119)	2,412
LCF Older People's Fund (Formerly Gordon Family Fund)	368	-	-	-	(17)	351
Lambeth Community Fund	296	-	-	-	(14)	282
LCF GG Endowment Fund	430	-	-	(155)	(14)	261
Victoria Foundation Fund	427	-	-	-	(21)	406
Westminster Fund	496	-	-	(12)	(24)	460
Other Grassroots Grants funds	1,877	-	-	(33)	(86)	1,758
Total Grassroots Grants funds (expendable)	7,924	-	-	(222)	(365)	7,337
Community First (Expendable)						
Barnet Fund	404	-	-	-	(19)	385
LCF Older People's CF Endowment Fund (Formerly Gordon Family CF Endowment Fund)	1,090	-	-	-	(51)	1,039
Cadogan Kensington and Chelsea Foundation CF Endowment Fund Grant	336	-	-	-	(16)	320
Land Securities Westminster Fund	294	-	-	-	(14)	280
Living Cities Community Fund	1,173	-	-	-	(55)	1,118
The London Leg Up Fund	430	-	-	-	(20)	410
Other Community First funds	2,906	-	-	(8)	(135)	2,763
Total Community First funds (expendable)	6,633	-	-	(8)	(310)	6,315

14 Endowment funds (continued)

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2025 £000
Expendable						
Creswell Trust	80	-	-	-	(4)	76
Lambeth Endowment Fund	1,570	-	-	-	(73)	1,497
Lewisham Fund	448	-	-	-	(23)	425
Portuguese Fund	823	-	-	-	(38)	785
South London Opportunity Fund	212	-	-	(10)	(10)	192
Wandsworth Community Fund	633	-	-	-	(30)	603
Total other expendable endowment funds	3,766	-	-	(10)	(178)	3,578
Total expendable endowment	18,323	-	-	(240)	(853)	17,230
Permanent						
Barnet Endowment	95	-	-	-	(4)	91
Beaufoy Trust	1,868	-	-	-	(87)	1,781
Pedlar's Acre Trust	3,039	24	-	(54)	(141)	2,868
Richmond Civic Trust	630	-	-	-	(29)	601
Total permanent endowment	5,632	24	-	(54)	(261)	5,341
Total endowment funds	23,955	24	-	(294)	(1,114)	22,571

The purposes and restrictions of these funds are summarised below:

Bromley Community Fund	To support the local community in Bromley
Croydon Community Fund	To support the local community in Croydon
Deutsche Bank Fund	To support homeless people and those at risk of homelessness
Evening Standard Dispossessed Fund	To tackle a variety of social issues affecting disadvantaged Londoners
LCF Older People's Fund	To support older people who are experiencing poverty and isolation
Lambeth Community fund	To support the local community in Lambeth
LCF GG Endowment Fund	To support community sports organisations for young people
Victoria Foundation Fund	To support the New Victoria Hospital in Kingston
Westminster Fund	To support employment and opportunities for young people in Westminster
Barnet Fund	To support the local community in Barnet
LCF Older People's CF Endowment Fund	To support older people who are experiencing poverty and isolation
Cadogan Kensington and Chelsea Foundation CF Endowment Fund Grants	To support the local community in Kensington and Chelsea near the Cadogan estate

14 Endowment funds (continued)

Land Securities Westminster Fund	To support employment and opportunities for young people in Westminster
Living Cities Community Fund	To support local communities to take action on climate in Southwark and Westminster
The London Leg Up Fund	To benefit community organisations supporting disadvantaged people across London, with a focus on young people
Cresswell Trust	To support the local community in Wandsworth
Lambeth Endowment Fund	To support the local community in Lambeth
Lewisham Fund	To support the local community in Lewisham
Portuguese Fund	To support the local Portuguese community in Lambeth
South London Opportunity Fund	To support the local community in Wandsworth
Wandsworth Community Fund	To support the local community in Wandsworth
Barnet Endowment	To support the local community in Barnet
Beaufoy Trust	To support the local community in Lambeth
Pedlar's Acre Trust	To support the local community in Lambeth
Richmond Civic Trust	To support the local community in Richmond

Grants from endowment funds are made from the restricted fund relating to the endowment fund of the same name. Grants for the year ended 31 March 2025 can be seen in Note 15. Transfers out of expendable endowment funds to restricted funds represent a release of the capital. The transfers operate under LCF's endowment spending policy and allow further application of the funds as grants. Transfers from the permanent endowment fund Pedlar's Acre Trust to restricted funds represent the release of Unapplied Total Return as allowed under the Total Return Order granted by the Charity Commission so that the funds may be applied as grants. Further details can be found in Note 18.

As part of the Foundation's ongoing monitoring of its funds, the Trustees note that:

- The LCF GG Endowment Fund has historically been made up of a mixture of expendable and permanently endowed funds. During the year, the Trustees agreed to expend the entirety of the expendable portion of the Fund. The remaining permanently endowed element will be reclassified as such in the following accounting period.
- The LCF Older People's Fund and the LCF Older People's CF Endowment Fund have, since an agreement with a now former funder effective from 31 March 2023, represented permanent endowment funds. These will be reclassified as such in the following accounting period, though it is noted that the capital portion of these funds has not been expended since agreement.

15 Restricted funds

LCF holds many restricted funds. We have separated out any material fund with an opening balance or closing balance of over £10,000. The closing balances represent the unexpended balances of income held on trust for specific purposes. They take into account multi-year commitments, to be paid to beneficiaries in future financial years.

15a Restricted funds (endowment funds - revenue element)

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Investment gain/(loss) £000	Balance at 31 March 2025 £000
Evening Standard Grassroots Grants Dispossessed Appeal Fund	542	33	(307)	3	-	271
Pedlar's Acre Endowment Fund	344	9	-	(293)	-	60
Sue Estermann Fund	163	5	-	-	-	168
Barnet NW CF Endowment Fund	92	6	-	-	-	98
Lewisham Endowment Fund	80	6	-	-	-	86
LCF GG Endowment Fund	70	7	(60)	140	-	157
Richmond Civic Trust Permanent Endowment	63	9	-	-	-	72
Deutsche Bank Older Peoples CF Endowment Fund	57	4	(31)	-	-	30
Evening Standard Croydon Dispossessed Appeal Endowment Fund	51	3	(33)	(17)	-	4
Beaufoy Trust Endowment Fund Permanent Endowment	41	19	-	-	-	60
Lambeth CF Endowment Grants	39	15	-	-	-	54
Wandsworth Community Endowment Fund	40	6	(46)	-	-	-
Croydon Community GG Endowment Fund	30	4	(29)	22	-	27
Victoria Foundation Fund	29	4	(5)	-	-	28
Gordon Family CF Endowment Fund	26	10	-	-	-	36
London Leg Up Fund (Bragg) CF Endowment Fund	25	13	(18)	-	-	20
LCF Portuguese Endowment Fund	22	8	(15)	-	-	15
Salway CF Endowment Fund	20	13	(18)	(5)	-	10
Brent Harrow Enfield CF Fund	18	1	-	-	-	19
Living Cities Community CF Endowment Fund	17	11	-	-	-	28
Cadogan Kensington and Chelsea Foundation CF Endowment Fund	14	3	(14)	-	-	3
Bromley Community Fund	14	3	-	(16)	-	1
Hemlata and Kantilal Tanna Family CF Fund	11	2	(2)	-	-	11
Westminster GG Endowment Fund	11	5	-	12	-	28
Deutsche Bank GG Endowment Fund	11	7	-	-	-	18
Peckham GG Endowment Fund	10	2	-	23	-	35
Gordon Family GG Endowment Fund	10	4	-	-	-	14
Other endowment funds (revenue element) balances <£10k	133	47	(33)	21	-	168
Total endowment funds (revenue element)	1,983	259	(611)	(110)	-	1,520

15b Restricted funds (flow through grant-making funds)

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Investment gain/(loss) £000	Balance at 31 March 2025 £000
MOPAC VAWG Grassroots Fund 23-25	776	1,471	(1,394)	-	-	853
The Stanhope Foundation Fund	546	392	(449)	-	-	489
Adobe UK Community Fund	449	1	(217)	-	-	233
GLA 82072 MoJ DA SV 22-25	432	1,486	(1,516)	-	-	402
Wimbledon Foundation Community Fund	417	664	(493)	(13)	-	575
Hackney Foodbank Community Fund	412	3	(337)	(7)	-	71
The CJ Fund	308	8	-	(57)	-	259
Youth Futures Fund	271	181	(200)	55	-	307
Cockayne Fund	268	8	(238)	(8)	-	30
Women's Fund for London	234	7	(70)	8	-	179
Peabody Community Fund	207	2	(123)	(84)	-	2
LCF Older People's Fund	129	3	(64)	-	-	68
Living Communities Fund	123	76	(151)	-	-	48
Elephant & Castle Community Fund	94	76	(84)	5	-	91
JPMorganChase Fund	89	2	(35)	(56)	-	-
Greenwich Peninsula Community Fund	78	36	(100)	(12)	-	2
Deutsche Bank small grants Fund	66	10	-	-	-	76
Merton & Sutton Health & Wellbeing fund	66	2	-	-	-	68
Lambeth Grants Funds (combined) Funds	59	5	(239)	347	-	172
Lambeth Wellbeing Fund	52	63	(48)	-	-	67
Wandsworth Combined Charity Fund	36	-	(32)	-	-	4
The Young People's Fund	33	-	(10)	(23)	-	-
Grenfell Children & Young People fund	33	1	-	-	-	34
HDR United Kingdom Fund	33	36	(36)	(6)	-	27
Bromley Community Fund (combined)	28	1	-	21	-	50
Covent Garden Market Authority Fund	25	1	-	-	-	26
Excluded Initiative Fund	21	1	(17)	-	-	5
Broadgate Community Fund	20	116	(93)	(20)	-	23
Simon & Lynn Dodds Fund	19	39	(40)	-	-	18
Reel Fund	18	71	(88)	(6)	-	(5)
Thamesmead Community Fund	18	(12)	(79)	108	-	35
Lane Fund (combined)	16	-	-	-	-	16
Muggin's Funds (combined)	15	-	-	-	-	15
North London Philanthropic Trust Fund	11	-	-	-	-	11
Land Securities Westminster Fund	11	-	-	-	-	11
Land Securities Fund	11	-	-	-	-	11
Other grant making funds (flow through) - balances <£10k	62	2,939	(1,837)	(71)	-	1,093
	5,486	7,689	7,989	182	-	5,368
Total restricted funds	7,469	7,948	(8,601)	72	-	6,888

15c Restricted funds - purposes and restrictions

Safe Accommodation PIE	To support improvements to safe accommodation for domestic abuse survivors
JPMorganChase Fund	To support pathways to economic opportunities for ethnic minority communities
Stanhope Foundation	To support disadvantaged communities with employability and opportunities
Peabody Community Fund	To support residents where Peabody Housing association operates
Wimbledon Foundation Community Fund	To support the local community in Merton and Wandsworth
GLA 82072 MoJ DA SV 22-25	To support victims of domestic abuse and sexual violence
The CJ Fund	To support young people in Kensington and Chelsea with employability and mental health
Cockayne Fund	To support art projects for artists from diverse cultures
Skill Up Step-Up Employability Fund	To support disadvantaged young people with skills, employability and training
Lambeth Grants Funds (Combined)	To support the local community in Lambeth
Youth Futures Fund	To support disadvantaged young people with skills, employability and training
Lambeth Wellbeing Fund	To support the wellbeing and health of marginalised communities in Lambeth
Living Communities Fund	To support local communities to take action on climate in Southwark and Westminster
LCF Older People's Fund	To support older people who are experiencing poverty and isolation
Broadgate Community Fund	To support local communities around the Broadgate campus near Liverpool Street
Lambeth Youth Opportunities Fund	To support young people in the borough of Lambeth
Deutsche Bank Older People's Fund	To support older people who are experiencing poverty and isolation
Evening Standard Dispossessed Appeal	To tackle a variety of social issues affecting disadvantaged Londoners
Lambeth CF Endowment Fund	To support the local community in Lambeth
Pedlar's Acre Trust	To support small, grassroots community organisations in Lambeth
Sue Estermann Fund	To support research at the Royal Free Hospital
Adobe UK Community Fund	To support disability charities and disability organisations with two-year funding, focusing on digital and creative inclusion
Hackney Foodbank Community Fund	To support organisations responding to the immediate impacts of food insecurity in Hackney, particularly communities hardest hit by the cost-of-living crisis

£5k was received in October 2025 to correct the deficit position for Reel Fund.

15 Restricted funds (continued)

Transfers between funds

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

Grenfell Children and Young People’s Fund

Following the closure of the Grenfell Tower emergency appeal, the remaining funds from the Evening Standard Dispossessed Fund appeal and the Artists for Grenfell appeal held were consolidated to form the Grenfell Children and Young People’s fund, a five-year fund set up to support children and young people affected by the tragedy. In addition to the consolidated funds, the Charity received a restricted donation from the Royal Borough of Kensington and Chelsea of £410,000 in 2018/19. Any new funds raised in relation to Grenfell Tower are now added to this fund.



16 Endowment funds (prior year comparatives)

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2024 £000
Bromley Community Fund	276	-	-	(5)	26	297
Croydon Community Fund	438	-	-	(35)	39	442
Deutsche Bank Fund	696	-	-	-	64	760
Evening Standard Dispossessed Fund	2,775	-	-	(500)	256	2,531
Grassroots						
LCF Older People’s Fund	337	-	-	-	31	368
Lambeth Community Fund	175	-	-	96	25	296
LCF GG Endowment Fund	452	-	-	(60)	38	430
Victoria Foundation Fund	414	-	-	(24)	37	427
Westminster Fund	452	-	-	-	44	496
Other Grassroots Grants funds	1,847	-	-	(132)	162	1,877
Total Grassroots Grants funds (expendable)	7,862	-	-	(660)	722	7,924
Community First						
Barnet Fund	376	-	-	(6)	34	404
LCF Older People’s CF Endowment Fund	998	-	-	-	92	1,090
Cadogan Kensington and Chelsea Foundation CF Endowment Fund Grant	288	22	-	-	26	336
Land Securities Westminster Fund	269	-	-	-	25	294
Living Cities Community Fund	1,074	-	-	-	99	1,173
The London Leg Up Fund	394	-	-	-	36	430
Other Community First funds	2,678	-	-	(17)	245	2,906
Total Community First funds (expendable)	6,077	22	-	(23)	557	6,633

16 Endowment funds (prior year comparatives) (continued)

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2024 £000
Expendable						
Creswell Trust	73	-	-	-	7	80
Lambeth Endowment Fund	1,438	-	-	-	132	1,570
Lewisham Fund	407	-	-	-	41	448
Portuguese Fund	754	-	-	-	69	823
South London Opportunity Fund	193	-	-	-	19	212
Wandsworth Community Fund	581	-	-	(2)	54	633
Total other expendable endowment funds	3,446	-	-	(2)	322	3,766
Total expendable endowment	17,385	-	-	(685)	1,601	18,301
Permanent						
Barnet Endowment	87	-	-	-	8	95
Beaufoy Trust	1,711	-	-	-	157	1,868
Pedlar's Acre Trust unapplied total return	979	28	-	(67)	262	1,202
Pedlar's Acre Trust	1,837	-	-	-	-	1,837
Richmond Civic Trust	577	-	-	-	53	630
Total permanent endowment	5,191	28	-	(67)	480	5,632
Total endowment funds	22,576	50	-	(752)	2,081	23,955



17a Restricted funds - endowment funds (revenue element) (prior year comparatives)

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Investment gain / (loss) £000	Balance at 31 March 2024 £000
Evening Standard Grassroots Grants Dispossessed Appeal Fund	250	36	(250)	506	-	542
Pedlar's Acre Endowment Fund	235	6	-	68	35	344
Sue Estermann Fund	159	4	-	-	-	163
Barnet NW CF Endowment Fund	92	6	-	(6)	-	92
Lewisham Endowment Fund	75	5	-	-	-	80
LCF GG Endowment Fund	9	6	-	54	1	70
Richmond Civic Trust Permanent Endowment	50	13	-	-	-	63
Deutsche Bank Older Peoples CF Endowment Fund	53	34	(30)	-	-	57
Evening Standard Croydon Dispossessed Appeal Endowment Fund	47	4	-	-	-	51
Beaufoy Trust Endowment Fund Permanent Endowment	23	18	-	-	-	41
Lambeth CF Endowment Grants	20	15	-	-	4	39
Wandsworth Community Endowment Fund	19	17	-	2	2	40
Croydon Community GG Endowment Fund	15	5	(15)	23	2	30
Victoria Foundation Fund	13	5	(13)	24	-	29
LCF Older People's CF Endowment Fund	124	11	-	(109)	-	26
London Leg Up Fund (Bragg) CF Endowment Fund	27	13	(15)	-	-	25
LCF Portuguese Endowment Fund	11	8	-	-	3	22
Salway CF Endowment Fund	13	13	(19)	13	-	20
Brent Harrow Enfield CF Fund	17	1	-	-	-	18
Living Cities Community CF Endowment Fund	42	17	-	(42)	-	17
Cadogan Kensington and Chelsea Foundation CF Endowment Fund	11	3	-	-	-	14
Bromley Community Fund	4	3	1	5	1	14
Hemlata and Kantilal Tanna Family CF Fund	9	2	(4)	4	-	11
Westminster GG Endowment Fund	6	5	-	-	-	11
Deutsche Bank GG Endowment Fund	-	8	-	-	3	11
Peckham GG Endowment Fund	7	2	(47)	47	1	10
LCF Older People's GG Endowment Fund	5	4	-	-	1	10
Other endowment funds (revenue element) balances <£10k	138	43	(57)	4	5	133
Total endowment funds (revenue element)	1,474	307	(449)	593	58	1,983

17b Restricted funds - flow through grant making funds (prior year comparatives)

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Investment gain / (loss) £000	Balance at 31 March 2024 £000
MOPAC VAWG Grassroots Fund 23-25	-	1,549	(773)	-	-	776
The Stanhope Foundation Fund	538	538	(530)	-	-	546
Adobe UK Community Fund	-	449	-	-	-	449
GLA 82072 MoJ DA SV 22-25	390	1,506	(1,464)	-	-	432
Wimbledon Foundation Community Fund	402	644	(629)	-	-	417
Hackney Foodbank Community Fund	-	412	-	-	-	412
The CJ Fund	349	9	-	(50)	-	308
Youth Futures Fund	238	116	(216)	133	-	271
Cockayne Fund	345	1,755	(1,805)	(27)	-	268
Women's Fund for London	7	140	-	87	-	234
Peabody Community Fund	491	12	(296)	-	-	207
LCF Older People's (combined) Fund	125	4	(79)	79	-	129
Living Communities Fund	170	113	(190)	30	-	123
Elephant & Castle Community Fund	80	79	(65)	-	-	94
JPMorganChase Fund	714	210	(835)	-	-	89
Greenwich Peninsula Community Fund	-	170	(100)	8	-	78
Deutsche Bank small grants Fund	88	37	(59)	-	-	66
Merton & Sutton Health & Wellbeing fund	64	2	-	-	-	66
Lambeth Grants Funds (combined) Funds	303	6	(250)	-	-	59
Lambeth Wellbeing Fund	195	52	(186)	(9)	-	52
Wandsworth Combined Charity Fund	35	1	-	-	-	36
The Young People's Fund	80	2	(49)	-	-	33
Grenfell Children & Young People fund	62	1	(30)	-	-	33
HDR United Kingdom Fund	20	43	(30)	-	-	33
Bromley Community Fund (combined)	27	1	-	-	-	28
Covent Garden Market Authority Fund	24	1	-	-	-	25
Excluded Initiative Fund	93	2	(74)	-	-	21
Broadgate Community Fund	119	14	(103)	(10)	-	20
Simon & Lynn Dodds Fund	44	5	(30)	-	-	19
Reel Fund (Kogan and Schmidt)	-	125	(101)	(6)	-	18
Thamesmead Community Fund	(6)	86	(62)	-	-	18
Lane Fund (combined)	16	-	-	-	-	16
Regents Place Community Fund	13	10	-	-	-	23
HDR United Kingdom Fund	-	20	-	-	-	20
Barnet Giving Fund	9	0	-	10	-	19
Together For London Fund	-	2,017	(2,101)	101	-	17
Lane Fund (combined)	18	15	-	(17)	-	16

17b Restricted funds - flow through grant making funds
(prior year comparatives) (continued)

Note 17b	Grant making funds (flow through)	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Investment gain / (loss) £000	Balance at 31 March 2024 £000
	Muggin's Funds (combined)	14	-	-	1	-	15
	North London Philanthropic Trust Fund	80	1	-	(70)	-	11
	Land Securities Westminster Fund	41	-	(30)	-	-	11
	Land Securities Fund	11	-	-	-	-	11
	Other grant making funds (flow through) - balances <£10k	1,490	1,879	(3,194)	(113)	-	62
		6,649	9,964	(11,180)	53	-	5,486
	Total Restricted funds	8,123	10,271	(11,629)	646	58	7,469



18a Funds of Pedlar's Acre Trust

On 21 May 2009 the Charity Commission authorised a uniting direction for registration and accounting purposes between The London Community Foundation (charity number 1091263) and Pedlar's Acre Trust (charity number 205817). At the date of the uniting direction the assets of Pedlar's Acre Trust were valued at £1,843,330.

The transactions and assets of the separate charities for the year ended 31 March 2025 are shown below:

	Notes	The London Community Foundation £000	Pedlar's Acre Trust £000	Total £000
Assets of each charity at 31 March 2025				
Opening balance at 1 April 2024		29,217	3,039	32,256
Income		9,304	24	9,328
Expenditure		(10,284)	-	(10,284)
Application of income funds	14	54	(54)	-
(Loss)/Gain on investments		(973)	(141)	(1,114)
Net movement in funds		(1,899)	(171)	(2,070)
Closing balance at 31 March 2025		27,318	2,868	30,186
Tangible fixed assets		113	-	113
Fixed asset investments		19,957	2,868	22,825
Debtors		878	-	878
Cash at bank and in hand		7,548	-	7,548
Creditors: amounts falling due within one year		(1,178)	-	(1,178)
Net assets at 31 March 2025		27,318	2,868	30,186
Funds of the charities				
Expendable endowment funds		17,230	-	17,230
Permanent endowment funds		2,473	2,868	5,341
Restricted funds		6,888	-	6,888
Unrestricted funds		727	-	727
Closing balance at 31 March 2025		27,318	2,868	30,186

18b Application of the power of total return to
Pedlar’s Acre Trust

The investment power of total return was granted by a Charity Commission Order on 17 January 2011. The Charity received advice from its legal advisors Bates Wells & Braithwaite with regards to the use of the power and ensuring its use does not prejudice the ability of the Charity to support both current and future beneficiaries.

This power permits the Trustees to invest permanently endowed funds to maximise total return and apply an appropriate portion of the unapplied total return income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the note below), the unapplied total return remains invested as part of the permanent endowment.

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

	Trust for Investment £000	Unapplied Total Return £000	Total Endowment £000
Opening value at 1 April 2024			
Gift component of the permanent endowment	1,837		1,837
Unapplied total return		1,202	1,202
Total	1,837	1,202	3,039
Investment return - dividends and interest		24	24
Investment return – realised and unrealised gains and (losses)		(141)	(141)
Less: investment management costs		(25)	(25)
Total	-	(142)	(142)
Unapplied total return applied to income in the year ended 31st March 2025	-	(29)	(29)
Net movements in the year ended 31st March 2025	-	(171)	(171)
Closing value at 31st March 2025			
Gift component of the permanent endowment	1,837		1,837
Unapplied total return		1,031	1,031
Total	1,837	1,031	2,868

The power of total return allows the Trustees to decide in each year how much of the unapplied total return is transferred to restricted income funds and so is available for grant-making expenditure in line with the terms of the Pedlar’s Acre Trust governing documents. During the year to 31 March 2025, 3.5% of the value of the fund as at 31 December 2022 was transferred to income funds, 3.5% being the amount LCF aims to spend of its permanent endowment funds holding total return power under its endowment spending policy. In July to September 2025 a review of these estimates was undertaken. This resulted in a revision to the estimate of the value to be retained within UTR to ensure that the value of the Endowment is maintained into the future. The revised estimate of the value of the Endowment required to be retained at 31st March 2025 is £3,294, 650 (2024: £3,210,180).

18b Application of the power of total return to
Pedlar’s Acre Trust (continued)

This means that there is a shortfall of funds in the Endowment at 31 March 2025 of £420,120 (2024: shortfall of £164,650). This shortfall will be made good out of surpluses of total return over allocations to Trusts for Allocation (that is Income Funds) over a period not exceeding ten years.

19 Related party transactions

As per note 6, the Trustees are not remunerated, and no expenses have been incurred in 2025 (2024: Nil).

Organisation	Trustee / Employee	Relationship with LCF	Description	31 March 2025 £000	31 March 2024 £000
Carers Hub Lambeth	Laura Perkins	Employee	Grant	-	24
The London Community Foundation	Russell Prior	Trustee	Donation	-	4
Ella’s Home	Nimat Jaffer	Employee	Grant	80	56

In 2025, Ella’s Home received a £80,000 restricted grant from LCF and one of their trustees is Nimat Jaffer, who is an employee of LCF.

20 Analysis of grants

20a Analysis of grants by recipient

	Total 2025 £000	Total 2025 Number
Grants awarded to institutions	8523	703
Total	8523	703

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

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

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

20b Analysis of grants by theme

Primary beneficiary	Amount £000	Number of grants allocated
Ethnic minorities	2,534	214
Carers	61	6
Children and young people	1,665	132
Cockayne (Arts)	38	9
Education	29	3
Environment	2	1
Ex Offenders	7	1
Ex Offenders and Prisoners	50	1
Ex-offenders/offenders/At risk of offending	10	1
Families/Parents/Lone parents	71	7
Food	4	3
Homeless people	221	9
Isolation	6	2
Lesbian, gay, bisexual and transgendered groups	37	6
Local residents	274	43
Medical Support	11	13
Men	7	1
Mental Health	1	2
Not in education, employment and training (NEET 16-24)	25	2
Older People	259	27
Others	207	12
People in care or suffering serious illness	135	4
People living in poverty	251	22
People who are homeless	116	6
People with learning difficulties	178	12
People with low skill levels	10	1
People with mental health issues	99	9
People with multiple disabilities	494	24
People with physical difficulties	41	3
Poverty	70	1
Refugee Women	5	1
Refugees	5	1
Refugees and Asylum Seekers	13	9
Refugees/asylum seekers /immigrants	224	12
Victims of crime/violence/abuse	750	57
Women	610	45
Women and Girls	3	1
Total	8,523	703

Prior year
comparatives

Statement of financial activity for the year to 31 March 2024

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2024 £000	Total 2023 £000
Income and endowments from:						
Donations and legacies	2a	542	9,818	22	10,382	11,966
Charitable activities	2b	205	-	-	205	173
Investments	2c	467	453	28	948	803
Other trading activities	2d	20	-	-	20	58
Total income		1,234	10,271	50	11,555	13,000
Expenditure on:						
Raising funds	3a	522	1	-	523	519
Grants programme	3b	917	11,578	-	12,495	12,981
Community development	3c	32	50	-	82	50
Total expenditure		1,471	11,629	-	13,100	13,550
Net income / (expenditure) before investment gains and losses		(237)	(1,358)	50	(1,545)	(550)
Net gains / (losses) on investments	9	26	58	2,081	2,165	(944)
Net income / (expenditure)		(211)	(1,300)	2,131	620	(1,494)
Transfers in / (out) between funds	14,15	106	646	(752)	-	-
Net movement in funds		(105)	(654)	1,379	620	(1,494)
Reconciliation of funds						
Total funds brought forward at 1 April		937	8,123	22,576	31,636	33,130
Total funds carried forward at 31 March	13a	832	7,469	23,955	32,256	31,636

Contact

The London Community Foundation
Canopi, 82 Tanner Street, London, SE1 3GN

londoncf.org.uk
info@londoncf.org.uk
+44 (0)20 7582 5117

Registered charity number 1091263
Company limited by guarantee number 4383269

Acknowledgements

Design: **Strudel**
Front cover image: **The Somerville Centre**



Together we truly are making a difference to London, where it matters most.

Thank you for all that you have helped us to achieve. Your support is so vital to sustain London's incredible network of grassroots charities and local community groups. They are the fabric of our communities and increasingly we are all dependent on their unique reach, impact and purpose.

**The London
Community
Foundation**

londoncf.org.uk

THE LONDON COMMUNITY FOUNDATION

England & Wales - Charity number 1091263

Accounts



**The London
Community
Foundation**

Annual report and financial statements

For the year ending 31 March 2024

londoncf.org.uk

Registered charity number 1091263
Company limited by guarantee number 4383269

Who we are

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

London is the greatest city in the world. But London is a polarised city, of extreme inequality – a city with the country's greatest wealth, but also the worst deprivation, where people struggle just to get by.

At The London Community Foundation, we believe in the vital role local community organisations play in rising to London's challenges. We also believe in the generosity and solidarity of Londoners wanting to make a difference to where they live and work. Our task is to champion local organisations by connecting donors to them, channelling funds to their work, and supporting them directly to be stronger.



Since 2010,
we have
committed over

**£127
million**

in grants to support
London's grassroots
organisations





Contents

Chair’s statement	06
Chief Executive’s welcome	08
Our impact	10
Women: Valuing women in their community	10
Young people: Investing in opportunities, apprenticeships and relationships	12
Local: The power of local	14
A year at The London Community Foundation	16
Trustees’ report	18
Legal and administrative information	19
Objectives and activities	23
Grant making policy	25
Structure, governance and management	25
Public benefit statement	28
Achievements and performance	29
Financial review	33
Reserves	38
Reserves policy	38
Investment policy and management	40
Principal risks and uncertainties	41
People and pay	44
Future plans	50
Our approach to fundraising	52
Statement of Trustees’ responsibilities	53
Independent auditor’s report to the members of The London Community Foundation	55
Statement of financial activities	61
Balance sheet	62
Statement of cash flows	63
Notes to the financial statements	65

Strengthening community organisations for the long term

We are all better off when we have a strong and vibrant community and voluntary sector in London. But we cannot take it for granted, we need to come together to provide resources and support so the sector does not just survive, but thrives for the long term.

I have been honoured to Chair The London Community Foundation for nearly five years. In that time I have seen the valuable role we play in times of crisis, such as during the pandemic and more recently during the cost-of-living crisis. I have also developed a deep understanding of the vital long-term role The London Community Foundation plays in supporting, strengthening and advocating for the grass-roots community and voluntary sector in London. This year we continued this work, engaging with our donors to encourage them to give core funding to strengthen organisations, and multi-year funding so they can be more sustainable for the long-term. I have been inspired by how many have adopted this way of giving and the impact it has had on the organisations they support.

This year we further strengthened our relationship with the Mayor of London and the Mayor's Office for Police and Crime (MOPAC), supporting them to achieve their long-term mission to tackle violence against women and girls in London. As part of our partnership, we deployed

emergency funding for women-led organisations to respond to the cost-of-living crisis, distributed capital funding to develop local refuges and launched a new round of funding for specialist community organisations tackling violence against women and girls. We are really committed to working in this space and to take part in channelling more funds to this important area of need.

This year also saw us grow our thematic funds - our Youth Futures Fund and new Women's Fund for London. It has long been our ambition to create funds that provide our donors and friends with opportunities to come together to make a collective impact in areas that really matter to London. We are proud to now be able to channel more funds towards helping women and young people in our city and I would like to say a special thanks to those donors who have supported these so far.

It has also been a time of organisational change as we said goodbye to Kate Markey in April, our Chief



Executive of six years. Kate made an incredible impact during her time at The London Community Foundation. Among her many achievements was leading us through the pandemic, deploying £22m in emergency funding to London's community organisations. Her commitment to our communities and the vital work of community organisations was unstinting. I would like to say a special thank you to her for all she did while she was working with us.

I would also like to recognise The London Community Foundation team and Board of Trustees and thank them for all their hard work this year.

Yours sincerely,

Russell Prior
Chair
The London Community Foundation

Our impact across London



£11,496,000

awarded to charitable
organisations

780

grants awarded

£14,738

average grant size

29%

of funding awarded to
groups primarily focused
on supporting Black and
Minoritised Ethnic people

Local change is our inspiration

What keeps us going, what gets us up every day as a team, as the community foundation for London, is our unshakeable belief in the value and power of community leaders and the vital organisations they run.

This year was difficult and unsettling. Global events were hard to witness and locally our communities continued to struggle with the cost of living. But despite the environment we work in, we continue to be inspired by the change that is happening at a local level. Change that is led by passionate,

committed and experienced community leaders who make a difference to people and families in their communities every day.

The power of community organisations was emphasised to The London Community Foundation

team at the beginning of the year with two special events we hosted. The first was to celebrate the over 400 young people who have benefitted from our Skill Up Step Up programme in partnership with Barclays and the Evening Standard. It was incredibly moving for the team to hear from a panel of young people about the barriers they faced accessing employment and training in London, and how the local community organisations had empowered them to fulfil their potential.

The second event showcased the 41 community organisations who provide specialist support to survivors of violence and exploitation as part of our MOPAC-funded Violence Against Women and Girls Grassroots Fund. It was humbling for the team to hear from female community leaders who have dedicated their lives to helping survivors. It was important as well for everyone in the room to hear their call to action, for more funding for the sector to ensure more women are protected in the future.

Awarding £11.5 million in funding to community organisations in London this year is an achievement we are very proud of, but we recognise that this would not be possible without our generous donors and partners and, most importantly, the vital community organisations we support.

Our achievements are also a credit to our committed team and Board of Trustees, who work hard and strive to keep learning and developing, so The London Community Foundation can best meet the needs of London's communities – thank you so much.

With my thanks,

Paul Buchanan
Interim Chief Executive Officer
In lieu of Kate Markey, CEO, who stepped down in April 2024. The London Community Foundation

Our values and behaviours

Our vision:

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

Our purpose:

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

Our values:

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

Our behaviours:

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

Valuing women in their community

"I believe that building financial resilience is of the utmost importance because it not only takes care of immediate monetary issues but also future ones – and most importantly for whole families."

STORM Family Centre

There are over four million women and girls living, working, learning, and caring in London. But their experiences in our Capital vary hugely, with many being marginalised, unable to access the same opportunities as others. Women are more likely to be living in poverty, to be in low paid jobs and to experience violence.

Evidence from our **Together for London** cost-of-living campaign last year clearly showed that women are also disproportionately impacted by rising costs. In 2023/24 we launched the new **Women's Fund for London** in response. £230,000 was contributed by a range of donors to provide women in London with the skills, tools, and knowledge to increase their financial resilience and that of their families.

At The London Community Foundation, we have a strong track record of supporting incredible women-led community organisations which have a unique understanding of the needs and issues facing women in their community.

Early in the year, we worked with the **Mayor's Office for Policing and Crime (MOPAC)** to distribute £1m of emergency funding through the **Violence Against Women and Girls Cost of Living Fund**. This fund helped to ensure the viability of 44 specialist organisations facing these same financial challenges caused by the cost-of-living crisis.

In June we celebrated the end of **MOPAC's Violence Against Women and Girls (VAWG) Grassroots Fund** and the over 30,000 women, girls and families supported. The event was attended by representatives of the 41 specialist VAWG organisations funded as well as **Deputy Mayor for Policing and Crime, Sophie Linden**. In August **Mayor, Sadiq Khan** also visited one of the VAWG Grassroots Fund cohort of organisations.

The Mayor's visit coincided with the announcement of a further £3m for specialist VAWG organisations. The **MOPAC Violence Against Women and Girls**

Grassroots Fund 2023-2025 distributed multi-year grants to 36 organisations helping to provide safe spaces for women and girls. 77% of these grants went to organisations led by and for Black and Minoritised Ethnic (BME) communities, with, all the grants supporting marginalised communities.

In addition £750,000 was distributed by the **MOPAC / Greater London Authority (GLA) Safe Accommodation Fund**. 8 organisations across London received funding to help towards the redecoration and refurbishment costs of refuge locations. The project directly impacted 959 people across 16 boroughs in 58 refuges.

The **Home Office** also committed £1.2m of funding to encourage stability and financial resilience for VAWG specialist organisations across London. The **Home Office VAWG Specialist Support Services Fund** supported 20 different projects with two-year grants.

Funding and support

£2,670,000

of our funding was
awarded to community
organisations
supporting women

23%

of our total funding
was focused on
supporting women

£1,558,000

of funding awarded to
Violence Against Women
and Girls (VAWG)
specialist organisations



Our impact: young people

Investing in opportunities, apprenticeships and relationships

“As a small, grassroots and survivor-led charity, the impact of this funding will be substantial. We know first hand that when [young] survivors are supported, lives are changed and cycles of harm are disrupted.”

Youth Realities

Young people under 25 represent almost a third of London's population. They continue to be hit hard by the cost-of-living crisis and the legacy of the pandemic. In 2023/24, we helped young people gain vital skills, access new opportunities and experiences and explore the importance of healthy relationships.

The year began with a celebration of young people fulfilling their potential through education and quality employment. **Barclays** hosted an event to celebrate the first 15 months of their £1m **Skill Up Step Up** programme, which helps train young people and connect them with future jobs and apprenticeships. It was inspiring to hear directly from young people who had benefited from the work of our five partner charities and to see their stories feature in the **Evening Standard**.

We entered the third year of our **Youth Futures Fund**, having already seen 1,682 young people supported so far. This year we brought various

donors (including **Bank of Ireland** and **Fairview Homes**) together to support those working with young people at risk of violence to empower them to have healthy relationships and educate them on the impact of sexism, misogyny, and violence. £250,000 was contributed to support three innovative and effective community-led projects working with young people across London.

Supporting young people, and providing them with new opportunities and experiences, continues to be a priority for us and our partners. The **Young People's Fund**, in partnership with **Peabody Community Foundation**, awarded a further £60,000 to six projects funded last year. The **Vanquis Banking Group** awarded six grants of £10,000 to community organisations delivering activities to alleviate underlying issues that prevent social and financial inclusion for young people. Meanwhile, the **Lambeth Youth Opportunities Fund** distributed £100,000 to six organisations across the borough.

Funding and support

£2,286,882

funding was awarded to
community organisations
supporting children and
young people

20%

of our overall funding
was focused on children
and young people

132

youth and children's
organisations supported



Our impact: local

The power of local

"The funds from The London Community Foundation will enable important work educating and engaging children and adults from the locality through new, fun and creative activities. We hope that many more people will be able to enjoy the unique wildlife of Deptford Creek."

Creekside Discovery Centre

The London Community Foundation are experts in local transformation. We believe in the power of investing in our local communities and neighbourhoods. Communities too often defined by the disadvantage they experience are rich in ideas, insight, networks and resilience to drive the change they want to see. Specialist community organisations are known, trusted and relied upon to meet the needs of their community. What they lack is the resources and access to funding they need. It is The London Community Foundation's role, along with our partners, to support them in this.

In 2023/24, we launched the **Greenwich Peninsula Community Fund**, a hyper local fund in partnership with lead developer **Knight Dragon**. £100,000 in funding was distributed to 7 organisations. This represents the first stage of a fifteen-year commitment to support community organisations operating in the Peninsula.

A second round of the **Greener Futures Fund**, in partnership with property group Grosvenor, awarded £200,000 to 13 organisations in Westminster inspiring the community to take

local climate action. The **Deptford Challenge Trust Fund**, returning after a two-year break, supports community organisations that improve the quality of life for people who live and work in a defined area of Lewisham. We have worked with partners **British Land** to help them engage their tenants in community funds supporting specialist community organisations around their three campuses.

Elsewhere, lasting local impact is being achieved through long term partnerships with **Wimbledon Foundation Community Fund**, holding its 15th round of funding, and **Elephant and Castle Community Fund**, on its 11th round this year. Similarly, a variety of different funds run in partnership with **Lambeth Council** have strengthened the community provision in the borough.

The importance of investment in trusted, community-led organisations cannot be overstated. Even in cross-London programmes, it is these local specialist organisations that can bring about change locally - if they are given the proper resources and support to do so.

Annual report and
financial statements

The London Community Foundation

Funding and support

£1,976,664

awarded to community
projects in specific areas
of the city

17%

of total funding awarded
focused on local and
hyper-local funding
programmes

209

grants awarded as part
of local and hyper-local
funding programmes

A year at The London Community Foundation

April

MOPAC committed £1m of emergency funding for the **Violence Against Women and Girls Cost of Living Fund**

The **Lambeth Wellbeing Fund**, in partnership with **Lambeth Council**, awarded over £180,000 to 29 organisations across the borough

Our team of 25 runners raised £20,000 taking part in the **London Marathon**



May

Barclays hosted a **Skill Up Step Up** event to celebrate the first 15 months of the programme, which helps train young people and connect them with future jobs and apprenticeships

The **Lambeth Health Inequality Community Fund** was launched with £160,000 committed to reduce health inequalities by engaging residents in conversations about improving health and wellbeing

In partnership with **Lendlease** and **Southwark Council**, the **Elephant and Castle Community Fund** returned for an 11th round of funding awarding £75,000 in grants to projects in the area

The **Grosvenor Greener Futures Fund** awarded £200,000 to support community projects in Westminster, inspiring the community to take local climate action

June

The **MOPAC Violence Against Women and Girls Grassroots Fund** was celebrated in style with an event attended by representatives of the 41 specialist VAWG organisations as well as Deputy Mayor for Policing and Crime, **Sophie Linden**

Greenwich Peninsula Community Fund, in partnership with lead developers **Knight Dragon**, was launched. With an initial round of £100,000 funding. The fund is the first part of £1.9m commitment over fifteen years to the development

July

Gowling WLG Community Fund awarded £10,000 to two Southwark-based community organisations including TheChoirWithNoName, who were featured on this year's ITV Pride of Britain Awards

August



Mayor of London, Sadiq Khan, renewed his commitment to tackling violence against women and girls, with a further investment of £3m to form the **MOPAC Violence Against Women and Girls Grassroots Fund 2023-2025**. The announcement was made during a visit to one of the groups from the fund's previous cohort

The **Home Office VAWG Specialist Support Services Fund**, a two year programme aiming to ensure continuity and quality of frontline VAWG services, awarded £1.2m in grants with an extra £57,000 match funding from MOPAC for organisational development

The **Stanhope Foundation** awarded nearly £450,000 in grants to six organisations providing employability programmes

September:

The third round of our **Youth Futures Fund** launched, focusing on tackling misogyny and violence and promoting healthy relationships

Six organisations supporting children and young people in Lambeth received investment thanks to £98,000 of grants awarded by **Lambeth Youth Opportunities Fund**

October

We launched the **Women's Fund for London**, raising £170,000 from a pool of individual and corporate donors. The fund will support organisations who promote financial resilience for women and their families across London



JPMorgan Chase hosted a round table event for their Pathways to Economic Opportunities programme (investing in Black and Minoritised Ethnic community Led By and For organisations who provide specialist employment, enterprise and financial health services) to explore different models and approaches to organisational development for community-based organisations

November

Deptford Challenge Trust launches £250,000 of funding, after a two-year break, for community organisations in Deptford

December

Hackney Foodbank Community Fund was launched to tackle food insecurity in the borough, with £400,000 distributed to 24 organisations

Annual report and financial statements

The London Community Foundation

£242,000 was awarded to 16 Lambeth-based organisations via the **Lambeth Community Fund**, in partnership with **Lambeth Council**

January

The **Cockayne Foundation** celebrated the 10th anniversary of Grants for the Arts with £2m in funding, including ten anniversary grants of £100,000 each

February

Grants totalling £50,000 from **Regent's Place Community Fund** took the total awarded by **British Land** to £180,000 across their three campuses. In August **Broadgate Community Fund** awarded £100,000 and in September **Paddington Central Community Fund** awarded £30,000 to local community groups



March

Long term partners, **Wimbledon Foundation**, celebrated their 10th anniversary. Throughout 2023/24 they have awarded £750,000 to community organisations in Merton and Wandsworth. There have been three rounds of the **Wimbledon Foundation Community Fund** and **Community Fund +** as well as the **Wimbledon Foundation Homelessness Fund**

Annual report and financial statements

For the year ending March 2024

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 (LCF) for the year ending 31 March 2024. The report has been prepared in compliance with Part 8 of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in

accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Trustees' report is also a directors' report for the purposes of the Companies Act 2006 and other company legislation and meets the requirements for a strategic report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. We can confirm that qualifying third party indemnity insurance was held on behalf of the company directors during the year.

Legal and administrative information

Name of charity:
The London Community Foundation (LCF)

Status:
**Charity registered in England and Wales:
1091263**
**Company limited by guarantee registered
in England and Wales: 4383269**

Principal office and registered address:
**7-14 Great Dover Street
London
SE1 4YR**

londoncf.org.uk
info@londoncf.org.uk
+44 (0)20 7582 5117
X (formerly Twitter): @london_cf
Instagram @london_cf

Registered charity number **1091263**
Company limited by guarantee number **4383269**

Trustees' report

Trustees:

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

Russell Prior
(Chair of the Board)

Gaynor Humphreys
(to September 2023)

Genine Whitehorne
(to December 2023)

John Hume
(Chair of Development, Impact and Influence Committee)

Natalie Creary

Veesh Sharma
(Chair of Finance, Risk and Resources Committee)

Urmi Dutta-Roy

Owen Jenkins

Satnam Sagoo

Fiona Bickley

Principal officers / Senior Management Team:

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

Kate Markey
(to April 2024) Chief Executive Officer

Paul Buchanan
(from April 2024):
Interim Chief Executive Officer

Maureen Sebanakitta
Chief Operating Officer

Kate Stewart
(to August 2024) Director of Grants and Impact

Laura Perkins
(to August 2024)
Director of Development and Communications

Harbi Jama
(from June 2024)
Acting Director of Development and Communications

Auditor:

MHA
Sixth Floor
2 London Wall Place
London
EC2Y 5AU

Legal advisors:

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

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

Bankers:

NatWest
504 Brixton Road
London
SW9 8EW

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

Investment managers:

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



Objectives and activities

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

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

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

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

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

Our objectives, as defined in the Memorandum and Articles of Association are:

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

1. Facilities for recreation or other leisure time occupation with the object of improving the conditions of life of the

persons for whom the opportunities and facilities are primarily intended.

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

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

Our core activities are:

1. Funding and developing predominantly small charities and community groups that do not attract mass public support.

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

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

Objectives and activities (continued)

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

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

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

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

3. Fund management and grant-making services:

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

Donors benefit from our established and professional services, including fund set-up, due diligence, assessment, grant deployment, portfolio management and impact reporting. We also work

with the wider wealth advisory market to inform and support their clients in giving.

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

As of 31 March 2024, The London Community Foundation held £23,955k (2023: £22,576k) in endowment funds, this variance is due to fluctuations in market value during the year.

Endowment funds held have been raised primarily through:

- Individuals and companies that want to create an enduring legacy in a particular geography or cause in the Capital. We can work with donors to consider their philanthropic ambitions and how to achieve them, now and in the future, as a flexible alternative to establishing their own charitable foundation or trust.
- Charitable trusts can be transferred to LCF (as with other community foundations), with the support of initiatives like the Revitalising Trusts Initiative by the Charity Commission. We can honour the original objectives and/or work with trust representatives to revive them for modern-day needs. Trusts may be transferred if they have become dormant or ineffective, or if Trustees feel that LCF will help to increase the impact of their charitable assets.

Grant making policy

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

Legal structures:

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

Governance

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

Bank account

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

Safeguarding

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

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

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

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

Monitoring and evaluation may include:

- Visits to the partners and beneficiaries
- Formal evaluation processes such as impact assessment by LCF or a third party

If we are not satisfied that the grant is being managed according to the agreement, we discontinue the grant.

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

Structure, governance and management

The London Community Foundation is a Company Limited by Guarantee (CLG) and a Registered Charity governed by its Memorandum and Articles of Association.

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

Structure

During the year, LCF's governance structure underwent a review, the outcome of which was a consolidation of the old Programmes & Impact, Audit, Risk & Investment and People Sub-Committees into two Sub-Committees:

- Finance, Risk and Resources
- Development, Impact & Influence

Each Sub-Committee consists of no fewer than three and no more than six Trustees, appointed by the Board. At least one Trustee of the Sub-Committee is appointed Chair.

All Trustees are expected to sit on at least one Sub-Committee and are welcome to sit on more than one Sub-Committee.

Trustees can volunteer to serve on a Sub-Committee and can also be nominated. Trustees are voted onto a Sub-Committee by a simple majority vote of the Board.

Sub-Committee terms are 3 years (subject to remaining a Trustee), at which time Trustees' membership of that Sub-Committee shall be reviewed. This also applies to the Chair of the Sub-Committee.

After 3 years, Trustees may, subject to the majority agreement of the Board, serve a further period on a Sub-Committee or join another Sub-Committee. At the request of the Board, a Trustee may, during a term on the Sub-Committee, be asked to move to another Sub-Committee.

Unless otherwise determined by the Board, quorum for a Sub-Committee exists when at least three Trustee members are present.

Sub-Committees meet at least three times per year and meetings may be face-to-face or virtual. All Board Meetings are held in person.

Additionally, a Sub-Committee can recommend to the Board that up to 2 additional co-opted members be recruited, who are external and independent of LCF, with requisite specialist skills and expertise. Co-opted members can also be appointed by the Board, with a term agreed by the Trustees. If approved, co-opted members act in an advisory and observer capacity without voting rights.

General duties across all Sub-Committees:

- Provide appropriate scrutiny and support to the Senior Management Team, in particular the relevant Executive lead(s)
- Ensure strong and proactive communication with other Sub-Committees and the wider Board on a regular basis
- Support development of, approve and deliver a Sub-Committee Workplan in collaboration with the Executive(s) lead, reporting progress to the Board
- Lead on specific areas of risk identified in LCF's Risk Register and Control Framework related to each Sub-Committees Terms of Reference
- Ensure that the Board receives sufficient assurance – in their area of competence - that LCF performs its activities in a suitable and appropriate manner to achieve its long-term objectives, within its appetite for risk
- Focus during each financial year on the Board's Areas of Strategic Focus and Deep Dives with the support of the Executive Lead
- Ensure that equality, equity, diversity, and inclusion is front and central across LCF's work and governance

Structure, governance and management (continued)

Development, Impact and Influence Sub-Committee

The Development, Impact and Influence Sub-Committee met four times during the year.

The purpose of this Sub-Committee is to:

- Provide strategic oversight and support to the Development and Communications function with specific reference to fundraising, donor engagement, external profile, and influence
- Provide strategic oversight of the grant making function with specific reference to grant making practices, learning, insights and impact
- Maintain strategic assurance that LCF's work is delivering impact against its mission
- Ensure that LCF's grant making framework includes sound grant making principles, and that policies and processes are in place, including adequate resources
- To delegate grant making decisions to the Executive
- Provide assurance to the Board that LCF is achieving its charitable purpose and that its activities of grant making, fundraising, profile and influencing are conducted in line with charity law and regulation, the accepted good practice of the sector and LCF's policy framework and risk appetite
- To maintain all LCF Policies that fall within the remit of the Committee

Finance, Resources and Risk Sub-Committee

The Finance, Resources and Risk Sub-Committee met four times during the year. The purpose of the Sub-Committee is to:

- Provide assurance to the Board of the long-term financial sustainability of LCF, by scrutinising the Charity's finances. This includes financial management, recommendations on investments, borrowing, capital expenditure and assessment and monitoring of the financial plans
- Provide assurance to the Board that LCF's financial and other internal control systems are compliant with statutory and other regulatory requirements
- Monitor the strategic risks and LCF's risk management policy
- Ensure LCF has appropriate arrangements in place for audit (external, and internal if necessary), investment management and banking
- Ensure LCF has a culture, values and behaviours in line with those agreed by the Board, and that LCF is an inclusive, progressive, professional and rewarding workplace
- Lead the process for Board Appointments, making recommendations to the Board
- Oversee LCF's accreditation and quality assurance – on behalf of the Board – to membership of UKCF

Senior Management Team

The day-to-day operation of LCF is the responsibility of the **Senior Management Team (SMT)** and the **Middle Management Team (MMT)**. The average number of team members employed during the year using a full-time equivalent basis was 19 (2023:18).

The SMT reports formally to the Board of Trustees every quarter on progress against strategic objectives, financial and impact performance as well as the annual work plans of the Board Sub-Committees. It also presents proposals on forward strategy. Delegated authority currently sits with the Senior Management Team (SMT) for standard risk grants under £50k and the Middle Management Team (MMT) along with SMT for those under £25k.

LCF is a member of UK Community Foundations

Structure, governance and management (continued)

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

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

Appointment, induction and training of Trustees

As set out in the Articles of Association, new Trustees are appointed by the Trustees in office. There are no powers of appointment or co-option by any external organisation. New Trustees are appointed through an external open and competitive recruitment process. The Finance, Resources and Risk Sub-Committee of the Board is responsible for nominations and makes recommendations to the full Board of Trustees on appointments.

On 31 March 2024 LCF had 8 trustees (maximum 18) with the Board agreeing its optimal number is between 10 and 12. This is supported by a skills and expertise audit and a Board performance review every two years.

Prior to appointment, prospective Trustees meet with the Chair and CEO and are interviewed by a panel of Trustees, as well as meeting key staff where appropriate. To provide an inclusive and supportive

recruitment experience, all shortlisted candidates receive further organisational information before interview. New Trustees receive key induction information including Memorandum and Articles, the latest statutory and management accounts, strategy, impact reports and other literature. Introductory briefings with the CEO and key staff are provided, and all Trustees are asked to serve on at least one Sub-Committee. Ongoing training is provided by way of online events and external training. Trustees meet quarterly and, between these meetings, business is conducted through the two Sub-Committees mentioned above: Finance, Risk and Resources and Development, Impact and Influence.

Public benefit statement

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

The remainder of this report sets out LCF's objectives, and reports on the activity and successes in the year to 31 March 2024, as well as explaining the plans for the current financial year. LCF's work benefits a range of local London charities, community groups and their beneficiaries.

The trustees have considered this matter and concluded that:

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

Achievements and performance

In 2023/24, The London Community Foundation continued to make significant strides in supporting London's communities. We awarded £11.5 million in funding (780 grants) to community organisations across London, addressing a wide range of social issues.

The rest of our achievements are summarised in the table below.

Strategic objective	In detail	Achievement
Foster a culture of belonging & inclusion across the LCF team & Board	• Build on team engagement and touchpoints throughout the year • Progress Equity, Diversity and Inclusion (EDI) Strategic priorities for the year • Maximise opportunities for team and Trustee engagement • Undertake an annual staff survey	• Implemented a robust learning and development programme for all staff, alternating monthly EDI forums between learning and action sessions • Delivered unconscious bias training for all staff through Action for Race Equality (A.R.E) • Hosted diverse speakers including Rachel Grocott (CEO of Bloody Good Period) and Pauline Campbell (lawyer, author and racial equality activist) • Team members shared personal experiences, such as living with ADHD, to promote understanding and inclusion • The staff survey was postponed to 2024/25
Grow our knowledge, reach & connection with London's communities	• LCF Impact Strategy Development • Maximise opportunities for visits and learning sessions • EDI – review & rollout of 'led by' pilot across all programmes • Increase collaboration across teams on programme design early in development process • Gather feedback from applicants (via survey) on grant making process and EDI considerations such as Accessibility, inclusivity, 'led by' organisations	• Increased team visits to funded organisations and participation in wider sector networks and events • Work on the impact strategy framework and applicants' survey was postponed to 2024/25 due to capacity constraints and database upgrade delays
Grow our donor portfolio	• Deliver four events • Grow donor engagement in pooled funds and invite-only activities, offering new and different ways for local philanthropy to reach London's communities • Achieve income target of £9.3m • Increase our LinkedIn followers to 2,500, mailing list to 700, and Twitter followers to 7,000 • Influence stakeholders through communications to encourage more giving to London through LCF	• Delivered four engagement events for key programs: Skill Up Step-Up, Violence Against Women and Girls, Women's Fund for London, and Youth Futures Fund • Exceeded our total income target by raising £10 million, surpassing the £9.3 million goal • Increased LinkedIn followers to 2,875, grew our mailing list to 622, and expanded Twitter followers to 6,579
Make best use of our time, data & digital solutions, ensuring compliance	• Review & streamline LCF's management information • Deliver project goals of the Salesforce database upgrade project	• Continued work on upgrading our Salesforce database in collaboration with the UKCF Digital Team, with completion expected in October 2024 • Passed our Cyber Essentials assessment in 2024

Achievements and performance (continued)

Strategic objective	In detail	Achievement
Build long-term financial resilience	- Grow donor portfolio - Simplify the way our donors give	- We secured two new individual/family donors who are keen to give back to London and three new corporate donors, which grows our donor portfolio - We raised £254k for our new Women's Fund for London, bringing donors together to support community organisations led by women and £200k for our Youth Futures Fund - We secured six new invitation only fund donors and we finalised and closed 12 funds, to help simplify the way donors give



Financial review

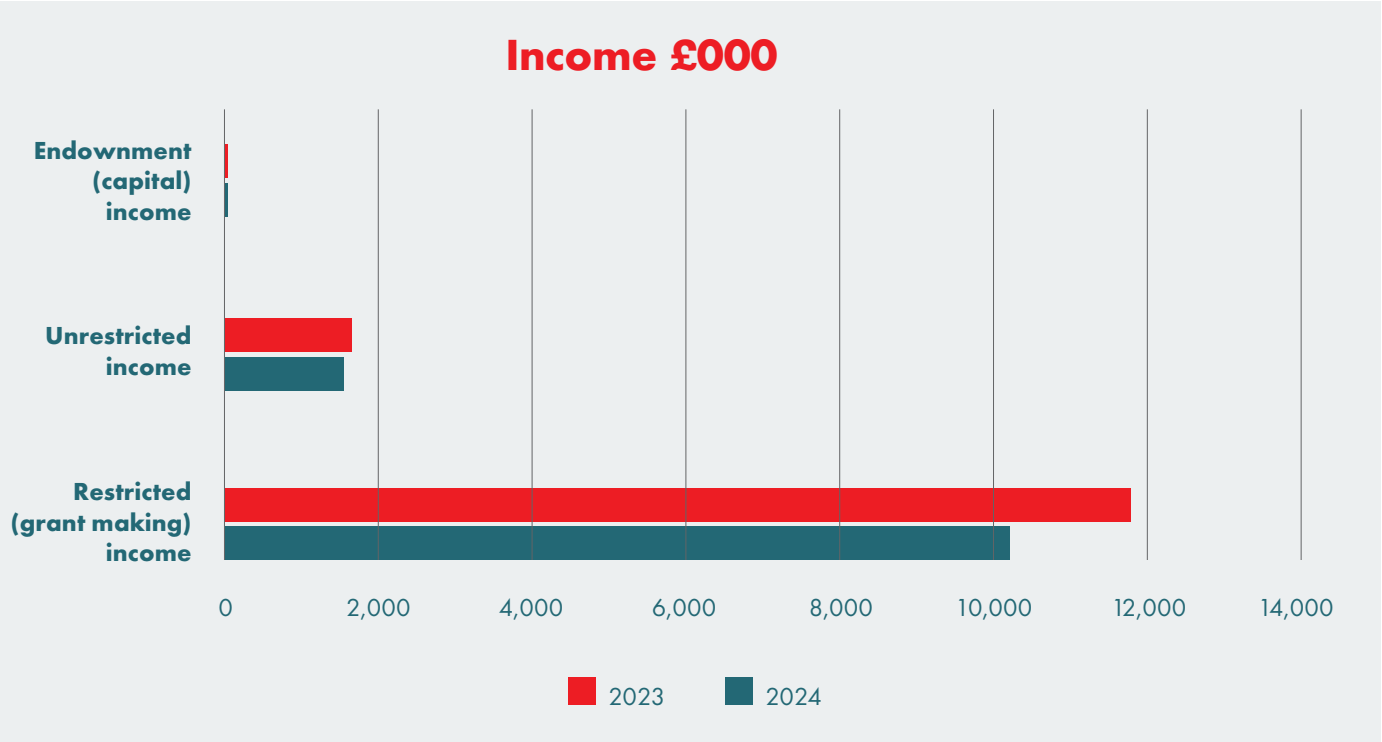
Our total income in 2024 was £11.6 million (2023: £13 million), a decrease of 11% compared to the previous year. Our total expenditure was £13.1 million (2023: £13.6 million), a decrease of 3% compared to the previous year. This resulted in an overall surplus for the year of £0.6 million (2023: £1.4 million deficit), with a specific deficit of £105k on the unrestricted funds (2023: 41k surplus).

Income

The total income for the year was £11.6 million (2023: £13 million). Donations came from a range of donors including companies, central and local government, individual philanthropists, and social sector organisations. Other sources include rental, investment and charitable activities. 62% of our income came from donations, followed by 30% from charitable activities and 8% from investment income. The income in 2023 was boosted by the Together for London Appeal.

The breakdown is as follows:

- Restricted voluntary income received was £10 million (2023: £11 million), a decrease of 12%
- Unrestricted voluntary income was £0.5 million (2023: £0.8 million), a decrease of 33%
- Investment income was £0.9 million (2023: £0.8 million), an increase of 18%
- Income from charitable activities was £205k (2023: £170k), an increase of 18%



Financial Review (continued)

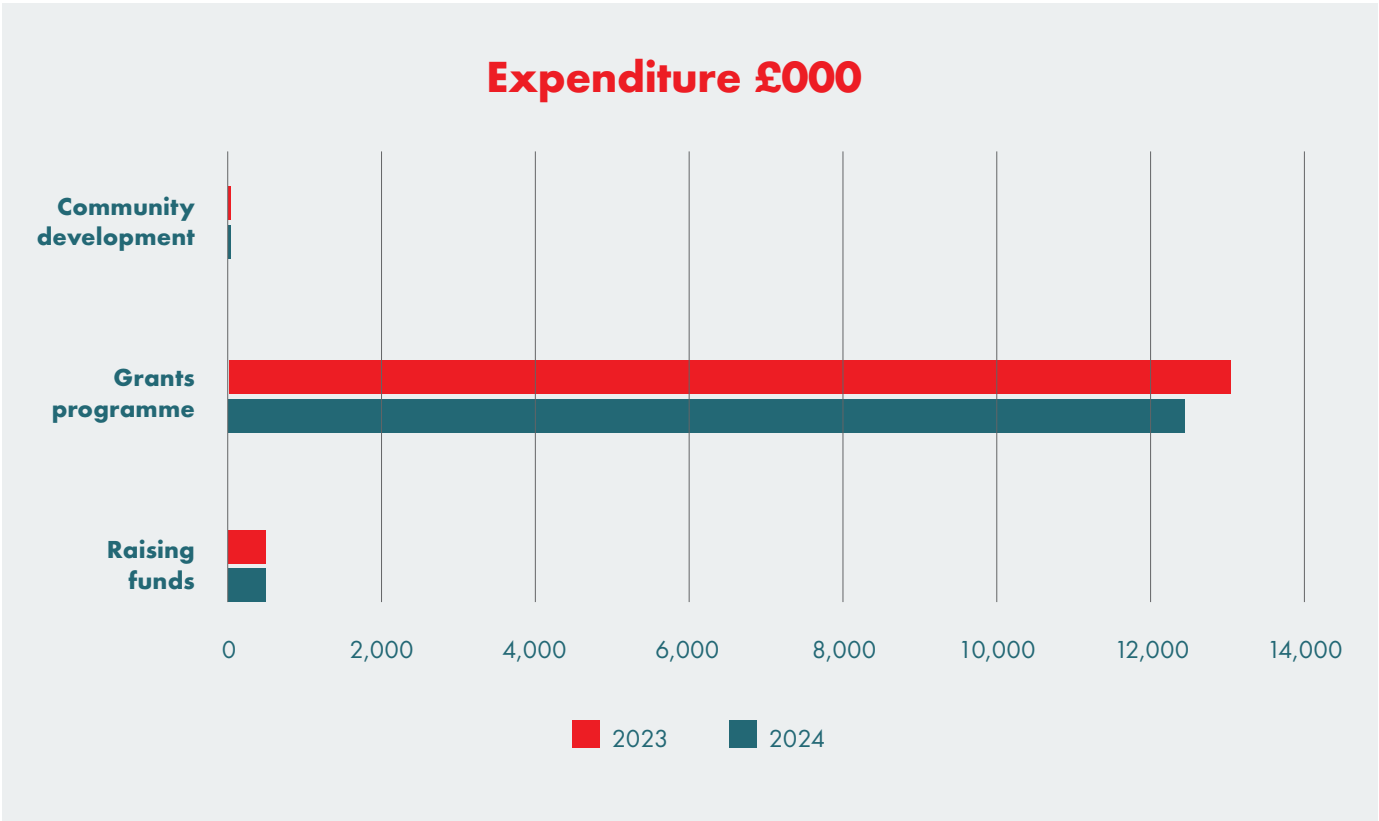
Expenditure

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

‘Charitable activities’ represent all grants made to beneficiary organisations and individuals, as well as expenditure on capacity building and evaluation related to some of LCF’s funds, and larger initiatives to support London’s local civil society. It also includes the cost of running grant-making operations and associated support costs. Grants

payable in-year totalled £11.5 million (2023: £12 million), a decrease of 5%.

LCF’s main core cost excluding grant payments is our team, which represented 73% of the Charity’s unrestricted expenditure (2023: 66%). Staff costs are allocated to the costs of raising funds and charitable activities based on time spent. Support team costs are allocated in a similar manner. Team costs, which include employees and contractors, were £1.1 million (2023: £1 million) an increase of 5%. The charity maintained an average team size of 19 full-time equivalent staff (2023: 19).



Financial Review (continued)

Cash position

LCF’s cash balances (excluding any cash held by the investment managers) were £8.5 million (2023: £10.2 million), a decrease of 16%. Cash held by LCF mainly represents restricted funds held for the purposes of grant-making and, of this balance, £7.5 million represents restricted and endowment funds (2023: £9.5 million). LCF works with donors to set a timetable for spending restricted funds throughout the year. Various factors determine the length of time funds are held in cash, including the needs of the community and grant applicants, as well as internal resources and planning.

Of the £830k net general reserves (2023: £930k), £1 million is a cash balance representing unrestricted funds (2023: 700k) and net liabilities of £225k (2023: £100k). The funds are invested with CCLA to generate a higher return than would be earned if they were held in an ordinary bank deposit account.

Diversity of income and financial sustainability

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

Working with our donors and funding partners

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

During 23/24, LCF’s funding sources included:

Funding Source	2024	2023	2022
Corporates	20%	20%	32%
Local public authorities	52%	31%	32%
Trusts and foundations	25%	41%	27%
Individuals	2%	5%	8%
National public authorities	–	5%	–

Financial Review (continued)

Going concern

LCF has a risk management policy designed to identify and assess key strategic and operational risks facing the Charity; our long-term financial stability is one such key risk. Where we determine risks to be above appetite, we take steps to mitigate them.

The charity experienced a planned deficit of £105k on unrestricted funds during the 2023/24 financial year. This strategic decision was made to invest in key organisational priorities and capacity building initiatives. Despite this deficit, and a challenging external economic outlook, the charity's overall financial position remains stable. The general reserves of £0.8 million at year-end remain within our target range of 5-9 months of expenditure, ensuring the charity's continued ability to meet its financial obligations and pursue its charitable objectives.

To address this deficit and strengthen our financial position, the Trustees have implemented the following measures:

- a. Diversifying income streams:** We continue to focus on diversifying our income streams - expanding our donor base, securing multi-year contracts, and exploring new partnerships with corporates and foundations. The introduction of new thematic funds, such as the Women's Fund for London and the Youth Futures Fund, is a direct response to this strategy.
- b. Strengthening fundraising efforts:** We have set ambitious targets for increasing our unrestricted income, by enhancing engagement with existing donors, and targeting new supporters through events, campaigns, and individual giving initiatives.

- c. Cost management and efficiency:** The Trustees and Senior Management Team are continuously reviewing our cost structures and grant-making processes to balance efficiency with beneficiary needs.
- d. Reserves policy review:** We have conducted a formal review of our reserves policy, aligning it with our current financial landscape; and intended to strike a balance between managing unforeseen financial challenges while continuing to support our strategic objectives.
- e. Investment in strategic initiatives:** We remain committed to investing in long-term sustainability, including the ongoing upgrade of our Salesforce database to improve donor engagement and operational efficiency.

These actions are part of a broader plan to ensure The London Community Foundation's resilience and long-term success. The Trustees are confident that this approach will address the current deficit while positioning the charity for future growth and impact.



Reserves

The total value of funds held at 31 March 2024 was £32 million (2023: £32 million).

Endowment reserves comprise capital sums donated under the restrictions that they are invested, and that the investment return is available for expenditure in accordance with the donors' strategies for giving. Within the category of endowment are two subcategories: expendable and permanent endowment. A reasonable percentage of capital amounts of expendable endowment may be spent if the Trustees decide to do so, though the overall endowment is intended for enduring impact. The capital of permanent endowment may not be spent. Endowment reserves at 31 March 2024 stood at £24 million (2023: £23 million). The increase of £1 million is due to investment market gains during the year.

Restricted reserves comprise funds available for expenditure in accordance with the donors' strategies for giving. Donations are typically spent over one to two-year periods, however, LCF encourages its donors to open multi-year funds to support the ongoing resilience of charitable organisations, which in some cases leads to the build-up of restricted reserves. Restricted reserves, as of 31 March 2024 were £7.5 million (2023: £8.1 million). The decrease is due to the timing of grant programmes.

General reserves are the balance of LCF's unrestricted reserves that have not been designated for a particular purpose and, as such, are freely available to the Trustees for any of the Charity's purposes. The general reserves held at 31 March 2024 were £0.8 million (2023: £0.9 million).

Reserves policy

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

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

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

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

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

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

Reserves policy (continued)

The policy was reviewed during 2022/23. The outcome was a new reserves policy based on a range of 5-9 months of expenditure (£0.6 – £1.1 million) rather than a fixed amount and is based on the principle that LCF should be resilient to financial shocks and be able to continue operations despite fluctuations in income or expenditure.

The closing general reserves of £0.8 million are therefore at the mid of the target range, namely 7 months.

Pedlar's Acre Trust

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

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

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

Beaufoy Trust

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

The income from both the Beaufoy and Pedlar's Acre Trusts is restricted to supporting local communities in Lambeth.

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 2024 the percentage used was 3.5% (2023: 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% (2023: 3.5%) of the value of the fund on 31 December each year, plus the annual contribution towards LCF's costs. If the Trustees judge that a higher or lower amount would better fulfil the duty of being even-handed in the treatment of present and future beneficiaries of the fund, the amount may be varied in future decisions.

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

The unapplied total return on the Pedlar's Acre endowment fund at the end of the year is £1.2 million.

Investment policy and management

LCF has set a clear investment policy which is driven by the Charity’s purposes and longer-term financial sustainability goals.

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

The fund’s target benchmark is to achieve, over the long term, a total return before the deduction of any fees, costs and expenses of UK consumer prices index (CPI) inflation plus 5% per annum.

Ethical considerations

The Charity’s endowment funds are invested in the COIF Charities Investment Fund whose Board has adopted an ethical investment policy which prohibits investment in companies that have been identified as being involved in:

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

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

- the ILO Core Labour Standards
- the UN Guiding Principles on Business and Human Rights
- norms relating to biodiversity, toxic waste
- climate change disclosure are also restricted from investment.

These ethical considerations are an integral part of CCLA’s approach and align with our values of promoting physical health and well-being, social equity and justice.

Risk management

The Trustees regularly assess the risks associated with our investment portfolio, including market volatility and economic uncertainty. By working closely with CCLA, we ensure that our investment strategy remains aligned with our financial objectives and risk tolerance. CCLA’s diversified approach helps mitigate risks, balancing the need for steady income with the preservation of capital.

Investment performance

The total value of funds invested, including cash held by investment managers for re-investment, amounted to £24 million (2023: £24 million). The portfolio at CCLA is invested in the investment managers’ own pooled funds with underlying holdings in a broad spread of international ‘blue chip’ equities, fixed income stocks and alternative investments. The total investment performance of the funds and the peer group comparison are shown in the table on page 41.

Annualised returns % as at 31 March 2024	1 year	3 years	5 years	10 years
COIF Charities Investment Fund (net)	12.16	7.45	9.04	9.38
ARC Steady Growth Charity Index (peer group, net)	9.38	3.72	4.97	5.39
Comparator benchmark	16.73	7.81	7.57	7.73
CPI plus 5% (target benchmark)	8.18	11.73	9.45	7.92

LCF’s Finance, Risk and Resources Sub-Committee is responsible for monitoring investment performance. LCF takes a long-term view and measures the long-term performance against the ARC Steady Growth benchmark. The benchmark is a standard indicator of relative performance used by the investment industry and charities. CCLA provides quarterly reports and presents them to the Sub-Committee at least once a year whilst also responding to specific requests during the year. This ensures that our investments are contributing effectively to the Charity’s financial sustainability while adhering to our risk profile.

Policy review

The Trustees review the investment policy annually to ensure it remains appropriate for the charity’s current and future needs. This review process allows us to adapt our strategy as necessary, ensuring that our investments continue to support the long-term sustainability of the Charity.

Principal risks and uncertainties

Risk management

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

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

Risk appetite

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

Before accepting any risk, we consider the likelihood of its occurrence. We also evaluate the potential impact on our activities if the risk were to materialise. Any risk that seriously threatens the ability of The London Community Foundation, now or in the future, to further its purpose will not be acceptable. If such a risk cannot be extinguished, then all steps will be taken to minimise the likelihood of the risk occurring.

Roles and responsibilities for managing risk

Role	Responsibility
Board of Trustees	• Leadership and control of the Charity • Set mandate and commitment for risk management and appetite • Lead risk management culture • Be aware of the risk to the reputation of LCF from activities that they may undertake elsewhere • Seek assurance from the Finance, Risk & Resources Sub-Committee that appropriate strategic risk management procedures are in place • Review approach to evaluation and mitigation of major risks annually at Full Board
Finance, Risk & Resources & Development, Impact & Influence Sub Committees	• Monitor the effectiveness of LCF's risk management procedures via the ongoing review of the system of internal control. This includes receiving risk reports from the Development, Impact & Influence Sub-Committee for review, recommendation, or decision as per the Committees' terms of Reference • Review the register on a quarterly basis and support SMT in potential mitigation (or escalation) of risks • Review wider risk related policies and frameworks across finance, operations, systems and people • Determine the requirement for internal audit on any areas of LCF's operations
Senior Management Team	• Identify, analyse & evaluate risks • Own risk management strategies • Oversee incident response and crisis management • Drive for continuous improvement in risk management
Chief Operating Officer	• Develop the risk management policy and processes, specifically the co-ordination of the risk review and the categorisation and evaluation of risks identified • Ensure strategic risks are regularly reviewed by the SMT
Middle Management Team	• Risk identification, ownership and control: maintain an effective risk identification and management and control environment as part of day-to-day operations
Outsourced IT provider	• Reporting to the Board and Board Sub-Committees
External auditors	• Independent internal and external audits to test design and operating effectiveness of systems and controls
Management, staff, partners and volunteers	• Be aware of the importance of risk management. There should be formal channels of communication both up and down to identify and manage risks • Control environment: all employees, volunteers and partners contribute to managing risk in their departments or area of expertise

Monitoring and review of the policy

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

Principal risks and uncertainties (continued)

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

Risk	Mitigation
Financial stability Long-term financial resilience for LCF remains a key strategic risk for the Charity. External shocks or trends impacting our income, cashflow or reserves could put our future financial stability at risk.	• We monitor our actual and forecasts against the financial plans continuously so that we can implement appropriate measures in good time • The SMT reviews monthly reporting on income, expenditure and reserves positions • On a quarterly basis, we provide financial reports to the Finance, Risk and Resources Committee • We periodically review the reserves policy to ensure that it remains aligned with the challenges facing the Charity • Efforts to diversify income are being intensified to reduce reliance on key donors and funding partners • Effective cost management ensure that spending is aligned with available resources and to avoid any unnecessary strain on the Charity's finances
Potential or perceived misuse of funds The result of which could be reputational and/or loss of donors and income. As a high-volume, small grant funder – and often at pace – LCF's reputation relies on the trust bestowed upon the Charity by its donors and partners.	• We seek to mitigate the risk of potential fraud, funding inappropriate or eligible organisations and poor funding decisions through Standard Operating Procedures, controls, and development and training across the team
Data and cyber security Post COVID-19 individuals and organisations alike are more digitally dependent and, therefore, face greater risk of cybercrime.	• We have mandatory training in place on data protection and information security to ensure the safe handling of data and compliance with regulations. We have clear processes in place to manage incidents • We obtained our Cyber Essentials certification • We regularly review our controls, team awareness and training, and Board oversight • In addition, we upgraded our information management systems and IT provision
Workplace culture and leadership Failure to provide a safe and respectful workplace would be detrimental to the wellbeing of our staff and volunteers. Failure to attract, engage and retain the best staff, impacts our ability to achieve our charitable objectives.	• We created new organisational values and behaviours that reflect EDI • We have reviewed and rolled out an inclusive performance evaluation process for all staff. We aim for all staff to have clear personal objectives, which help contribute to our vision and mission • We recently updated our recruitment policy and procedures with an EDI lens to ensure we can attract individuals from marginalised or under-represented groups within the LCF staff team • In 2024/25 we plan to review LCF's pay and grading structure to support opportunities for career progression within the organisation
Meeting regulator, donor and grantee expectations Failure to meet the compliance and service expectations set by our regulators and donors respectively would affect our ability to fundraise and operate as a charity.	• Our governance is underpinned by a comprehensive set of policies and procedures designed to manage risks to successfully meet our legal and regulatory obligations

People and pay

Remuneration policies

LCF had on average of 19 full-time equivalent staff during 2024 (2023: 18).

Recommendations are received on salary structure from the CEO and SMT in consultation with relevant line managers. The recommendation for the CEO's salary is made by the Chair to the Finance, Risk and Resources Committee.

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

Our approach to pay

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

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

Remuneration of key management personnel

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

SMT was as follows during the year:

CEO, Director of Grants & Impact, Chief Operating Officer and Director of Development & Communications. The total benefits of the employed SMT, including employer pension contributions, was £358k (2023: £321k).

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 2024 (2023: 0).

Pay ratio

The ratio of our highest salary rate to our median salary during 2024 was 2.92:1 (2023: 2.29:1).

Our EDI Statement

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

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

We define equity, diversity, and inclusion as:

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

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



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

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

Reporting on our people

In this fifth year of LCF reporting diversity data on its Board and team in its Statutory Accounts, we have added key insights and challenges as part of our continued commitment to being accountable for how we represent London. Though not a statutory requirement, the Charity is committed to this transparency as a key part of its EDI work. We are also committed to being transparent, holding ourselves to account and learning from our challenges and progress. This work forms part of a wider EDI strategy and commitment.

Our Diversity Survey

The following graphs are taken from an anonymous diversity survey of Trustees and team members at LCF as at 31 March 2024. The responses to the survey are not mandatory, are self-reported and each question includes an option of 'Prefer not to say'. This means people do not need to complete the survey and could leave some or all sections unanswered. LCF is a small team and Board and, therefore, the process of gathering and representing data responsibly and respectfully is different compared to a large organisation.

Figure 1: Ethnicity

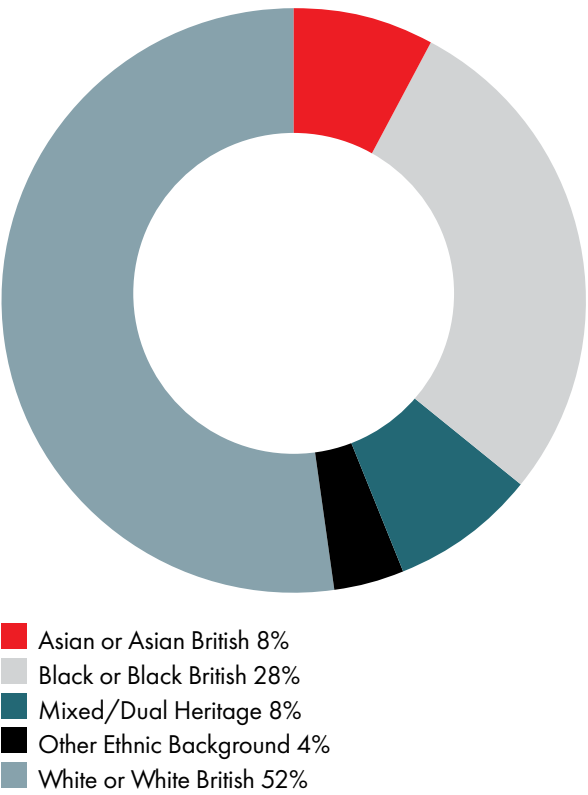


Figure 2: How long have you worked for/served as a Trustee at The London Community Foundation?

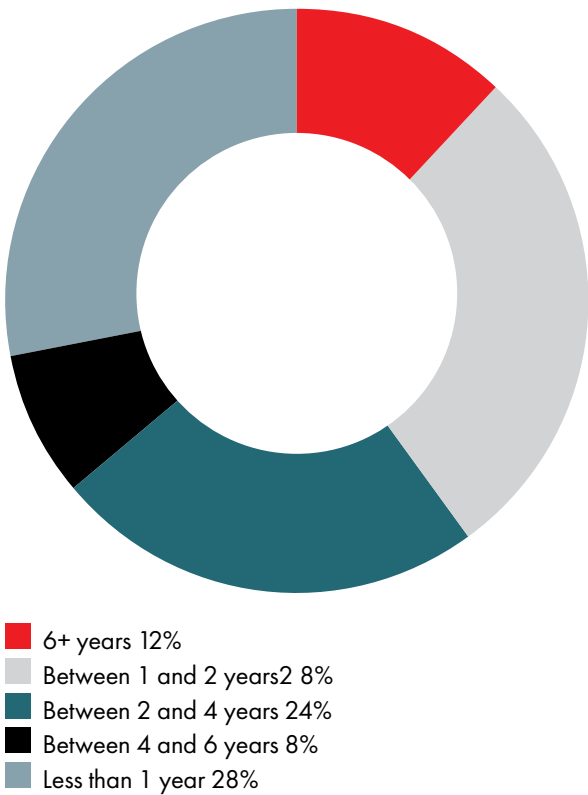


Figure 3: Which is the highest level of education you hold?

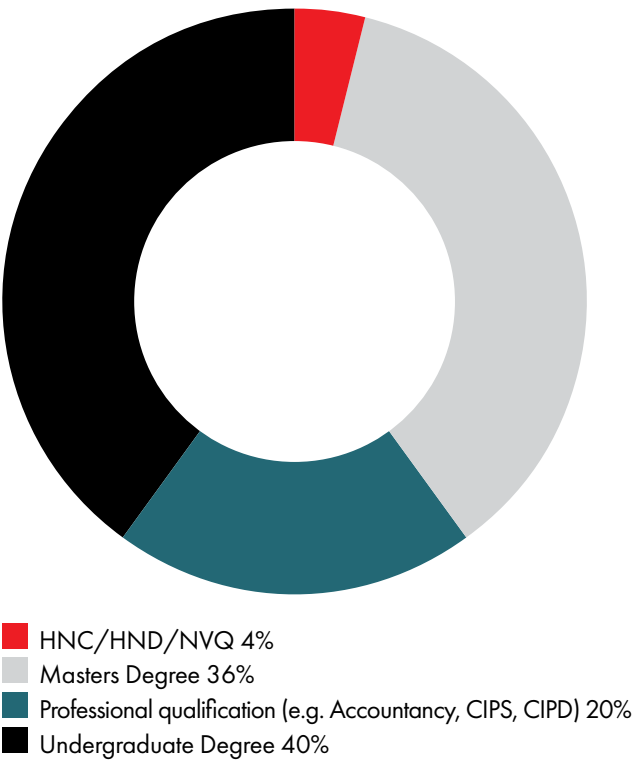


Figure 4: Did you receive free school meals at any point during your school years?

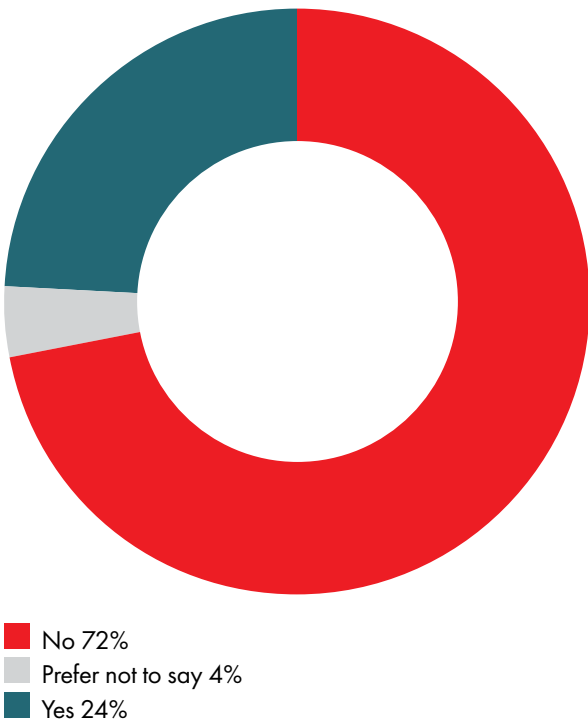


Figure 5: How do you define your gender identity?

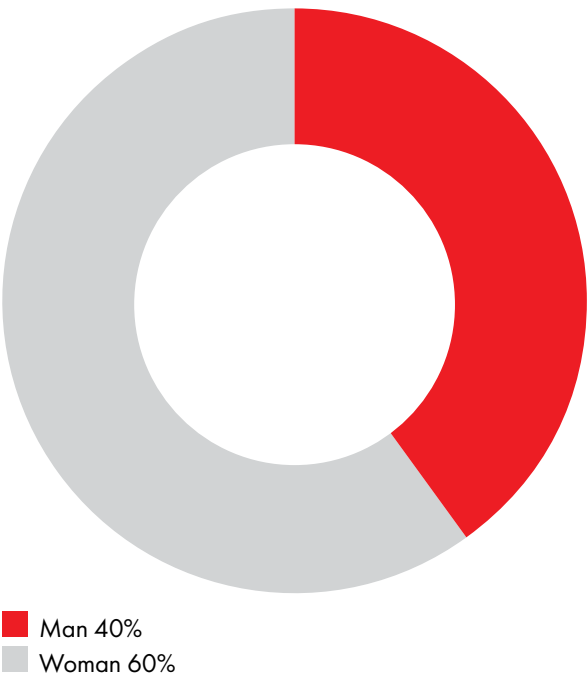


Figure 6: which of the following best describes your sexual orientation?

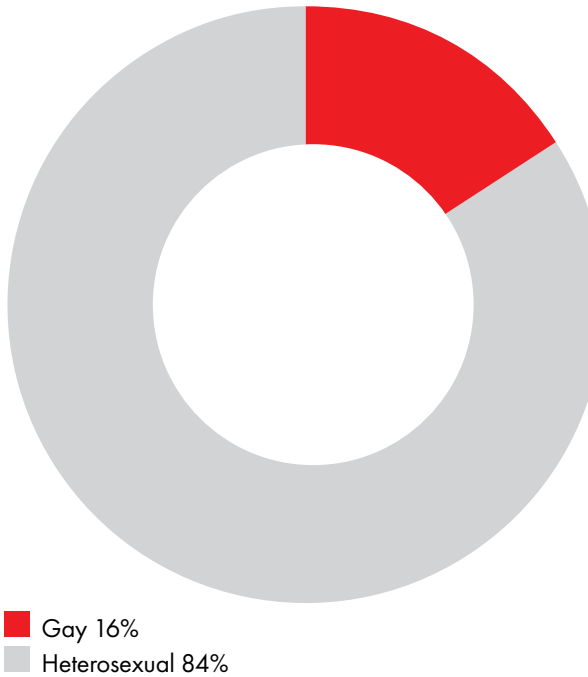


Figure 7: Which of the following best describes your religion and/or belief?

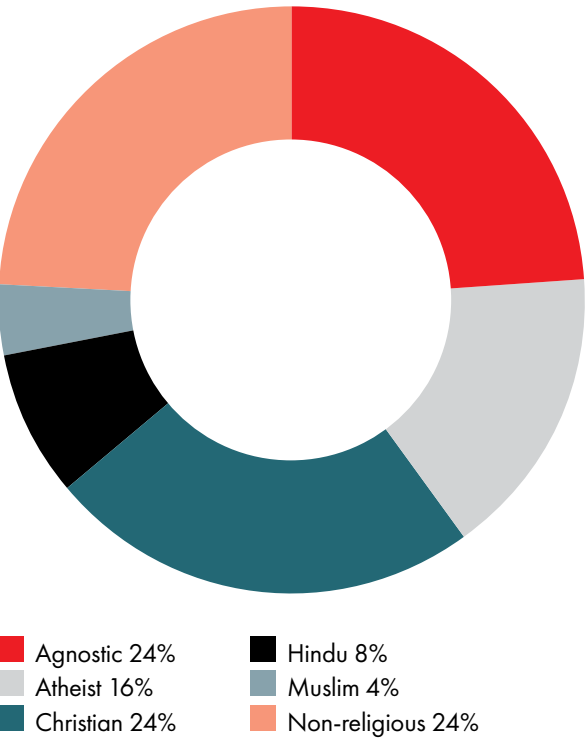


Figure 8: Did any of your parent(s) or guardian(s) complete a university degree course or equivalent (e.g. BA, BSc or higher)?

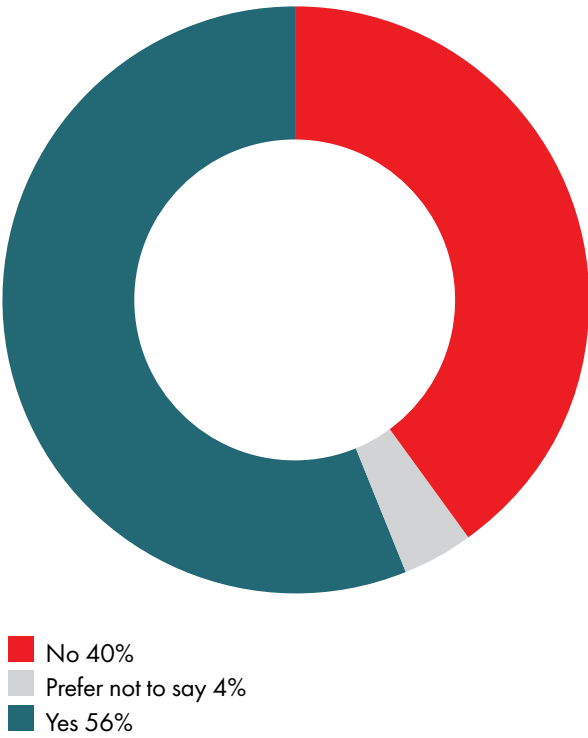


Figure 9: What is your age?

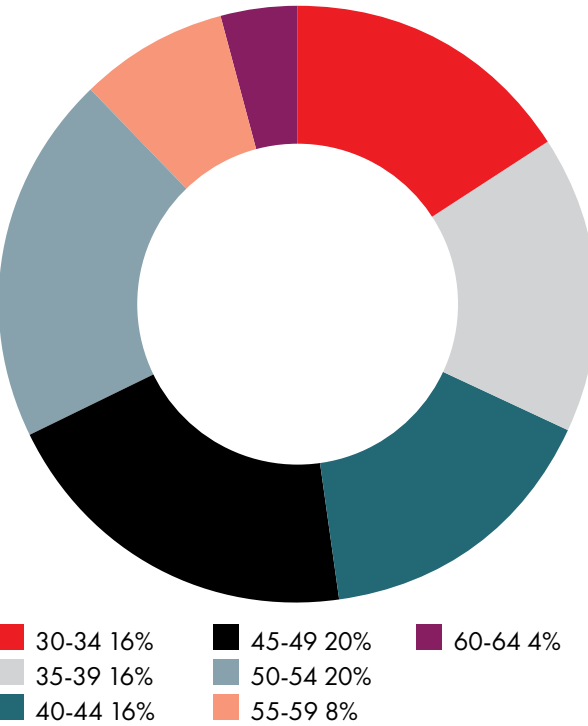
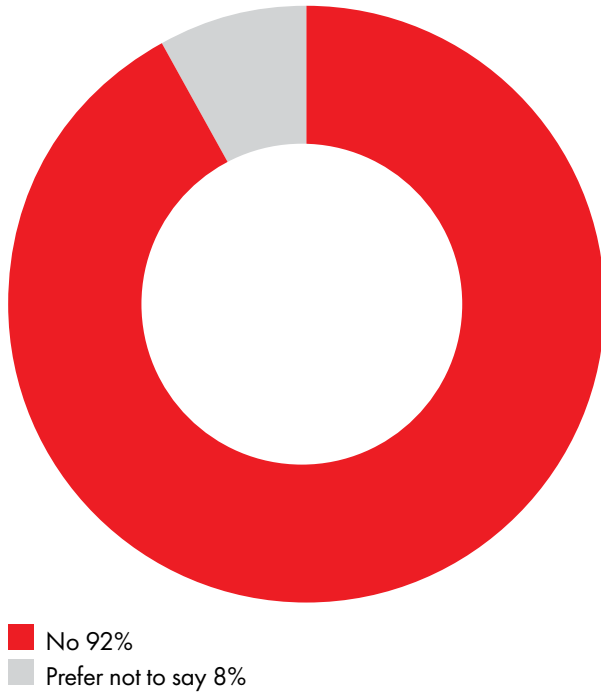


Figure 10: Do you consider yourself disabled?



How are we doing?

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

We have made progress in diversifying our team, which is encouraging and enriches our level of experience and perspectives. Allowing future talent to see themselves represented both at Board and team is vital to sustaining our growth on diversity. Ensuring our People Offer remains accessible and relevant is an important complement to our EDI Strategy.

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



Future plans

Trustees have agreed the following objectives for 24/25:

	Strategic Objective	In detail
1	Foster a culture of belonging & inclusion across the LCF team & Board	• Roll out People Survey and develop an action plan • Build on team engagement and touchpoints throughout the year • Progress EDI strategic priorities for the year • Implement the Pay Progression policy in accordance with LCF's pay scale
2	Grow our knowledge, reach & connection with London's communities	• Develop, roll out and embed LCF's impact strategy • Improve community and stakeholder relationship development • Improve equity, diversity and inclusion in grant making • Enhance service delivery with active feedback
3	Diversify and grow our donor portfolio and products	• Grow the income pipeline to achieve targets and improve long term income security • New planning structure between Development & Grants and Impact team for more effective capacity planning
4	Make best use of our time, data & digital solutions, ensuring compliance	• New Salesforce Database implementation • Upgrade financial software • New grant management tools
5	Build long term financial resilience	• Review our cost and pricing model • Review the endowment funds with a view to increasing the level of grant making • New approach to pipeline management



Our approach to fundraising

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

Only LCF's team and Trustees are involved in fundraising for the Charity (aside from a small group of individuals raising donations on our behalf through fundraising events like the London Marathon).

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

There were no complaints regarding our fundraising practices during the year ended 31 March 2024.



Statement of Trustees' responsibilities

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

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

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

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

The Trustees are responsible for keeping 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
- The Trustee has taken all the steps that ought to have been taken as a Trustee to be aware of any relevant audit information and to establish that the Charity's auditor is aware of that information

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

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

Russell Prior

Russell Prior
Chair

23 September 2024

Independent auditor's report to the members of The London Community Foundation Year ended 31 March 2024

Opinion

We have audited the financial statements of The London Community Foundation (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Auditor's report

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Trustees' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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
- The financial statements are not in agreement with the accounting records and returns

- Certain disclosures of Trustees' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Use of our report

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

Stuart McKay BSc FCA DChA
(Senior Statutory Auditor)

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

Date: 07/10/2024

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



Statement of financial activities for the year to 31 March 2024

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2024 £000	Total 2023 £000
Income and endowments from:						
Donations and legacies	2a	542	9,818	22	10,382	11,966
Charitable activities	2b	205	–	–	205	173
Investments	2c	467	453	28	948	803
Other trading activities	2d	20	–	–	20	58
Total income		1,234	10,271	50	11,555	13,000
Expenditure on:						
Raising funds	3a	522	1	–	523	519
Grants programme	3b	917	11,578	–	12,495	12,981
Community development	3c	32	50	–	82	50
Total expenditure		1,471	11,629	–	13,100	13,550
Net income / (expenditure) before investment gains and losses		(237)	(1,358)	50	(1,545)	(550)
Net gains / (losses) on investments	9	26	58	2,081	2,165	(944)
Net income / (expenditure)		(211)	(1,300)	2,131	620	(1,494)
Transfers in / (out) between funds	14,15	106	646	(752)	–	–
Net movement in funds		(105)	(654)	1,379	620	(1,494)
Reconciliation of funds						
Total funds brought forward at 1 April		937	8,123	22,576	31,636	33,130
Total funds carried forward at 31 March	13a	832	7,469	23,955	32,256	31,636

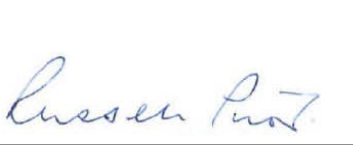
All of the activities of The London Community Foundation derive from continuing operations. There are no recognised gains and losses other than those shown above.

Balance sheet

as at 31 March 2024

	Notes	2024 £000	2023 £000
Fixed assets			
Tangible assets	8	53	8
Investments	9	24,211	23,738
		24,264	23,746
Current assets			
Debtors	10	1,172	397
Cash at bank and in hand		8,549	10,210
		9,721	10,607
Creditors: amounts falling due within one year	11	(1,729)	(2,717)
Net current assets		7,992	7,890
Net assets		32,256	31,636
The funds of the charity:			
Capital funds			
Expendable endowment funds	14	18,323	17,385
Permanent endowment funds	14	5,632	5,191
		23,955	22,576
Revenue funds			
Restricted funds	15	7,469	8,123
Unrestricted funds			
General funds		832	937
Total funds		32,256	31,636

The financial statements were approved by the board on 23 September 2024


Russell Prior
Chair


Veesh Sharma
Chair of Finance, Risk & Resources Committee

Company number: 4383269

Charity number: 1091263

Statement of Cashflows

as at 31 March 2024

	Notes	2024 £000	2023 £000
Cash flows (used in) operating activities:			
Net cash used in operating activities	A	(4,276)	(1,260)
Cash flows from investing activities			
Interest received		222	69
Investment income received		726	735
Purchase of property, plant and equipment		(47)	(6)
Purchase of investments		(18)	(8)
Proceeds from the disposal of investments		1,710	326
Net cash provided by investing activities		2,593	1,116
Cash flows from financing activities			
Receipt of endowment		22	26
Net cash provided by investing activities		22	26
Change in cash and cash equivalents in the year		(1,661)	(118)
Cash and cash equivalents at 1 April 2023	B	10,210	10,328
Cash and cash equivalents at 31 March 2024	B	8,549	10,210
Notes to the statement of cash flows for the year ended 31 March 2024			
A. Reconciliation of net income / (expenditure) to net cash flow from operating activities			
Net income for the year (as per the statement of financial activities)		598	(1,520)
Adjustments for:			
Net losses / (gains) on investments		(2,165)	944
Depreciation charge		2	4
Dividends and interest from investments		(948)	(803)
(Increase) in debtors		(775)	(102)
(Decrease) / Increase in creditors		(988)	217
Net cash used in operating activities	A	(4,276)	(1,260)
B. Analysis of cash and cash equivalents			
Cash at bank and in hand		8,549	10,210
		8,549	10,210
C. Analysis of changes in net debt			
As the Charity's net debt equalled its cash and cash equivalent balances at both the current and prior year-ends, an Analysis of changes in net debt table has not been disclosed.			

Notes to the financial statements

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 2024 with comparative information in respect to the year ended 31 March 2023.

Corporate status

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

Going concern

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

Accounting policies

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

Income

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

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

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

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

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

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

1 Accounting policies (continued)

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

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

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

Expenditure

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

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

Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings on the basis of headcount. Expenditure is classified under the following activity headings:

- **Cost of raising funds**

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

- **Charitable activities**

All costs incurred towards achieving LCF's charitable objectives.

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

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

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

Support costs are costs incurred which are not directly attributable to our charitable activities, but which are vital to carry out the primary purposes of the Charity. These include costs such as finance, human resources, premises, communications, and information systems.

Pensions

LCF contributes to a defined contribution scheme in the UK.

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

1 Accounting policies (continued)

Fund accounting

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

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

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

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

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

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

Under the terms on which the endowment funds were given to the Charity, an amount representing the cost to LCF of administering the fund is apportioned to unrestricted funds from investment income arising in the year.

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

Permanent endowment funds (with total return approach) require all income, gains and losses be taken to the part of the fund representing accumulated unapplied returns in the first instance.

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

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

1 Accounting policies
(continued)

Termination benefits
and payments

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

Significant accounting
estimates and judgements

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

- The estimate of useful economic life of tangible assets used to determine annual depreciation
- The basis on which support costs have been allocated across expenditure activity headings
- The re-allocation of bank interest on bank deposits held
- The assumption adopted in determining the value of any designation of unrestricted funds
- 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

Listed investments are stated at market value, valued at their bid price, at the balance sheet date.

It is the Charity’s policy to keep valuations of stock exchange listed investments up to date, such that when investments are sold there is no gain or loss arising relating to prior years. As a result the statement of financial activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are together treated as changes in the value of the investment portfolio throughout the year.

Debtors

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

Creditors and provisions

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

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

Cash and cash equivalents

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

Value Added Tax

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

Expenditure in these Financial Statements is therefore shown inclusive of VAT paid and not reclaimable.

Operating lease

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

2 Income

2a Income from donations and legacies

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2024 £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000
Trusts and foundations	85	2,477	22	2,584	267	4,639	26	4,932
Corporations	179	1,973	–	2,152	200	2,239	–	2,439
Local public authorities	195	5,152	–	5,347	210	3,372	–	3,582
Individuals	73	166	–	239	92	505	–	597
National public authorities	10	50	–	60	43	373	–	416
Total income from donations and legacies	542	9,818	22	10,382	812	11,128	26	11,966

During the year LCF received government grants of £3,235k for the following projects:

- GLA 82072 MoJ DA SV 22-25 (£1,562k)
- Violence against Women & Girls (MOPAC) (£1,673k)

During 2022/23 LCF received government grants of £2,440k for the following projects:

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

There were no unfulfilled conditions as at 31 March 2024 (2023: none).

2b Income from charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2024 £000	Unrestricted funds £000	Restricted funds £000	Total 2023 £000
Local public authorities	205	–	205	91	82	173
Total income from charitable activities	205	–	205	91	82	173

2c Income from investments

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2024 £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000
Interest receivable	18	204	–	222	69	–	–	69
Investment income	449	249	28	726	397	299	38	734
Total income from investments	467	453	28	948	466	299	38	803

2d Income from other trading activities

	Unrestricted funds £000	Total 2024 £000	Total 2023 £000
Rental income	20	20	58
Total income from other trading activities	20	20	58



The London Community Foundation

3 Expenditure

3a Expenditure on raising funds

	Notes	Unrestricted funds £000	Restricted funds £000	Total 2024 £000	Unrestricted funds £000	Restricted funds £000	Total 2023 £000
Investment management costs							
Staff costs	6	9	–	9	7	–	7
Allocated support costs	4	5	–	5	6	–	6
Cost of raising donations and legacies							
Staff costs	6	305	–	305	256	–	256
Other direct costs		33	1	34	33	3	36
Allocated support costs	4	162	–	162	203	–	203
Cost of generating rental income							
Staff costs	6	5	–	5	5	–	5
Other direct costs		–	–	–	3	–	3
Allocated support costs	4	3	–	3	3	–	3
Total expenditure on raising funds		522	1	523	516	3	519

3b Expenditure on charitable activities: grant programme

	Notes	Unrestricted funds £000	Restricted funds £000	Total 2024 £000	Unrestricted funds £000	Restricted funds £000	Total 2023 £000
Grants payable		–	11,496	11,496	–	11,889	11,889
Staff costs	6	576	–	576	484	78	562
Other direct costs		34	82	116	55	87	142
Allocated support costs	4	307	–	307	388	–	388
Total expenditure on charitable activities: grant programme		917	11,578	12,495	927	12,054	12,981

3c Expenditure on charitable activities: community development

	Notes	Unrestricted funds £000	Restricted funds £000	Total 2024 £000	Unrestricted funds £000	Restricted funds £000	Total 2023 £000
Other direct costs		32	50	82	1	49	50
Allocated support costs	4	–	–	–	–	–	–
Total expenditure on charitable activities: community development		32	50	82	1	49	50

4 Analysis of support costs

	Notes	Unrestricted funds £000	Total 2024 £000	Unrestricted funds £000	Total 2023 £000
Support staff costs	6	176	176	148	148
Professional fees		39	39	99	99
Premises costs		67	67	178	178
Office and other costs		15	15	16	16
Depreciation		3	3	4	4
IT costs		70	70	50	50
Governance costs	5	107	107	105	105
Total support costs		477	477	600	600

5 Governance costs

	Notes	Total 2024 £000	Total 2023 £000
Staff costs	6	70	59
External auditors' remuneration		22	21
Legal and professional fees		15	25
Total governance costs		107	105

6 Staff costs and remuneration of key management personnel

	Total 2024 £000	Total 2023 £000
Salaries and wages	880	803
Social security costs	93	83
Employer pension contributions	54	57
Temporary staff costs	61	94
Total staff costs	1,088	1,037

The average monthly number of employees during the year was:

Employees	2024 FTE	2023 FTE	2024 Number	2023 Number
Grant delivery and community development	11	12	12	13
Fundraising	5	4	5	4
Support	3	3	3	3
Total	19	19	20	20

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

	2024 Number	2023 Number
The number of staff whose emoluments are greater than £60,000 are:		
£60,001 – £70,000	1	1
£80,001 – £90,000	1	–
£90,001 – £100,000	1	1
Total	3	2

Emoluments is taken to mean actual payments due in the year for hours worked and is therefore not a full-time equivalent rate but an actual rate reflecting part time hours as well as employment for less than a full year.

The employees whose salary banding is disclosed above also received employer pension contributions of £12,909 (2023: £15,291).

24 employees participated in the Charity's stakeholder pension scheme (2023: 22), inclusive of all starters and leavers.

Key management personnel

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

Total key management personnel remuneration in the year, inclusive of employer pension and national insurance contributions, was £357,811 (2023: £320,729)

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 2024 (2023:0).

7 Net expenditure / (income)

This is stated after charging:

	Notes	2024 £000	2023 £000
Staff costs	6	1,088	1,037
Auditor's remuneration (excluding recoverable VAT):			
Statutory audit services		22	21
Depreciation		2	4
Rentals under operating leases: property		42	116

8 Tangible fixed assets

	Leasehold improvements £000	Assets under construction £000	Furniture, IT, office equipment £000	Total 2024 £000
Cost				
As at 1 April 2023	107	7	76	190
Additions	–	42	5	47
Disposals	(107)	–	(36)	(143)
At 31 March 2024	–	49	45	94
Depreciation				
As at 1 April 2023	107	–	75	182
Charge for the year	–	–	2	2
Disposals	(107)	–	(36)	(143)
At 31 March 2024	–	–	41	41
Net book value at 31 March 2024	–	49	4	53
Net book value at 31 March 2023	–	–	8	8

9 Fixed asset investments

9a Fixed asset investments

	2024 £000	2023 £000
Market value of listed investments at 1 April	23,738	25,001
Additions at cost	18	8
Disposal at carrying value	(1,710)	(326)
Gains and losses on investments	2,165	(945)
Market value of listed investments at 31 March	24,211	23,738

9b Historical cost

	2024 £000	2023 £000
Market value at 31 March	24,211	23,738
Accumulated gains brought forward	(12,167)	(13,093)
Net (gains) / losses for the year	(2,165)	944
Historical cost at 31 March	9,879	11,589

9c Investments disposition

	2024 £000	2023 £000
Common Investment Funds: COIF Charities Investment Fund	24,101	23,638
Common Investment Funds: COIF Ethical Investment Fund	110	100
Total market value of listed investments at 31 March	24,211	23,738

10 Debtors

	2024 £000	2023 £000
Trade debtors	1,131	344
Prepayments	37	36
Accrued income	4	17
Total debtors at 31 March	1,172	397

11 Creditors: amounts falling due within one year

	Total 2024 £000	Total 2023 £000
Grants payable	1,301	2,502
Other creditors	311	115
Accruals	39	100
Deferred income	78	–
Total creditors at 31 March	1,729	2,717

11a Reconciliation of grants payable

	Notes	Total 2024 £000	Total 2023 £000
Balance brought forward 1 April		2,502	2,270
Grants awarded during the year	3b	11,496	11,889
Grants paid out during the year		(12,697)	(11,657)
Grant creditors at 31 March		1,301	2,502

11b Reconciliation of deferred income

	Total 2024 £000	Total 2023 £000
Balance brought forward at 1 April	–	63
Amounts released to income	–	(63)
Cash received to be deferred	78	–
Balance carried forward at 31 March	78	–

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

12 Obligations under operating leases

At 31 March 2024, the Charity had total future minimum lease payments under non-cancellable operating leases for office rent as follows:

	2024 £000	2023 £000
Within one year	–	42
Total obligations under operating leases	–	42

13a Analysis of net assets between funds

Fund balances at 31 March

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2024 £000	Total 2023 £000
Represented by:					
Tangible fixed assets	53	–	–	53	8
Fixed asset investments	–	278	23,933	24,211	23,738
Current assets – cash	1,057	7,470	22	8,549	10,210
Current assets – debtors	150	1,022	–	1,172	397
Creditors: amounts falling due within one year	(428)	(1,301)	–	(1,729)	(2,717)
Total funds	832	7,469	23,955	32,256	31,636

13b Analysis of net assets between funds (prior year)

Fund balances at 31 March 2023

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Represented by:					
Tangible fixed assets	8	–	–	8	6
Fixed asset investments	317	863	22,558	23,738	25,001
Current assets – cash	747	9,445	18	10,210	10,328
Current assets – debtors	80	317	–	397	295
Creditors: amounts falling due within one year	(215)	(2,502)	–	(2,717)	(2,500)
Total funds	937	8,123	22,576	31,636	33,130

Restricted fixed asset investments

Under the Community First programme, up to 100% of capital gains over the original value of the investment, indexed by the Retail Price Index (RPI), may be paid to endowment fund grant making (restricted) accounts annually. The balance is now £278k and will be drawn down once the spending plans are finalised by the fund holder.

14 Endowment funds

LCF holds both expendable and permanent endowment funds. Many of The LCF's endowment funds have benefitted from match funding, in addition to donations made to funds, received from the government schemes Grassroots Grants (2008-2011) and Community First (2012-2015). A selection of material funds are shown below along with totals for each scheme. We have separated out any individual Grassroots Grant Fund or Community First fund with an opening balance of over £250,000. The remainder of funds are grouped together under Other Grassroot Grants funds or Other Community First funds.

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2024 £000
Grassroots						
Bromley Community Fund	276	–	–	(5)	26	297
Croydon Community Fund	438	–	–	(35)	39	442
Deutsche Bank Fund	696	–	–	–	64	760
Evening Standard Dispossessed Fund	2,775	–	–	(500)	256	2,531
Gordon Family Fund	337	–	–	–	31	368
Lambeth Community fund	175	–	–	96	25	296
Norton Rose GG Endowment Fund	452	–	–	(60)	38	430
Victoria Foundation Fund	414	–	–	(24)	37	427
Westminster Fund	452	–	–	–	44	496
Other Grassroots Grants funds	1,847	–	–	(132)	162	1,877
Total Grassroots Grants funds (expendable)	7,862	–	–	(660)	722	7,924
Community First (Expendable)						
Barnet Fund	376	–	–	(6)	34	404
Gordon Family CF Endowment Fund	998	–	–	–	92	1,090
Cadogan Kensington and Chelsea Foundation CF Endowment Fund Grants	288	22	–	–	26	336
Land Securities Westminster Fund	269	–	–	–	25	294
Living Cities Community Fund	1,074	–	–	–	99	1,173
The London Leg Up Fund	394	–	–	–	36	430
Other Community First funds	2,678	–	–	(17)	245	2,906
Total Community First funds (expendable)	6,077	22	–	(23)	557	6,633

14 Endowment funds (continued)

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2024 £000
Expendable						
Cresswell Trust	73	–	–	–	7	80
Lambeth Endowment Fund	1,438	–	–	–	132	1,570
Lewisham Fund	407	–	–	–	41	448
Portuguese Fund	754	–	–	–	69	823
South London Opportunity Fund	193	–	–	–	19	212
Wandsworth Community Fund	581	–	–	(2)	54	633
Total other expendable endowment funds	3,446	–	–	(2)	322	3,766
Total expendable endowment	17,385	–	–	(685)	1,601	18,301
Permanent						
Barnet Endowment	87	–	–	–	8	95
Beaufoy Trust	1,711	–	–	–	157	1,868
Pedlar's Acre Trust unapplied total return	979	28	–	(67)	262	1,202
Pedlar's Acre Trust	1,837	–	–	–	–	1,837
Richmond Civic Trust	577	–	–	–	53	630
Total permanent endowment	5,191	28	–	(67)	480	5,632
Total endowment funds	22,576	50	–	(752)	2,081	23,955

The purposes and restrictions of these funds are summarised below:

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

14 Endowment funds (continued)

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

Grants from endowment funds are made from the restricted fund relating to the endowment fund of the same name, grants for the year ended 31 March 2024 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 represent the release of capital as allowed under the Total Return Order granted by the Charity Commission so that the funds may be applied as grants. Further details can be found in Note 18.

15 Restricted funds

LCF holds many restricted funds. We have separated out any material fund with an opening balance or closing balance of over £10,000. The funds of the Charity include restricted funds listed below; the closing balance represents the unexpended balances of income held on trust for specific purposes. They take into account multi-year commitments, to be paid to beneficiaries in future financial years.

15a Restricted funds (endowment funds - revenue element)

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Investment gain/(loss) £000	Balance at 31 March 2024 £000
Evening Standard Grassroots Grants Dispossessed Appeal Fund	250	36	(250)	506	-	542
Pedlar's Acre Endowment Fund	235	6	-	68	35	344
Sue Estermann Fund	159	4	-	-	-	163
Barnet NW CF Endowment Fund	92	6	-	(6)	-	92
Lewisham Endowment Fund	75	5	-	-	-	80
Norton Rose GG Endowment Fund	9	6	-	54	1	70
Richmond Civic Trust Permanent Endowment	50	13	-	-	-	63
Deutsche Bank Older Peoples CF Endowment Fund	53	34	(30)	-	-	57
Evening Standard Croydon Dispossessed Appeal Endowment Fund	47	4	-	-	-	51
Beaufoy Trust Endowment Fund Permanent Endowment	23	18	-	-	-	41
Lambeth CF Endowment Grants	20	15	-	-	4	39
Wandsworth Community Endowment Fund	19	17	-	2	2	40
Croydon Community GG Endowment Fund	15	5	(15)	23	2	30
Victoria Foundation Fund	13	5	(13)	24	-	29
Gordon Family CF Endowment Fund	124	11	-	(109)	-	26
London Leg Up Fund (Bragg) CF Endowment Fund	27	13	(15)	-	-	25
LCF Portuguese Endowment Fund	11	8	-	-	3	22
Salway CF Endowment Fund	13	13	(19)	13	-	20
Brent Harrow Enfield CF Fund	17	1	-	-	-	18
Living Cities Community CF Endowment Fund	42	17	-	(42)	-	17
Cadogan Kensington and Chelsea Foundation CF Endowment Fund	11	3	-	-	-	14
Bromley Community Fund	4	3	1	5	1	14
Hemlata and Kantilal Tanna Family CF Fund	9	2	(4)	4	-	11
Westminster GG Endowment Fund	6	5	-	-	-	11
Deutsche Bank GG Endowment Fund	-	8	-	-	3	11
Peckham GG Endowment Fund	7	2	(47)	47	1	10
Gordon Family GG Endowment Fund	5	4	-	-	1	10
Other endowment funds (revenue element) balances <£10k	138	43	(57)	4	5	133
Total endowment funds (revenue element)	1,474	307	(449)	593	58	1,983

15b Restricted funds (flow through grant making funds)

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Investment gain/(loss) £000	Balance at 31 March 2024 £000
MOPAC VAWG Grassroots Fund 23-25	-	1,549	(773)	-	-	776
The Stanhope Foundation Fund	538	538	(530)	-	-	546
Adobe Community Fund	-	449	-	-	-	449
GLA 82072 MoJ DA SV 22-25	390	1,506	(1,464)	-	-	432
Wimbledon Foundation Community Fund	402	644	(629)	-	-	417
Hackney Foodbank Community Fund	-	412	-	-	-	412
The CJ Fund	349	9	-	(50)	-	308
Youth Futures Fund	238	116	(216)	133	-	271
Cockayne Fund	345	1,755	(1,805)	(27)	-	268
Women's Fund for London	7	140	-	87	-	234
Peabody Community Fund	491	12	(296)	-	-	207
Gordon Family (combined) Fund	125	4	(79)	79	-	129
Living Communities Fund	170	113	(190)	30	-	123
Elephant & Castle Community Fund	80	79	(65)	-	-	94
JP Morgan Fund	714	210	(835)	-	-	89
Greenwich Peninsula Community Fund	-	170	(100)	8	-	78
Deutsche Bank small grants Fund	88	37	(59)	-	-	66
Merton & Sutton Health & Wellbeing fund	64	2	-	-	-	66
Lambeth Grants Funds (combined) Funds	303	6	(250)	-	-	59
Lambeth Wellbeing Fund	195	52	(186)	(9)	-	52
Wandsworth Combined Charity Fund	35	1	-	-	-	36
The Young People's Fund	80	2	(49)	-	-	33
Grenfell Children & Young People fund	62	1	(30)	-	-	33
HDR United Kingdom Fund	20	43	(30)	-	-	33
Bromley Community Fund (combined)	27	1	-	-	-	28
Covent Garden Market Authority Fund	24	1	-	-	-	25
Excluded Initiative Fund	93	2	(74)	-	-	21
Broadgate Community Fund	119	14	(103)	(10)	-	20
Simon & Lynn Dodds Fund	44	5	(30)	-	-	19
Reel Fund (Kogan and Schmidt)	-	125	(101)	(6)	-	18
Thamesmead Community Fund	(6)	86	(62)	-	-	18
Lane Fund (combined)	16	-	-	-	-	16
Muggin's Funds (combined)	14	-	-	1	-	15
North London Philanthropic Trust Fund	80	1	-	(70)	-	11
Land Securities Westminster Fund	41	-	(30)	-	-	11
Land Securities Fund	11	-	-	-	-	11
Other grant making funds (flow through) - balances <£10k	1,490	1,879	(3,194)	(113)	-	62
	6,649	9,964	(11,180)	53	-	5,486
Total Restricted funds	8,123	10,271	(11,629)	646	58	7,469

15c Restricted funds - purposes and restrictions

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

15 Restricted funds (continued)

Transfers between funds

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

Grenfell Children and Young People’s Fund

Following the closure of the Grenfell Tower emergency appeal, the remaining funds from the Evening Standard Dispossessed Fund appeal and the Artists for Grenfell appeal held were consolidated to form the Grenfell Children & Young People’s fund, a five-year fund set up to support children and young people affected by the tragedy. In addition to the consolidated funds, the Charity received a restricted donation from the Royal Borough of Kensington and Chelsea of £410,000 in 2018-19. Any new funds raised in relation to Grenfell Tower are now added to this fund.



16 Endowment funds (prior year comparatives)

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

16 Endowment funds (prior year comparatives) (continued)

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2023 £000
Expendable						
Cresswell Trust	77	–	–	(2)	(2)	73
Lambeth Endowment Fund	1,495	–	–	–	(57)	1,438
Lewisham Fund	424	–	–	–	(17)	407
Portuguese Fund	784	–	–	–	(30)	754
South London Opportunity Fund	201	–	–	–	(8)	193
Wandsworth Community Fund	620	–	–	(15)	(24)	581
Total other expendable endowment funds	3,601	–	–	(17)	(138)	3,446
Total expendable endowment	18,451	26	–	(376)	(716)	17,385
Permanent						
Barnet Endowment	90	–	–	–	(3)	87
Beaufoy Trust	1,778	–	–	–	(67)	1,711
Pedlar's Acre Trust unapplied total return	1,295	38	–	(230)	(124)	979
Pedlar's Acre Trust	1,837	–	–	–	–	1,837
Richmond Civic Trust	599	–	–	–	(22)	577
Total permanent endowment	5,599	38	–	(230)	(216)	5,191
Total endowment funds	24,050	64	–	(606)	(932)	22,576



17a Restricted funds - endowment funds (revenue element) (prior year comparatives)

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Balance at 31 March 2023 £000
Evening Standard Grassroots Grants Dispossessed Appeal LCF Grants	548	38	(415)	78	249
LCF Pedlar's Acre Endowment Fund	104	5	-	126	235
Sue Estermann Fund (ELCF)	159	-	-	-	159
Gordon Family CF Endowment Fund	22	14	-	87	123
Barnet NW CF Endowment Fund	82	5	-	6	93
Lewisham Endowment Fund	69	5	-	-	74
Deutsche Bank Older Peoples CF Endowment Fund	48	33	(29)	-	52
Richmond Civic Trust Permanent Endowment Fund	38	12	-	-	50
Evening Standard Croydon Dispossessed Appeal Endowment Fund	30	4	-	14	48
Living Cities Community CF Endowment Fund	17	17	-	7	41
PWC Westminster GG Endowment Fund	7	1	-	21	29
London Leg Up Fund (Bragg) CF Endowment Fund	25	12	(10)	-	27
South London Opportunity (James and Emma Fleming) CF Endowment Fund	31	3	(10)	-	24
Beaufoy Trust Endowment Fund Permanent Endowment Fund	80	23	-	(80)	23
Lambeth CF Endowment Fund	195	20	-	(195)	20
Wandsworth Community Endowment Fund	13	17	-	(11)	19
Brent Harrow Enfield CF Fund	16	1	-	1	18
Croydon Community GG Endowment Fund	(2)	6	-	12	16
Victoria Foundation Fund	5	6	(15)	17	13
Salway CF Endowment Fund	18	13	(20)	2	13
Cadogan Kensington and Chelsea Foundation CF Endowment Fund	7	4	-	-	11
LCF Portuguese Endowment Grants	29	11	-	(29)	11
Hemlata and Kantilal Tanna Family CF Endowment Fund	14	3	(7)	-	10
Other endowment (revenue funds) <£10k	272	79	(54)	(177)	120
	1,827	332	(560)	(121)	1,478

17b Restricted funds - flow through grant making funds (prior year comparatives)

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Balance at 31 March 2023 £000
Safe Accommodation PIE	-	750	-	-	750
JP Morgan Fund	805	742	(833)	-	714
The Stanhope Foundation Fund	319	654	(436)	-	537
Peabody Community Fund	471	850	(831)	-	490
Wimbledon Foundation Community Fund	400	624	(622)	-	402
GLA 82072 MoJ DA SV 22-25	-	1,482	(1,092)	-	390
The CJ Fund	379	-	(30)	-	349
Cockayne Fund	20	1,800	(1,466)	(8)	346
Skill Up Step-Up Employability Fund	353	450	(465)	-	338
Lambeth Grants Funds (combined)	-	-	(143)	447	304
Youth Futures Fund	317	146	(308)	83	238
Lambeth Wellbeing Fund	141	107	(95)	42	195
Living Communities Fund	272	43	(162)	17	170
Gordon Family (combined)	131	-	(35)	29	125
Broadgate Community Fund	5	119	(1)	(5)	118
Lambeth Youth Opportunities Fund	53	51	(1)	-	103
Excluded Initiative Fund	161	96	(181)	16	92
Deutsche Bank Opportunity Fund	151	17	(100)	20	88
The Young People's Fund	49	100	(69)	-	80
North London Philanthropic Trust Fund	40	40	-	-	80
Elephant & Castle Community Fund	80	75	(75)	-	80
Merton & Sutton Health & Wellbeing fund	64	-	-	-	64
Grenfell Children & Young People fund	250	6	(188)	(6)	62
Norton Rose Fulbright Fund	-	-	-	60	60
Wimbledon Foundation Homelessness Fund	-	187	(129)	-	58
The Cellnex Fund	-	45	-	-	45
Simon & Lynn Dodds Fund	46	25	(28)	-	43
Land Securities Westminster Fund	62	-	(30)	9	41
Wandsworth Combined Charity Fund	-	-	-	35	35
Citi Awards Fund	28	-	(1)	-	27
Bromley Community Fund (combined)	6	10	5	6	27
Covent Garden Market Authority Fund	24	0	-	-	24
Regents Place Community Fund	13	10	-	-	23
HDR United Kingdom Fund	-	20	-	-	20
Barnet Giving Fund	9	0	-	10	19
Together For London Fund	-	2,017	(2,101)	101	17
Lane Fund (combined)	18	15	-	(17)	16

17b Restricted funds - flow through grant making funds (prior year comparatives) (continued)

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in / (out) £000	Balance at 31 March 2023 £000
Muggin's Fund's (combined)	13	-	-	2	15
Land Securities Fund	8	-	-	3	11
British Red Cross Fund	-	60	(50)	-	10
Other grant making funds (flow through) <£10k	1,669	636	(2,079)	(187)	39
	6,357	11,177	(11,546)	657	6,645
Total Restricted funds	8,184	11,509	(12,106)	536	8,123



18 Funds of Pedlar's Acre Trust

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

The transactions and assets of the separate charities for the year ended 31 March 2024 are shown below:

	Notes	The London Community Foundation £000	Pedlar's Acre Trust £000	Total £000
Assets of each charity at 31 March 2024				
Opening balance at 1 April 2023		28,820	2,816	31,636
Income		11,527	28	11,555
Expenditure		(13,100)	-	(13,100)
Application of income funds	14	67	(67)	-
Gain on investments		1,903	262	2,165
Net movement in funds		397	223	620
Closing balance at 31 March 2024		29,217	3,039	32,256
Tangible fixed assets		53	-	53
Fixed asset investments		21,172	3,039	24,211
Debtors		1,172	-	1,172
Cash at bank and in hand		8,549	-	8,549
Creditors: amounts falling due within one year		(1,729)	-	(1,729)
Net assets at 31 March 2024		29,217	3,039	32,256
Funds of the charities				
Expendable endowment funds		18,323	-	18,323
Permanent endowment funds		2,593	3,039	5,632
Restricted funds		7,469	-	7,469
Unrestricted funds		832	-	832
Closing balance at 31 March 2024		29,217	3,039	32,256

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

The investment power of total return was granted by a Charity Commission Order on 17 January 2011. The Charity received advice from its legal advisors Bates Wells & Braithwaite with regards to the use of the power and ensuring its use does not prejudice the ability of the Charity to support both current and future beneficiaries.

This power permits the Trustees to invest permanently endowed funds to maximise total return and apply an appropriate portion of the unapplied total return income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the note below), the unapplied total return remains invested as part of the permanent endowment, until the power to release the funds is exercised.

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

The power of total return allows the Trustees to decide in each year how much of the unapplied total return is transferred to restricted income funds and so is available for grant-making expenditure. During the year to 31 March 2024, 3.5% of the value of the fund as at 31 December 2022 was transferred to income funds, 3.5% being the amount LCF aims to spend of its permanent endowment funds holding total return power under its endowment spending policy.

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

	Total 2024 £000	Total 2023 £000
Opening value of permanent endowment at 1 April	2,816	3,132
Less:		
Value of endowment at 31 March 2004	(1,837)	(1,837)
Opening value of unapplied total return at 1 April	979	1,295
Add:		
Investment return: income	28	38
Investment return: unrealised (loss)/gain on investment	262	(124)
Less:		
Transfers to income	(67)	(230)
Unapplied total return after transfer to income	1,202	979
Add:		
Value of endowment at 31 March 2004	1,837	1,837
Permanent endowment including unapplied total return at 31 March	3,039	2,816

19 Funds held in capacity as agents - Deptford Challenge Trust

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

At 31 March 2024 there were no assets or liabilities relating to the fund (2023: NIL).

20 Related party transactions

As per note 6, the Trustees are not remunerated, and no expenses have been incurred in 2024 (2023: NIL).

Organisation	Trustee / Employee	Relationship with LCF	Description	31 March 2024 £000	31 March 2023 £000
The London Community Foundation	Gaynor Humphries	Trustee	Donation	-	4
Carers Hub Lambeth	Laura Perkins	Employee	Grant	24	10
The London Community Foundation	Russell Prior	Trustee	Donation	4	-
Ella's Home	Nimat Jaffer	Employee	Grant	56	-

21 Analysis of grants

21a Analysis of grants by recipient

	Total 2024 £000	Total 2023 Number
Grants awarded to institutions	11,496	780
Total	11,496	780

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

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

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

21b Analysis of grants by theme

Primary beneficiary	Amount £000	Number of grants awarded
Black, Asian and minority ethnic	2,909	203
Cockayne (Arts)	1,749	85
Children and young people	1,650	119
Women	1,212	75
Victims of crime/violence/abuse	824	33
Older people	719	95
People with multiple disabilities	380	16
Local residents	332	34
Homeless people	314	19
Not in education, employment and training (NEET 16-24)	312	16
Refugees/asylum seekers/ immigrants	242	16
People in care or suffering serious illness	110	3
People living in poverty	110	11
Lesbian, gay, bisexual and transgendered groups	105	10
People with alcohol/drug addictions	102	4
Ex-offenders/offenders/at risk of offending	100	5
People with mental health issues	98	11
Families/parents/lone parents	97	11
Carers	54	5
People with learning difficulties	38	4
People with low skill levels	15	2
Refugees/ asylum seekers	10	1
Men	10	1
Adults	4	1
Total	11,496	780

Prior year comparatives

Statement of financial activity for the year to 31 March 2023

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2023 £000	Total 2022 £000
Income and endowments from:						
Donations and legacies	2a	812	11,128	26	11,966	11,283
Charitable activities	2b	91	82	-	173	102
Investments	2c	466	299	38	803	737
Other trading activities	2d	58	-	-	58	61
Total income		1,427	11,509	64	13,000	12,183
Expenditure on:						
Raising funds	3a	516	3	-	519	554
Grants programme	3b	927	12,054	-	12,981	10,226
Community development	3c	1	49	-	50	25
Total expenditure		1,444	12,106	-	13,550	10,805
Net income / (expenditure) before investment gains and losses		(17)	(597)	64	(550)	1,378
Net gains / (losses) on investments	9	(12)	-	(932)	(944)	2,017
Net income / (expenditure)		(29)	(597)	(868)	(1,494)	3,395
Transfers in / (out) between funds	14,15	70	536	(606)	-	-
Net movement in funds		41	(61)	(1,474)	(1,494)	3,395
Reconciliation of funds						
Total funds brought forward at 1 April		896	8,184	24,050	33,130	29,735
Total funds carried forward at 31 March	12	937	8,123	22,576	31,636	33,130

Contact

The London Community Foundation
Canopi, 7-14 Great Dover Street, London, SE1 4YR

londoncf.org.uk
info@londoncf.org.uk
+44 (0)20 7582 5117

Registered charity number 1091263
Company limited by guarantee number 4383269

Acknowledgements

Design: **Strudel**
Front cover image: **Kinetic Foundation**



Together we truly are making a difference to London, where it matters most.

Thank you for all that you have helped us to achieve. Your support is so vital to sustain London's incredible network of grassroots charities and local community groups. They are the fabric of our communities and increasingly we are all dependent on their unique reach, impact and purpose.

**The London
Community
Foundation**

londoncf.org.uk

THE LONDON COMMUNITY FOUNDATION

England & Wales - Charity number 1091263

Accounts

Annual report and financial statements

For the year ended 31 March 2023



londoncf.org.uk

Registered charity number 1091263
Company limited by guarantee number 4383269

Who we are

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

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



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

Since 2010,
we have
committed over

**£116
million**

in grants to support
London's grassroots
organisations





Contents

Chair's statement	06
Chief Executive's welcome	08
Our impact	10
Crisis: a lifeline for communities	10
Young people: vital opportunities for young Londoners	12
Women: stepping in where others can't	14
A year at The London Community Foundation	16
Annual report and financial statements	18
Report of the Trustees	19
Legal and administrative information	19
Objectives and activities	23
Public benefit statement	28
Achievements and performance	29
Financial review	31
Principal risks and uncertainties	37
People and pay	40
Future plans for 2023/24	46
Our approach to fundraising	48
Statement of Trustees' responsibilities	49
Independent auditor's report to the members of The London Community Foundation	50
Statement of financial activities	56
Summary income and expenditure account	57
Balance sheet	58
Statement of cash flows	59
Notes to the Accounts	60

Local giving matters

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

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

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

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

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



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

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

Russell Prior
Chair
The London Community Foundation

Our impact across London



£14,167,000

awarded to charitable
organisations

649

grants awarded

£22,730

was the average grant
size committed

15%

of the organisations we
supported were new to us



Ensuring resilience in a time of crisis

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

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

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

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

centred on perception and sustainability.

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

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

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

With my thanks,

Kate Markey

CEO

The London Community Foundation

Our values and behaviours

Our vision:

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

Our purpose:

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

Our values:

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

Our behaviours:

Inclusive
Adaptable
Trustworthy
Pragmatic
Respectful
Enterprising

A lifeline for communities

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

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

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

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

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

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

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



Funding and support

£2,109,000

awarded to 215 community
projects across London

83%

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

79%

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



Our impact: young people

Vital opportunities for young Londoners

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

Caxton Youth Organisation, one of our Youth Futures Fund partners

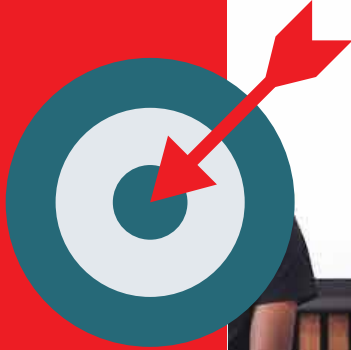
Young people under 25 represent almost a third of London's population. They have been hit hard by the pandemic and the cost-of-living crisis. In 2022/23, we helped young people improve their wellbeing, reduce isolation, gain vital skills and address the issue of violence.

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

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

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

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



Funding and support

£2,600,000

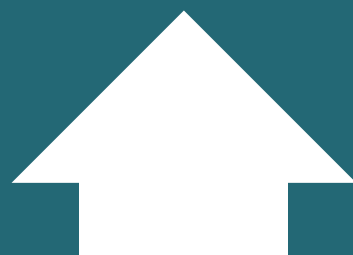
of our funding was
awarded to community
organisations
supporting children
and young people

18%

of our overall funding
was focused on children
and young people

89%

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



Our impact: women

Stepping in where others can't

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

BelEve UK, one of our VAWG Grassroots Fund community projects

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

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

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



Funding and support

£845,000

of our funding was awarded
to community organisations
supporting women

6%

of our total funding was
focused on supporting women

£4,500,000

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

28%

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



A year at The London Community Foundation

April

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

May

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

June

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

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



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

July

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

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

August

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

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

September



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

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

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

October



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

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

November

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

December

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

Annual report and financial statements

The London Community Foundation

January

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

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

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

February

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

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

March

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



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

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

**Trustees
report**

Annual report and financial statements

For the year ending March 2023

**Charity No. 1091263
Company No. 4383269
londoncf.org.uk**

Report of the Trustees

The Trustees present their annual statutory report together with the financial statements of The London Community Foundation for the year ending 31 March 2023. The report has been prepared in compliance with Part 8 of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts

in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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

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

Legal and administrative information

Name of charity:

The London Community Foundation (LCF)

Status:

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

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

Principal office and registered address:

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

Trustees' report

Trustees:

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

Russell Prior

(Chair of the Board)

Gaynor Humphreys

(to September 2023)

Genine Whitehorne

(Chair of People Committee from June 2022)

John Hume

(Chair of Programmes and Impact Committee)

Natalie Creary

Veesh Sharma

(Chair of Audit, Risk and Investment Committee)

Urmi Dutta-Roy

Owen Jenkins

Satnam Sagoo

(from July 2022)

Fiona Bickley

(from July 2022)

Sanjay Mazumder

(resigned May 2022)

Scott Greenhalgh

(resigned June 2022)

Principal officers / Senior Management Team:

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

Kate Markey

Chief Executive Officer. Also, Company Secretary.

Kelly Rust

(to June 2022):

Director of Grants and Impact

Kate Stewart

(from June 2022):

Director of Grants and Impact

Laura Perkins

Director of Development and Communications

Maureen Sebanakitta

Chief Operating Officer (from September 2022)

Auditor:

MHA LLP

Sixth Floor
2 London Wall Place
London
EC2Y 5AU

Legal advisors:

Bates Wells & Braithwaite London LLP

2-6 Cannon Street
London
EC4M 6YH

Stone King LLP

Boundary House
91 Charterhouse Street, Barbican
London
EC1M 6HR

Bankers:

NatWest

504 Brixton Road
London
SW9 8EW

CCLA Investment Management Limited – Cash Deposit Accounts

Senator House
85 Queen Victoria Street
London
EC4V 4ET

Investment managers:

CCLA Investment Management Limited – Investment of Endowment

Senator House
85 Queen Victoria Street London
EC4V 4ET



Trustees' report

Objectives and activities

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

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

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

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

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

Our objectives, as defined in the Memorandum and Articles of Association are:

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

1. Facilities for recreation or other leisure time occupation with the object of improving the conditions of life of the

persons for whom the opportunities and facilities are primarily intended.

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

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

Our core activities are:

1. Funding and developing predominantly small charities and community groups that do not attract mass public support.

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

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

Objectives and activities (continued)

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

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

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

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

3. Fund management and grant-making services:

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

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

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

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

Endowment funds held have been raised primarily through:

- Individuals and companies that want to create an enduring legacy in a particular geography or cause in the Capital. We can work with donors to consider their philanthropic ambitions and how to achieve them, now and in the future, as a flexible alternative to establishing their own charitable foundation or trust.
- Charitable trusts can be transferred to LCF (as with other community foundations), with the support of initiatives like the Revitalising Trusts Initiative by the Charity Commission. We can honour the original objectives and/or work with trust representatives to revive them for modern-day needs. Trusts may be transferred if they have become dormant or ineffective, or if Trustees feel that LCF will help to increase the impact of their charitable assets.

Grant making policy

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

Legal structures:

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

Governance

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

Bank account

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

Safeguarding

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

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

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

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

Monitoring and evaluation may include:

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

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

Structure, governance and management

The London Community Foundation is a Company Limited by Guarantee (CLG) and a Registered Charity governed by its Memorandum and Articles of Association.

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

Trustees' report

Appointment, induction and training of Trustees

As set out in the Articles of Association, new Trustees are appointed by the Trustees in office. There are no powers of appointment or co-option by any external organisation. New Trustees are appointed through an external open and competitive recruitment process. The People Sub-Committee of the Board is responsible for nominations and makes recommendations to the full Board of Trustees on appointments.

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

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

Structure

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

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

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

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

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

Structure (continued)

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

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

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

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

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

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

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

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

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

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

Trustees' report

Public benefit statement

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

The remainder of this report sets out LCF's objectives, and reports on the activity and successes in the year to 31 March 2023, as well as explaining the plans for the current financial year. LCF's work benefits a range of local London charities, community groups and their beneficiaries.

The trustees have considered this matter and concluded that:

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



Achievements and performance

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

Strategic objective	Achievement
Foster a culture of belonging and inclusion across the LCF team and Board	• Created new organisational values and behaviours that reflect equity, diversity & inclusion • Launched a programme of monthly team-led EDI forums to discuss EDI issues. As part of this we invited grantee organisations to share their experiences to learn from them • Launched a new recruitment policy and procedures with an EDI lens • Completed the annual diversity survey for staff and Trustees for the fourth year • Reviewed and rolled out an inclusive performance evaluation process for staff
Engage our current and prospective donor markets through external communications	• Launched key campaigns to advocate and raise funds for grassroots charities in the Capital, including Together for London and #HeroesofLondon • Held events and round-tables for donors throughout the year on issues that matter to London, including violence affecting young people, youth employment and mental health • Twitter Impressions - 1,179k. Total followers increased by 610 to 6223. • Total LinkedIn followers on LinkedIn increased by 389 to 1,478. • We have 39,344 Grants Bulletin subscribers. Openings average at 46.80% • We have 4,316 Donor Bulletin subscribers. Openings average at 40.72% • Tailored communications for partner events i.e., JPMorgan, Save London Lives and Together for London
Diversify and grow our donor portfolio and products	• Pooled funds: we launched two pooled funds - Youth Futures Fund Year 2 (£267k) and Together for London (£2.2m) • Invite-only: we grew our invite-only funds attracting and supporting new donors to LCF • Open grants: continued to bid for tenders and offer an excellent open grant service • Major events: We held 3 - JPMorgan Pathways to Economic Development; Save London Lives and Together for London
Make the best use of our time, data, and digital solutions, ensuring compliance	• Carried on with our work on upgrading our contacts relationships database in collaboration with UKCF Digital. We hope to complete this work in March 2024 • Increased circulation of our newsletter and social media presence • Continued to assure our online security through Cyber Essentials accreditation
Build long-term financial resilience • Review LCF's reserves policy • Review LCF's property arrangements in line with new ways of working	• Trustees reviewed and approved a new reserves policy • We reviewed our endowment fee and, following negotiations with fund holders, made a small increase • We moved to new offices and adopted a new hybrid working pattern

Trustees' report

Financial review

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

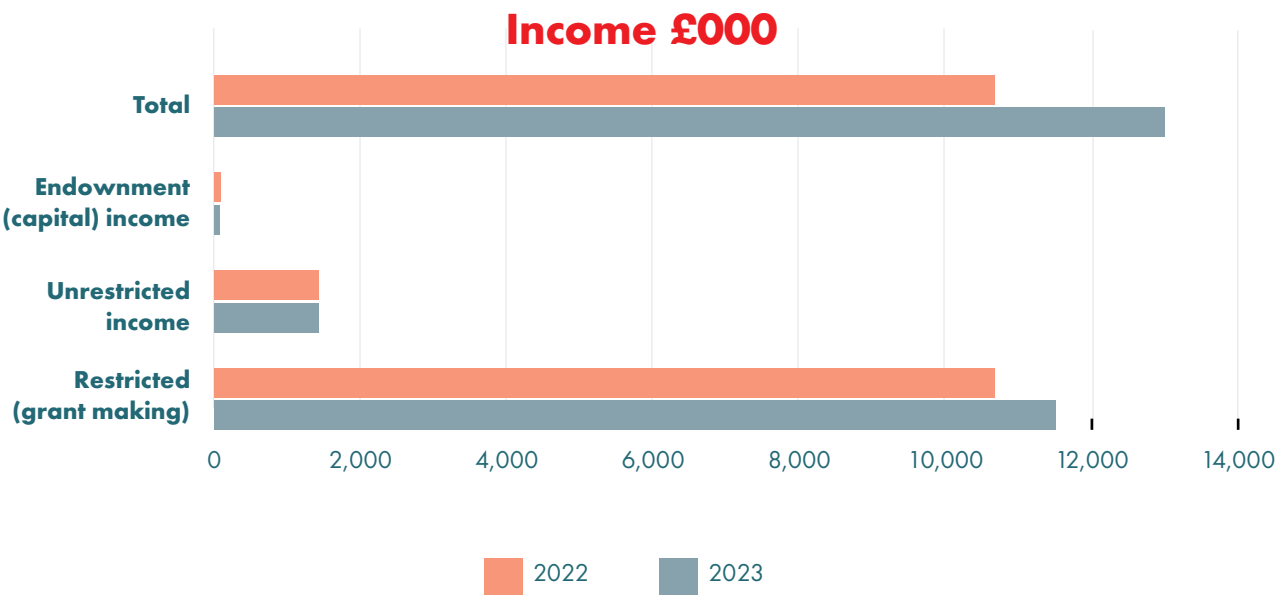
Our total income in 2023 was £13 million (2022: £12 million) and our total expenditure was £13.6 million (2022: £10.8 million), an increase of £1 million and £2.8 million respectively on the previous year.

Income

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

The breakdown is as follows:

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

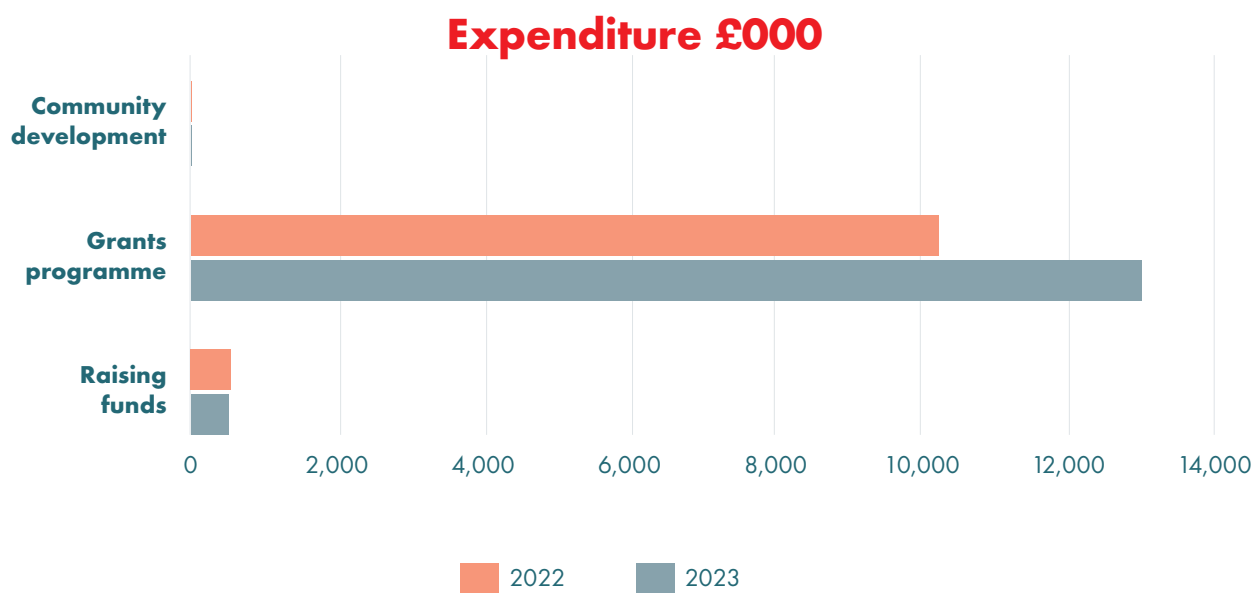


Expenditure

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

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

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



Expenditure (continued)

Cash position

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

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

Diversity of income and financial sustainability

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

Working with our donors and funding partners

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

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

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

Trustees' report

Reserves

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

Endowment reserves comprise capital sums donated under the restrictions that they are invested, and that the investment return is available for expenditure in accordance with the donors' strategies for giving. Within the category of endowment are two subcategories: expendable and permanent endowment. A reasonable percentage of capital amounts of expendable endowment may be spent if the Trustees decide to do so, though the overall endowment is intended for enduring impact. The capital of permanent endowment may not be spent. Endowment reserves at 31 March 2023 stood at £23 million (2022: £24 million). The decrease of £1 million is due to a combination of planned drawdowns of expendable endowment funds as well as investment market losses during the year.

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

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

General reserves are the balance of LCF's unrestricted reserves that have not been designated for a particular purpose and, as such, are freely available to the Trustees for any of the Charity's

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

Reserves policy

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

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

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

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

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

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

Reserves policy (continued)

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

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

Pedlar's Acre Trust

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

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

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

Beaufoy Trust

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

Endowment spending policy

LCF's policy regarding expendable endowments is to allocate a set percentage of the value of each fund at December each year for expenditure on grants and direct charitable expenditure in the next financial year. The Trustees review this policy every year and set the appropriate percentage to be applied to the fund value as at 31 December. During 2023 the percentage used was 3.5% (2022: 3.5%) for grant-making plus the annual contribution towards LCF's costs.

The expenditure of the investment return of any permanent endowment where a total return approach has been agreed with the Charity Commission is set by LCF at 3.5% (2022: 3.5%) of the value of the fund on 31 December each year, plus the annual contribution towards LCF's costs. If the Trustees judge that a higher or lower amount would better fulfil the duty of being even-handed in the treatment of present and future beneficiaries of the fund, the amount may be varied in future decisions.

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

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

Trustees' report

Investments

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

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

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

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

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

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

are also restricted from investment.

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

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

LCF's Audit, Risk and Investment Sub-Committee is responsible for monitoring investment performance.

LCF takes a long-term view and measures the long-term performance against the ARC Steady Growth benchmark. The benchmark is a standard indicator of relative performance used by the investment industry and charities. CCLA provides quarterly reports and presents to the Sub-Committee at least once a year whilst also responding to specific requests during the year.

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

Principal risks and uncertainties

Risk management

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

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

Risk appetite

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

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



Trustees' report

Roles and responsibilities for managing risk

Role	Responsibility
Board of Trustees	• Leadership and control of the Charity • Set mandate and commitment for risk management and appetite • Lead risk management culture • Be aware of the risk to the reputation of LCF from activities that they may undertake elsewhere • Seek assurance from the Audit, Risk & Investments Committee that appropriate strategic risk management procedures are in place • Review approach to evaluation and mitigation of major risks annually at Full Board
Audit, Risk & Investment Committee & Sub Committees	• Monitor the effectiveness of LCF's risk management procedures via the ongoing review of the system of internal control. This includes receiving risk reports from the Grants & Impact Committee for review, recommendation, or decision as per the Committees' terms of Reference • Review the register on a quarterly basis and support SMT in potential mitigation (or escalation) of risks • Review wider risk related policies and frameworks across finance, operations, systems and people • Determine the requirement for internal audit on any areas of LCF's operations
Senior Management Team	• Identify, analyse & evaluate risks • Own risk management strategies • Oversee incident response and crisis management • Drive for continuous improvement in risk management
Chief Operating Officer	• Develop the risk management policy and processes, specifically the co-ordination of the risk review and the categorisation and evaluation of risks identified • Ensure strategic risks are regularly reviewed by the Senior Management Team
Middle Management Team	• Risk identification, ownership and control: maintain an effective risk identification and management and control environment as part of day-to-day operations
Outsourced IT provider	• Reporting to the Board and Board Sub-Committees.
External auditors	• Independent internal and external audits to test design and operating effectiveness of systems and controls
Management, staff, partners and volunteers	• Be aware of the importance of identification and risk management. There should be formal channels of communication both up and down to identify and manage risks • Control environment: all employees, volunteers and partners contribute to managing risk in their departments or area of expertise

Monitoring and review of the policy

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

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

Monitoring and review of the policy (continued)

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

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

People and pay

Remuneration policies

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

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

Our approach to pay

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

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

Remuneration of key management personnel

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

SMT was as follows during the year:

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

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

Pay ratio

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

Reporting on our people

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

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

Our Diversity Survey

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



Trustees' report

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

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

Trustees' report

How are we doing?

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

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

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



Wider diversity and inclusion at LCF

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

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

We define equity, diversity, and inclusion as:

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

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



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

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

Future plans

	Strategic Objective	In detail
1	Foster a culture of belonging & inclusion across the LCF team & Board	• Undertake an annual staff survey • Build on team engagement and touchpoints throughout the year • Progress EDI Strategic priorities for the year • Maximise opportunities for team and Trustee engagement
2	Grow our knowledge, reach & connection with London's communities	• Identify opportunities to engage more with boroughs/beneficiary groups not well represented across LCF work via targeted mailouts/communications • Gather feedback from applicants (via survey) on grant making process and EDI considerations such as accessibility, inclusivity, 'led by' organisations • Increase collaboration across teams on programme design early in development process • Engage grantees and applicants to support communications/influence work
3	Grow our donor portfolio	• Deliver 4 events • Grow donor engagement in pooled funds and invite-only activities, offering new and different ways for local philanthropy to reach London's communities • Achieve income target of £9.3m • Increase our LinkedIn followers to 2,500, mailing list to 700, and Twitter followers to 7,000 • Influence stakeholders through communications to encourage more giving to London through LCF
4	Make best use of our time, data & digital solutions, ensuring compliance	• Review & streamline LCF's management information • Deliver project goals of the Salesforce database upgrade project • Improve donor fund reporting and automation
5	Build long term financial resilience	• Diversify our income portfolio • Simplify the way our donors give



Our approach to fundraising

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

Only LCF's team and Trustees are involved in fundraising for the Charity (aside from a small group of individuals raising donations on our behalf through fundraising events like the London Marathon).

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

There were no complaints regarding our fundraising practices during the year ended 31 March 2023.



Statement of Trustees' responsibilities

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

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

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

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

The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

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

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

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



Russell Prior
Chair

20 November 2023

Auditor's report

Independent auditor's report to the members of The London Community Foundation Year ended 31 March 2023

Opinion

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

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Auditor's report

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual report, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Auditor's report

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

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

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

Use of our report

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



Stuart McKay BSc FCA DChA
(Senior Statutory Auditor)

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

Date: 06/12/2023

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



Financial statements

Statement of financial activities for the year to 31 March 2023

Incorporating the income and expenditure account

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

All of the activities of The London Community Foundation derive from continuing operations. There are no recognised gains and losses other than those shown above.

Balance sheet

as at 31 March 2023

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

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



Russell Prior
Chair



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

Company number: 4383269

Charity number: 1091263

Statement of Cashflows

as at 31 March 2023

	Notes	2023 £000	2022 £000
Cash flows (used in) operating activities:			
Net cash used in operating activities	A	(1,260)	(511)
Cash flows from investing activities			
Interest received		69	1
Investment income received		735	736
Purchase of property, plant and equipment		(6)	–
Purchase of investments		(8)	(27)
Proceeds from the disposal of investments		326	1,602
Net cash (used in) / provided by investing activities		1,116	2,312
Cash flows from financing activities			
Receipt of endowment		26	27
Net cash (used in) / provided by investing activities		26	27
Change in cash and cash equivalents in the year		(118)	1,828
Cash and cash equivalents at 1 April 2022	B	10,328	8,500
Cash and cash equivalents at 31 March 2023	B	10,210	10,328
Notes to the statement of cash flows for the year ended 31 March 2023			
A. Reconciliation of net income / (expenditure) to net cash flow from operating activities			
Net income for the year (as per the statement of financial activities)		(1,520)	3,368
Adjustments for:			
Net losses / (gains) on investments		944	(2,017)
Depreciation charge		4	8
Dividends and interest from investments		(803)	(737)
(Increase) / Decrease in debtors		(102)	(129)
Increase / (Decrease) in creditors		217	(1,004)
Net cash from/ (used in) operating activities	A	(1,260)	(511)
B. Analysis of cash and cash equivalents			
Cash at bank and in hand		10,210	10,328
		10,210	10,328
C. Analysis of changes in net debt			
As the Charity's net debt equalled its cash and cash equivalent balances at both the current and prior year-ends, an Analysis of changes in net debt table has not been disclosed.			

Notes to the accounts

Notes to the accounts

1 Accounting policies

Basis of preparation

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

Corporate status

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

Going concern

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

Accounting policies

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

Income

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

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

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

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

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

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

Notes to the accounts

1 Accounting policies (continued)

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

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

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

Expenditure

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

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

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

- **Cost of raising funds**

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

- **Charitable activities**

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

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

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

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

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

Pensions

LCF contributes to a defined contribution scheme in the UK.

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

1 Accounting policies (continued)

Fund accounting

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

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

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

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

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

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

Under the terms on which the endowment funds were given to the Charity, an amount representing the cost to LCF of administering the fund is apportioned to unrestricted funds from investment income arising in the year.

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

Permanent endowment funds (with total return approach) require all income, gains and losses be taken to the part of the fund representing accumulated unapplied returns in the first instance.

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

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

Notes to the accounts

1 Accounting policies (continued)

Termination benefits and payments

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

Significant accounting estimates and judgements

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

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

Tangible fixed assets

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

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

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

Investments

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

Debtors

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

Creditors and provisions

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

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

Cash and cash equivalents

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

Value Added Tax

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

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

Operating lease

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

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

Prior year restatement

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

Notes to the accounts

2 Income

2a Income from donations and legacies

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

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

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

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

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

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

2b Income from charitable activities

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

2c Income from investments

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

2d Income from other trading activities

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

Notes to the accounts

3 Expenditure

3a Expenditure on raising funds

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

3b Expenditure on charitable activities: grant programme

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

3c Expenditure on charitable activities: community development

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

4 Analysis of support costs

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

Notes to the accounts

5 Governance costs

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

6 Staff costs and remuneration of key management personnel

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

The average monthly number of employees during the year was:

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

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

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

Emoluments is taken to mean actual payments due in the year for hours worked and is therefore not a full-time equivalent rate but an actual rate reflecting part time hours as well as employment for less than a full year.

The employees whose salary banding is disclosed above also received employer pension contributions of £15,291 (2022: £20,481).

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

Key management personnel

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

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

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

Notes to the accounts

7 Net (expenditure) / income

This is stated after charging:

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

8 Tangible fixed assets

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

9 Fixed asset investments

9a Fixed asset investments

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

9b Historical cost

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

9c Investments disposition

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

10 Debtors

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

Notes to the accounts

11 Creditors: amounts falling due within one year

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

11a Reconciliation of grants payable

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

11b Reconciliation of deferred income

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

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

12 Obligations under operating leases

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

	2023 £000	2022 £000
Within one year	42	126
After one but within two years	–	42
Total obligations under operating leases	42	168

13 Analysis of net assets between funds

Fund balances at 31 March 2023

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

Restricted fixed asset investments

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

Notes to the accounts

14 Endowment funds

The LCF holds both expendable and permanent endowment funds. Many of The LCF's endowment funds have benefitted from match funding, in addition to donations made to funds, received from the government schemes Grassroots Grants (2008-2011) and Community First (2012-2015). A selection of material funds are shown below along with totals for each scheme. We have separated out any individual Grassroots Grant Fund or Community First Fund with an opening balance of over £250,000. The remainder of funds are grouped together under Other Grassroot Grants funds or Other Community First funds.

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

14 Endowment funds (continued)

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2023 £000
Expendable						
Cresswell Trust	77	–	–	(2)	(2)	73
Lambeth Endowment Fund	1,495	–	–	–	(57)	1,438
Lewisham Fund	424	–	–	–	(17)	407
Portuguese Fund	784	–	–	–	(30)	754
South London Opportunity Fund	201	–	–	–	(8)	193
Wandsworth Community Fund	620	–	–	(15)	(24)	581
Total other expendable endowment funds	3,601	–	–	(17)	(138)	3,446
Total expendable endowment	18,451	26	–	(376)	(716)	17,385
Permanent						
Barnet Endowment	90	–	–	–	(3)	87
Beaufoy Trust	1,778	–	–	–	(67)	1,711
Pedlar's Acre Trust unapplied total return	1,295	38	–	(230)	(124)	979
Pedlar's Acre Trust	1,837	–	–	–	–	1,837
Richmond Civic Trust	599	–	–	–	(22)	577
Total permanent endowment	5,599	38	–	(230)	(216)	5,191
Total endowment funds	24,050	64	–	(606)	(932)	22,576

The purposes and restrictions of these funds are summarised below:

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

14 Endowment funds (continued)

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

Grants from endowment funds are made from the restricted fund relating to the endowment fund of the same name, grants for the year ended 31 March 2023 can be seen in Note 15.

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

Transfers from the permanent endowment fund Pedlar's Acre Trust to restricted funds represent the release of capital as allowed under the Total Return Order granted by the Charity Commission so that the funds may be applied as grants. Further details can be found in Note 17.

15 Restricted funds

LCF holds many restricted funds. We have separated out any material fund with an opening balance or closing balance of over £100,000. The funds of the Charity include restricted funds listed above; the closing balance represents the unexpended balances of income held on trust for specific purposes. They take into account multi-year commitments, to be paid to beneficiaries in future financial years.

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

15 Restricted funds (continued)

The purposes and restrictions of these funds are summarised below:

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

15 Restricted funds (continued)

Transfers between funds

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

Grenfell Children and Young People's Fund

Following the closure of the Grenfell Tower emergency appeal, the remaining funds from the Evening Standard Dispossessed Fund appeal and the Artists for Grenfell appeal held were consolidated to form the Grenfell Children & Young People's Fund, a five-year fund set up to support children and young people affected by the tragedy. In addition to the consolidated funds, the Charity received a restricted donation from the Royal Borough of Kensington and Chelsea of £410k in 2018-19. Any new funds raised in relation to the Grenfell Tower are now added to this fund.

16 Designated Funds

The tangible fixed assets fund of £8k (2022: £6k) represents the net book value of The LCF's tangible assets. The amount has been separated from the Charity's general unrestricted funds (free reserves) in recognition of the fact that the assets are essential to the day-to-day operation of the Charity and should therefore not be considered realisable to meet commitments.

Notes to the accounts

17 Funds of Pedlar's Acre Trust

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

The transactions and assets of the separate charities for the year ended 31 March 2023 are shown below:

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

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

The investment power of total return was granted by a Charity Commission Order on 17 January 2011. The Charity received advice from its legal advisors Bates Wells & Braithwaite with regards to the use of the power and ensuring its use does not prejudice the ability of the Charity to support both current and future beneficiaries.

This power permits the Trustees to invest permanently endowed funds to maximise total return and apply an appropriate portion of the unapplied total return income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the note below), the unapplied total return remains invested as part of the permanent endowment, until the power to release the funds is exercised.

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

The power of total return allows the Trustees to decide in each year how much of the unapplied total return is transferred to restricted income funds and so is available for grant-making expenditure. During the year to 31 March 2023, 3.5% of the value of the fund as at 31 December 2021 was transferred to income funds, 3.5% being the amount LCF aims to spend of its permanent endowment funds holding total return power under its endowment spending policy.

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

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

Notes to the accounts

19 Funds held in capacity as agents – Deptford Challenge Trust

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

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

20 Related party transactions

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

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

21 Analysis of grants

21a Analysis of grants by recipient

	Total 2023 £000	Total 2023 Number
Grants awarded to institutions	14,167	649
Total	14,167	649

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

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

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

21b Analysis of grants by theme

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

22 Post balance sheet event

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

Prior year comparatives

Statement of financial activity for the year to 31 March 2022

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

Prior year comparatives (continued)

Refers to 2a – Income from donations and legacies

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

Refers to 2b – Income from charitable activities

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

Refers to 2c – Income from investments

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

Refers to 2d – Income from other trading activities

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

Notes to the accounts

Prior year comparatives (continued)

Refers to note 3a – Expenditure on raising funds

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

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

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

Prior year comparatives (continued)

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

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

Refers to Note 12 – Analysis of net assets between funds

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

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

Notes to the accounts

Prior year comparatives (continued)

Refers to Note 14 – Endowment funds

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

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2022 £000
Grassroots	Bromley Community Fund	263	–	–	24	287
	Croydon Community Fund	418	–	–	38	456
	Deutsche Bank Fund	663	–	–	62	725
	Evening Standard Dispossessed Fund	3,652	–	(1,000)	232	2,884
	Gordon Family Fund	321	–	–	30	351
	Lambeth Community Fund	260	–	–	23	283
	Norton Rose GG Endowment Fund	489	–	–	45	534
	Victoria Foundation Fund	412	–	–	37	449
	Westminster Fund	431	–	–	40	471
	Other Grassroots Grants funds	1,786	–	–	164	1,950
	Total Grassroots Grants funds (expendable)	8,695	–	(1,000)	695	8,390
Community First	Barnet Fund	468	–	(112)	36	392
	Gordon Family CF Endowment Fund	1,149	–	(93)	96	1,152
	Cadogan Kensington and Chelsea Foundation CF Endowment Fund	250	27	(27)	22	272
	Land Securities Westminster Fund	257	–	–	22	279
	Living Cities Community Fund	1,250	–	(207)	99	1,142
	The London Leg Up Fund	389	–	(13)	33	409
	Other Community First funds	2,733	–	(150)	231	2,814
	Total Community First funds (expendable)	6,496	27	(602)	539	6,460

Prior year comparatives (continued)

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Investment gain / (loss) £000	Balance at 31 March 2022 £000
Expendable						
Cresswell Trust	71	–	–	–	6	77
Lambeth Endowment Fund	1,373	–	–	–	122	1,495
Lewisham Fund	387	–	–	–	37	424
Portuguese Fund	719	–	–	–	65	784
South London Opportunity Fund	184	–	–	–	17	201
Wandsworth Community Fund	570	–	–	–	50	620
Total other expendable endowment funds	3,304	–	–	–	297	3,601
Total expendable endowment	18,495	27	–	(1,602)	1,531	18,451
Permanent						
Barnet Endowment	83	–	–	–	7	90
Beaufoy Trust	1,636	–	–	–	142	1,778
Pedlar's Acre Trust	2,810	58	–	–	264	3,132
Richmond Civic Trust	551	–	–	–	48	599
Total permanent endowment	5,080	58	–	–	461	5,599
Total endowment funds	23,575	85	–	(1,602)	1,992	24,050

Grants from endowment funds are made from the restricted fund relating to the endowment fund of the same name, grants for the year ended 31 March 2022 can be seen in Note 15.

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

Transfers from the permanent endowment fund Pedlar's Acre Trust to restricted funds represent the release of capital as allowed under the Total Return Order granted by the Charity Commission so that the funds may be applied as grants. Further details can be found in Note 18.

Notes to the accounts

Prior year comparatives (continued)

Refers to Note 15 – Restricted funds

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

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

Prior year comparatives (continued)

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

The funds of the charity include restricted funds listed above, the closing balance represents the unexpended balances of income held on trust for specific purposes. They take into account multi-year commitments, to be paid to beneficiaries in future financial years.

Grant making funds

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

Transfers

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

Grenfell Children and Young People's Fund

Following the closure of the Grenfell Tower emergency appeal, the remaining funds from the Evening Standard Dispossessed Fund appeal and the Artists for Grenfell appeal held were consolidated to form the Grenfell Children & Young People's Fund, a five-year fund set up to support children and young people affected by the tragedy. In addition to the consolidated funds, the Charity received a restricted donation from the Royal Borough of Kensington and Chelsea of £410,000 in 2018-19. Any new funds raised in relation to the Grenfell Tower are now added to this fund.

Notes to the accounts

Prior year comparatives (continued)

Refers to Note 17 – Funds of Pedlar’s Acre Trust

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

The transactions and assets of the separate charities for the year ended 31 March 2023 are shown below:

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

Refers to Note 18 – Application of the power of total return to Pedlar's Acre Fund

The investment power of total return was granted by a Charity Commission Order on 17 January 2011. The Charity received advice from its legal advisors Bates Wells & Braithwaite with regards to the use of the power and ensuring its use does not prejudice the ability of the Charity to support both current and future beneficiaries.

This power permits the Trustees to invest permanently endowed funds to maximise total return and apply an appropriate portion of the unapplied total return income each year. Until the power is exercised to transfer a portion of unapplied total return to income (as disclosed in the note below), the unapplied total return remains invested as part of the permanent endowment. The Trustees have selected the date of the valuation for total return purposes to be the value of the endowment fund at 31 March 2004. Pedlar's Acre Fund has been in existence since the 17th century, however no valuation is available for the charity prior to 31 March 2004. At this date the fund was valued at £1,836,806. The note below shows the opening unapplied total return and fund transfer in the year.

The power of total return allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds and so is available for grant-making expenditure. During the year to 31 March 2022, it was decided not to transfer 3.5% of the value of the fund as at 31 December 2020 to income funds, 3.5% being the amount LCF aims to spend of its permanent endowment funds holding total return power under its endowment spending policy.

The Trustees decided that the duty to be even-handed to future and present beneficiaries was fulfilled by following LCF's standard policy in 2021/22.

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

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

Acknowledgements

Design: **Strudel**

Front cover image: **Brixton Windmill Community Club**

Contact

The London Community Foundation

Canopi, 7-14 Great Dover Street, London, SE1 4YR

londoncf.org.uk

info@londoncf.org.uk

+44 (0)20 7582 5117

Registered charity number 1091263

Company limited by guarantee number 4383269



**The London
Community
Foundation**

londoncf.org.uk

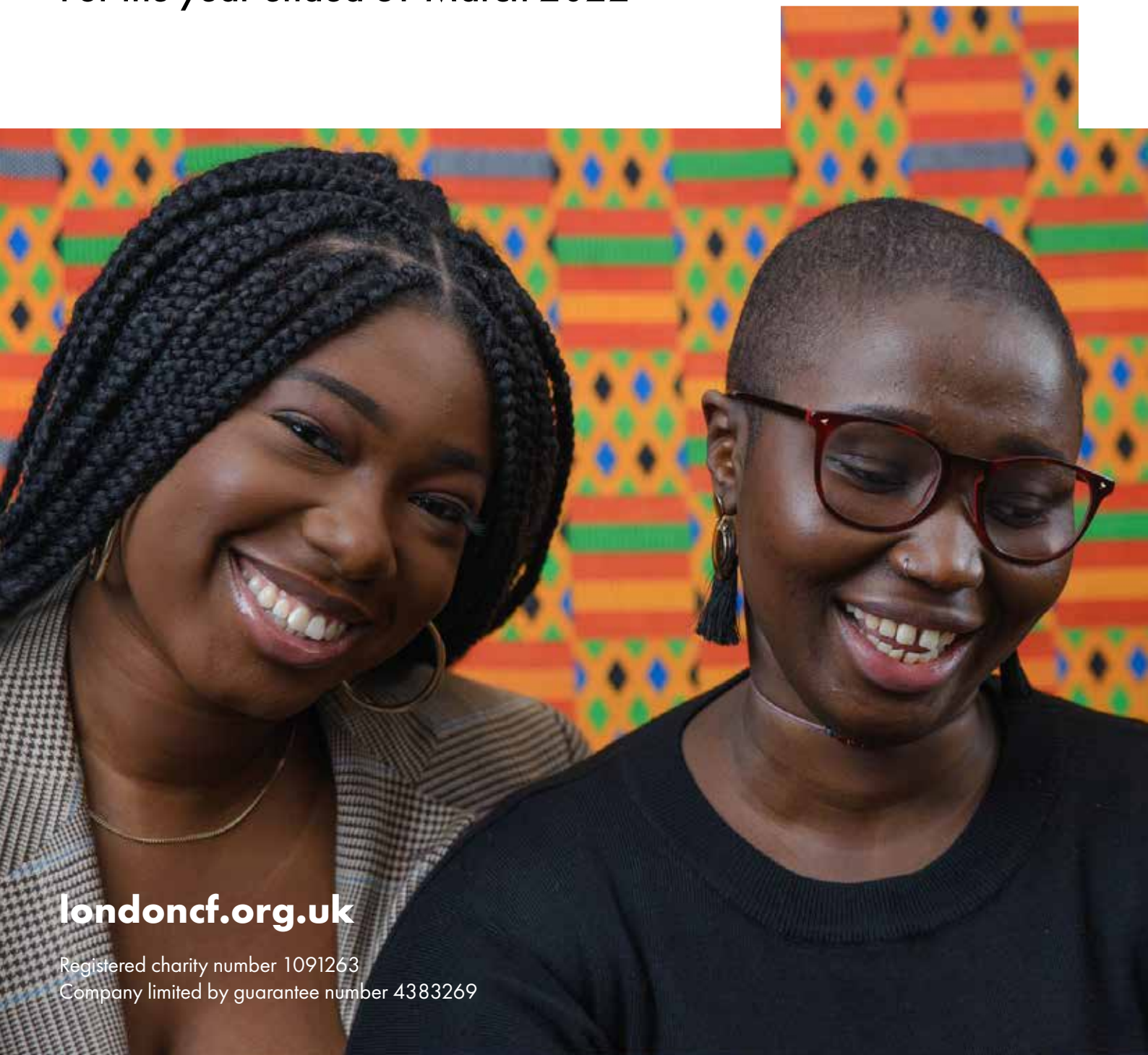
THE LONDON COMMUNITY FOUNDATION

England & Wales - Charity number 1091263

Accounts

Annual Report and Financial Statements

For the year ended 31 March 2022



londoncf.org.uk

Registered charity number 1091263

Company limited by guarantee number 4383269

Who we are

**We are the community foundation for London.
We exist to help build strong and connected communities across the capital.**

We do this by inspiring people, businesses and organisations to invest in smaller, local charities and community groups who support our most marginalised and vulnerable Londoners.



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.

Since 2010,
we have
committed over

**£102
million**

in grants to support
London's grassroots
organisations





Contents

Chair's statement	06
Chief Executive's welcome	08
Our impact	10
Wellbeing: Communities catching their breath	10
Employability: Stepping up to support skills	12
Sustainability: Thinking globally, acting locally	14
A year at The London Community Foundation	16
Annual Report and Financial Statements	18
Report of the trustees	19
Legal and administrative information	19
Coming out of COVID	21
Objectives and activities	23
Public benefit statement	27
Strategic report	27
Financial review	31
People and pay	36
Future plans for 22/23	42
Our approach to fundraising	43
Principal risks and uncertainties	44
Statement of trustees' responsibilities	45
Independent auditor's report to the members of The London Community Foundation	47
Statement of financial activities	53
Summary income and expenditure account	54
Balance sheet	55
Statement of cash flows	56
Notes to the accounts	59

Resetting for the future

We started the year coming out of the depths of COVID-19 and, like so many other charities, facing significant uncertainty: about our donor relationships, future income and therefore our ability to support London's grassroots charities. And, importantly, anxiety about the scale of need facing London's most vulnerable.

This year has been one of profound learning and change for The London Community Foundation (LCF). Central to this was *Resetting LCF for the Future* (Reset, or Reset Programme), a significant change programme working across the charity, covering our operating model, structure, donor offer, values and behaviours and commitment to our people.

Reset's focus was to ensure LCF can be the most impactful community foundation across London – for the capital's communities, grassroots organisations, donors, partners and our people.

For our donors and funding partners Reset has meant expanding the ways we help donors give back to London. LCF has a long history as a grant-maker but with Reset we will maximise our philanthropic advice and grassroots knowledge to support donors who want to give differently.

For London's grassroots charities, Reset reaffirmed LCF's commitment to tackling inequality and driving better equity. LCF's role is to advocate for 'good philanthropy' that can support the organisational

resilience and the impact of grassroots charities whilst ensuring donors have access to diverse charities that truly represent London.

For LCF's people, Reset has brought new values and behaviours, team structure and a refreshed offer to invest in our team and Board.

This year I have been struck by the donors and partners who have stepped up and placed their trust in LCF and our focus on the value of grassroots support. Like JPMorgan Chase's Pathways to Economic Opportunities Programme, focusing on Black and minoritised ethnic-led employability providers; the Mayor's Office for Policing and Crime's (MOPAC) work on violence against women and girls; and our partnership with Peabody investing across their housing estates. Like us, they knew well before COVID-19 just how valuable community organisations are to their local neighbourhoods.

This year has also been one of significant change in the Board of Trustees. I am grateful for the service and commitment of trustees who



departed in-year and excited to see how new faces, skills and perspectives can help govern LCF to maximise its mission. A Board works well when it has a diversity of views and perspectives and these appointments have immediately brought an additional richness to LCF's work, position and voice.

Team wellbeing has remained a key consideration during these last 12 months. Whilst LCF is not a frontline charity, I know the Board is all too aware of the ongoing impact of COVID-19 on our lives and families. That's why our revised People Offer launched as part of Reset centred on helping the team balance their commitments and accountability at work with home life. Like all organisations we continue to navigate what work life looks like post COVID-19.

I am immensely grateful to the team and the Board for their contribution, resilience and commitment to London.

Russell Prior
Chair of The London Community Foundation

Our impact across London



£9,466,000

awarded to charitable
organisations

632

grants awarded

£15,212

was the average grant
size committed

28%

of the organisations we
supported were new to LCF

The value of collaboration

Whether a food bank, a women's refuge or youth club, in today's post-COVID world grassroots charities are increasingly essential for the basics of life. We may be out of the emergency of COVID-19, but the scale to which grassroots organisations are stepping up demonstrates just how profound the crisis of disadvantage is. Our work and partnerships are a vital part of London's services to those most in need.

The Reset Programme we embarked upon was focused on LCF being fit for purpose for the future, despite that future still being uncertain. This work acknowledged the profound impact of the charity to date, but recognised that, in order to effectively serve the capital's interests in the future, we needed to change. As London's needs change, so must the community foundation which serves it.

LCF's work in London depends on the relationships and trust placed upon us, by donors, partners and the grassroots organisations we seek to support. The impact story in this report tells of a grassroots charitable sector exhausted by – but proud of – its vital role reaching some of London's most marginalised people and communities. Yet fearful of what lies ahead – the escalation of need and the worry of a cliff edge in funding. I am also, therefore, grateful to the donors and partners who have responded to our encouragement to flex their philanthropic funding to help those working on the ground.

This year, the LCF team has worked tirelessly to support donors and partners to 'lean in' to the needs of these organisations. As a philanthropist, navigating London's charitable sector can be complex and sometimes daunting. With just under 30% of LCF grantees new to us every year, our role is to ensure we maintain our reach and expertise to support those people and organisations who can – and want – to help.

Like many organisations, COVID-19 forced LCF to challenge its practices: What is unnecessary process? What creates unequal access (however inadvertent)? Where and how do we hold unconscious bias? Holding LCF's mission and purpose as a community foundation

central to change can be challenging, with strong and diverse opinion. This will be an ongoing learning for LCF, but I am thankful to the team and trustees for their reflection, challenge and commitment to how we move forward.

This report also features LCF's values and behaviours which sit alongside the launch of a new EDI strategy.

What's so special about the new values and behaviours was the depth of collaboration and commitment in creating them. We agree that they truly represent the uniqueness of LCF's role in London and the way in which we deliver on our mission for London's grassroots and also our philanthropic partners.

Connecting London's philanthropy to the issues that matter most to London's communities is a very visible demonstration of our work. However, behind the scenes, we have also progressed immense improvements to the systems, processes and infrastructure that support our impact. This work is no less important than the team's fundraising and grant-making. It is the engine by which we deliver our mission. Whether that's inspiring a donor to give differently; grant-making to a new charity, overhauling a digital process or telling the stories of local London on social media.

Every role at LCF is precious to our mission, every person has the potential to be a driver to achieve it.

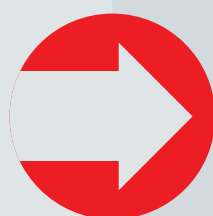
With my thanks,

Kate Markey
CEO of The London Community Foundation

Our values and behaviours

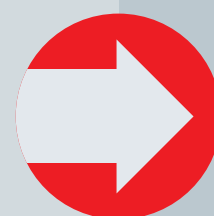
Our vision:

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



Our purpose:

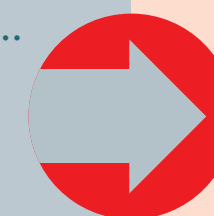
Through good philanthropy, our knowledge and expertise, we convene donors to invest in charitable organisations working to overcome the issues affecting London.



Our values:

LCF makes a difference because...

- We are Equitable
- We are Accountable
- We are Responsive
- We are Collaborative
- We are Impactful



Our behaviours:

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

Communities catching their breath

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

Britsom, one of our Youth Futures Fund partners

If COVID-19 taught us anything, it's the incredible impact of donors, funders and community organisations coming together to tackle a crisis. In 21/22 – a year in which the pandemic showed few signs of abating – mental health and wellbeing threatened to become just that.

With under-25s representing almost a third of London's population, the wellbeing of young people fast became one of our highest priorities. Having barely caught their breath after months of loneliness, anxiety and isolation from their peers, young Londoners continued to face worsening job prospects, greater risk of violence and abuse, as well as fewer opportunities and activities. With statutory services already so stretched and workforce shortages representing the single biggest threat

to improving mental healthcare in the UK¹, London's small community organisations had a pivotal role to play in picking up the many young people who fall through the gaps. To help tackle this burgeoning mental health crisis, this year we supported our partners to launch a far-reaching catalogue of wellbeing funds, including the **GVC Fund**, **Paddington Central Community Fund** and the **Lambeth Wellbeing Fund**. We closed the year in March with the launch of our **Youth Futures Fund**, a multi-year programme of pooled funding which saw donors collaborate to support young people across the capital. This first round, focused exclusively on mental health, supported organisations offering vital services to improve young people's wellbeing and to reduce isolation and anxiety.

¹ House of Commons, Health and Social Care committee report, November 2021: <https://committees.parliament.uk/publications/8156/documents/83466/default/>

Funding and support

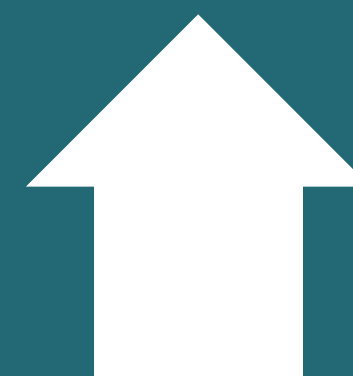


23%

of our funding for the year was awarded to charities supporting children and young people

£396,328

of our funding was awarded to specialist organisations supporting people with physical or mental health issues



Our impact:
employability

Stepping up to support skills

"The young people who have benefitted from Skill Up Step Up have seen an increase in confidence, restored hope in their future and exciting job opportunities to look forward to."

Resurgo

This year, Londoners aged 16-24 poised and ready to enter the jobs market were met with the harsh reality of a 20% unemployment rate, while job vacancies in the capital were at an all-time high. To counteract this paradox, our **Skill Up Step Up** employability programme – launched in December 2021 in partnership with **Evening Standard** and **Barclays Lifeskills** – began pairing unemployed young Londoners with local businesses in need of staff. With the help of five partner charities, these young people received skills training and wrap-around support, preparing them for jobs pledged by big industry brand names. Within a month of launching the campaign, the number of pledges had already reached 100 and they continue to rise.

"We are extremely grateful and humbled by the solidarity and support expressed through this grant. We would like to thank the amazing people and organisations behind the grant who have looked past the immediate situation and encouraged us to stay strong in the face of adversity... this is what we mean when we say, 'actions speak louder than words'."

account3, one of our P2E partners

Our £2 million **Pathways to Economic Opportunities Programme** (P2E) supported by **JPMorgan Chase** also placed a strong emphasis on entrepreneurship, employment and small business development. Launched in October 2021 for organisations led by and for Black and minoritised ethnic communities, the programme sought to reduce the structural barriers to economic opportunity that were only highlighted and exacerbated by the pandemic.

Thanks to the trust and commitment of JPMorgan Chase, The London Community Foundation is supporting a collaborative and co-designed programme giving voice and influence to the organisations involved.

Funding and support



5.4%

of our funding was awarded to support the long-term unemployed or young people (16-24) not in education, employment or training (NEET)

16%

of our funding was awarded to Black and minoritised ethnic communities including led by and for organisations

"Being a part of the Skill Up Step Up programme has been absolutely amazing for us. It has really given us the ability to think outside the box and do things differently – like our employer 'Meet & Greets', which have helped our candidates secure roles in top business consulting and market research firms."

20/20 Change



Our impact: sustainability

Thinking globally, acting locally

“With the support of the Greener Futures Fund, we are excited to put climate education and action at the heart of school life so that young people can be catalysts for change, now and in the future.”

Green Schools Project

Life post COVID-19 has forced us all to evaluate our unique place in the world; communities consciously began looking outward and ahead. But these two years like no other also taught us to value and protect what was already within our reach – our wellbeing, our communities, and our environment.

Climate connected the local to the global. From individual day-to-day actions to momentous political decisions at this year's COP26, throughout this crucial year for our planet, there was an increasing recognition that place-based work plays a powerful role within a global context. Small, local charities are uniquely placed to change behaviours, raise awareness, reduce waste and, in turn, make their communities a greener and better place to live.

That's why in December 2021, we supported our partner **Grosvenor** to launch their first dedicated climate-focused programme – the **Greener Futures Fund**. The programme empowers six incredible organisations across Westminster and Southwark to take local action on climate change by raising awareness,

upskilling local people for employment in the climate sector, and improving access to nature.

#FlexibleFunder

Without financial sustainability, London's grassroots charities won't meet the local challenge of tackling climate change. That's why we championed our #FlexibleFunder commitments post-pandemic and have continued to work with our donors to advocate for greater flexibility in funding.

“The ‘Greener Futures Fund’ initiative will empower local residents to create or improve green spaces where they live. Together we'll tackle local climate change, improve wellbeing, and help build confidence and skills.”

Bankside Open Spaces Trust



A year at The London Community Foundation

June

Together with the **Evening Standard**, we announce a £1 million grant – our largest grant awarded in 21/22 – to the **Felix Project**, a London-based food redistribution charity that rescues food surplus from the food industry and delivers it to 600+ charities, schools and organisations.



July

We launch the **Young People's Fund** in line with our partnership with Peabody. The fund supports grassroots community groups who are putting youth voice at the centre of their work to tackle violence affecting young people.

August

Alongside our community foundation partners around the UK, we deliver the **Made By Sport 'Clubs in Crisis'** fund, distributing £364,000 in grants to local sports clubs across London to provide activities and sports development programmes for young people.

September

We launch the **London Refugee Response Fund** in partnership with the **Greater London Authority** to give Londoners a way to provide much needed support to new arrivals from Afghanistan. Alongside other charitable funders and the Refugee Council, donations go to support small Afghan-led charities working in the capital.

October



Our 14 runners complete the **Virgin Money London Marathon 2021** and raise a combined £34,000 for The London Community Foundation – our Director for Development and Communications, Laura, ran the race for the first time!

We award the grants for Phase 1 of our £2 million **Pathways to Economic Opportunities Programme** with support from **JPMorgan Chase**. Our delivery partners Action for Race Equality and the Ubele Initiative work with six grantees to co-design the second phase of funding, to be awarded in 22/23.

Our partner **Grosvenor** commits £100,000 to their very first dedicated climate-focused fund, the **Greener Futures Fund**

November

Lambeth Wellbeing Fund launches with an extra investment from **Lambeth Council** making £342,000 available to individuals and organisations delivering projects in Lambeth supporting residents' wellbeing.

GVC Fund awards £300,000 to projects delivering sport and healthy activity supporting men's physical and mental health across London.

December

We launch the £1 million **Skill Up Step Up** campaign with our longstanding partners **Evening Standard** and **Barclays Lifeskills**. The programme will support young people aged 16-24 into training and employment in the capital.

Annual Report and Financial Statements

The **Wimbledon Foundation Community Fund** + round awards £197,157 in 10 grants providing two-year continuation and development funding to smaller, user-led charities and community groups previously awarded a Wimbledon Foundation grant, to support post-COVID recovery and build sustainability.

January

The UK **Community Foundations** network announces the £5 million **Arts Council England Let's Create Jubilee Fund** across England, funding creative projects to celebrate the Queen's Platinum Jubilee in June. We distribute grants across 22 London boroughs.

The Skill Up Step Up campaign reaches 100 jobs pledged.

February

We introduce our partner, **Cellnex**, to 10 small local charities to fund equipment, skills, and support that will increase their beneficiaries' access to digital.

March

We co-host the second **London Impact Awards** with our partners, **Citi Foundation**. This year's theme was 'Powered by Women' and awarded three women-led organisations and one Young Person with Impact for the vital work they do to champion women across the capital.

Youth Futures Fund awards nearly £371,000 for mental health causes and the fund is officially launched in an online event co-hosted with **Bank of Ireland**.

The Peabody Community Fund allocates £461,568 to 24 organisations who support projects and activities designed to improve the quality of life of **Peabody** residents. This takes the total awarded since the fund was founded in 2014 to over £2 million (£2,149,081).

April

£3 million is awarded to 41 organisations through our **Violence Against Women and Girls Grassroots Fund** and the programme, managed on behalf of **MOPAC**, officially begins.

We open the **Elephant & Castle Community Fund** to build on the strengths of local people, celebrate the rich cultural diversity of the area, and support the people who are most at need in this time of change.

May

'**Overcoming barriers to funding: A strategic partnership report**' is published in partnership with **Muslim Charities Forum**. This work explored the findings of our partnership and involved research, outreach work, webinars and roundtable discussions with Muslim-led grassroots organisations.



Annual Report and Financial Statements

For the year ended 31 March 2022

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 2022. 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

(SORP) 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:
1091263**

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

Principal office and registered address:

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

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

Russell Prior
Chair of the Board

Gaynor Humphreys

Genine Whitehorne

John Hume
Chair of Programmes
and Impact Committee

Natalie Creary

Paul G Cattermull
(to October 2021)

Sanjay Mazumder
Chair of People Committee (to
May 2022)

Scott Greenhalgh
Chair of Supporter Engagement
Committee (to June 2022)

Timothy C Ingram
Chair of Audit, Risk,
and Investment Committee
(to September 2021)

Veesh Sharma

Urmi Dutta-Roy
(from March 2022)

Owen Jenkins
(from March 2022)

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

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

Kelly Rust:
Director of Grants and Impact

Laura Perkins:
Director of Development and
Communications

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

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

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

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

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

This report partially covers the period of final lockdown and other government restrictions, whereby LCF continued to deliver COVID-19 recovery funding during the first part of the financial year in partnership with the London Community Response (a collaboration between London funders) and also with the UK Community Foundations network.

The charity was still operating remotely with heightened governance oversight, including additional agile Board and Sub-Committee Meetings, enhancing the annual Board cycle. Physical operations re-opened safely in September 2021 and in line with government guidance on office working.

The organisation remained (and remains) focused on health and safety and team wellbeing as restrictions eased, providing flexibility as much as possible.

Operating remotely meant continued vigilance on digital processes and procedures across grant-making, financial management, and information sharing, which have remained throughout the year as standard practice.



Objectives and activities

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

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

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 local charities and community groups.

Our objectives, as defined in the Memorandum and Articles of Association, are:

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

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

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

The ‘Area of Benefit’ for The London Community Foundation is the London Boroughs and the City of London.

Our core activities are:

1. Funding predominantly small charities and community groups that do not attract mass public support.

We strive to make our grant-making process proportionate and accessible to small organisations. Our website provides resources and support to potential applicants seeking funding. This includes fund values and the expected number of grants to be awarded to help applicants decide if they want to apply. Our Grant Standard Operating Procedures are grounded in respecting the time and expertise of grassroots organisations seeking to work with us whilst being accountable for the funds we manage for donors and partners.

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.

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

We do this by promoting the work of local charities addressing the capital’s needs and building on its community strengths. This includes thought

leadership and engagement across London's philanthropic landscape, private banks, and wealth advisory and intermediary services.

Through our work, connections and knowledge, we help donors get close to the issues affecting London and build a compelling case for how local charitable 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. We work with a third-party investment house to provide this service. We also manage public sector funds on behalf of local and central government departments.

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

As of 31 March 2022, The London Community Foundation held £24,050,000 (2021: £23,750,000) in endowment funds, an increase of £300,000.

Endowment funds held have been raised primarily through:

- Individuals and companies that want to create an enduring legacy in a particular geography or cause in the capital. We can work with donors to consider their philanthropic ambitions and how to achieve them, now and in the future, as a flexible alternative to establishing their own charitable foundation or trust.

- Charitable trusts can be transferred to The London Community Foundation (as with other community foundations), with the support of initiatives like the Revitalising Trusts Initiative by the Charity Commission. We can honour the original objectives and/or work with trust representatives to revive them for modern-day needs. Trusts may be transferred if they have become dormant or ineffective, or if trustees feel that The London Community Foundation will help to increase the impact of their charitable assets.

Structure, governance and management

The London Community Foundation is a Company Limited by Guarantee (CLG) and a Registered Charity governed by its Memorandum and Articles of Association.

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

Appointment, induction and training of trustees

As set out in the Articles of Association, new trustees are appointed by the trustees in office. There are no powers of appointment or co-option by any external organisation. New trustees are appointed through an external open and competitive recruitment process. The People Sub-Committee of the Board is responsible for nominations and makes recommendations to the full Board of Trustees on appointments.

On 24 January 2022, the Board adopted by special resolution to revise the charity's Articles of Association. Key amendments included the option

for a trustee to serve an additional 12-month term at the end of the three terms of three years (subject to 75% Board approval); streamlining trustee anniversary dates and updating the quorum to be 50% of trustees in office (alongside general best practice updates).

On 31 March 2022 LCF had 10 trustees (maximum 18) with the Board agreeing its optimal number is between 10 and 12. This is supported by regular Skills Audits and Board Performance Reviews

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

Structure

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

The **Programmes and Impact Committee** meets four times a year and includes a minimum of two trustees to be quorate. It has ultimate authority, delegated by the trustees, to authorise grants and funding. The Committee also has the power to delegate authority to approve grants to senior staff in line with a Delegated Authority Framework.

Delegated authority currently sits with the Senior Management Team (SMT) for standard risk grants under £50,000 and the Middle Management Team (MMT) along with SMT for under £25,000.

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

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

The trustees and team wish to express their sincere appreciation for the expertise and knowledge of the civil society infrastructure organisations and individuals who have helped to inform, challenge, and shape our grant-making over the last year. This ensures our work and advice to donors is rooted in, and shaped by, the experience of London's communities. To name but a few, these include Muslim Charities Forum, The Ubele Initiative, Action for Race Equality, the Grenfell Young People's Fund panel, the Peabody Young People's Fund panel, Annabel Jackson Associates Ltd, Steve Clare (Cyta Consulting Ltd), The Social Innovation Partnership (TSIP) and the VAWG grassroots sector.

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

- Recommending to the Board of Trustees the appointment of, and performance review of, LCF's investments and investment managers
- Recommending the budget, business plan and

- targets to the Board of Trustees for approval
- Reviewing the draft statutory Financial Statements and recommending approval to the Board of Trustees
- Appointing and receiving the reports of LCF's auditor
- Reviewing financial policies and controls, reserves policy and investment and endowment spending policies
- Overseeing risk management

The **People Committee** meets quarterly and at other times as required. It comprises a minimum of two trustees to be quorate. The Committee is responsible for:

- Recommending trustee appointments and performance to the Board
- Reviewing LCF People Policies and Protocols
- Receiving, monitoring key people data and surveys on behalf of the Board
- Providing oversight on organisational culture and human resources, including remuneration of the CEO, SMT and the wider LCF team

The **Supporter Engagement Committee** meets quarterly and at other times as required. It comprises a minimum of two trustees to be quorate. The Committee is responsible for:

- Overseeing Development (fundraising) performance, including donor products and pricing, pipeline, and portfolio
- Supporting strategic communications and influence
- Overseeing key donor policies and protocols

- Recommending decisions on issues of donor ethics and gift acceptance
- Monitoring donor engagement and satisfaction.

Day-to-day operation of LCF is the responsibility of the **Senior Management Team** (SMT) and the **Middle Management Team** (MMT). The average number of team members employed during the year using a full-time equivalent basis was 19 (2021: 19).

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

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

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

Public benefit statement

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

The remainder of this report sets out LCF's objectives, and reports on the activity and successes in the year to 31 March 2022, as well as explaining the plans for the current financial year. LCF's work benefits a range of local London charities, community groups and their beneficiaries.

The trustees have considered this matter and concluded that:

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

Strategic report

21/22 objectives, achievements and performance

A key priority for LCF this year was learning from COVID-19 and challenging our practices and performance coming out of the pandemic. The result was *Resetting LCF for the Future* (Reset, or Reset Programme), the largest strategic change programme in LCF's history. Reset included:

- Relaunching the organisation's Mission and Purpose
- Co-designing new values and behaviours

- Launching a new People Offer with the team
- Expanding services to donors on how we deliver funds to London's communities

The results are featured across this Annual Report and involved significant team and trustee engagement and co-design. The changes were driven, in part, by LCF's continued commitment to be responsive to the needs of London's communities and donors, sustainably and at scale. This has resulted in new ways for donors to give, beyond LCF's traditional grant-making services. This key strategic work was accompanied – and influenced by – a review of equity, diversity, and inclusion at LCF, involving our people and

practices. The inequalities highlighted by COVID-19 and the sharp focus on racial injustice and power have rightly encouraged funders and the wider charity sector – including LCF – to challenge ourselves as institutions. This has been a cross-organisational review, including an EDI audit, and team and trustee development, which will result in a new Strategy and Action Plan to be rolled out in 22/23.

We continued our key purpose of amplifying the needs of London, hosting a range of events, roundtables and thought leadership discussions on issues such as violence against women and girls, mental health and young people, and local climate action. This remains a vital part of our work in bringing donors and partners closer to the capital's grassroots and supporting them to navigate and develop their giving. An important aspect of this convening work is also supporting donors to develop their knowledge of the needs (financial and organisational) of small charities and their operating environments, specifically building the case for long-term funding.

LCF's Board centred its oversight during the year on several strategic areas that are reflected in the work outlined above. They were:

- Culture
- Impact and thematic areas (particularly post COVID-19) that LCF should prioritise
- Organisational structure and operational model
- Donor products and development
- Financial resilience

LCF governance

New Board appointments in 21/22 bolstered LCF's investment and finance expertise and continued our commitment to ensure the charity has not only the skills we need, but also the diversity of lived experience and perspective in London. Work across the Board and team has increased in the year, building on an inclusive culture and vision for LCF to help tackle inequality and disadvantage in the capital through our unique role as The London Community Foundation.

Working with our donors and funding partners

We are grateful to key partners such as the Mayor's Office for Policing and Crime (MOPAC), Evening Standard, the National Emergencies Trust and our membership organisation UKCF (and its funding partners) for the opportunity to collaborate on funds and programmes to support vulnerable Londoners. Our impact is built on the relationships we hold with donors and partners and the trust they place in our work with small charities in the capital. This includes the many existing and new donors who have joined forces in LCF's Youth Futures Fund to provide critical multi-year funding for charities working to support young people's mental health. Their commitment to sharing decision-making and outcomes on this important fund will be a blueprint for future pooled funds and demonstrate what is possible when donors collaborate. During 21/22, LCF's funding sources included:

- Corporates – 32%
- Local public authorities – 32%
- Trusts and foundations – 27%
- Individuals – 8%

LCF and our grant-making

At the start of 21/22, LCF was still delivering COVID-19 response funds, in partnership with other London funders (the London Community Response) and with UKCF. Wave 5 of the London Community Response was launched in January 2021, with grants concluding in-year. Funding committed by LCF as part of this collaborative effort was focused on supporting small charities providing vital services, including people experiencing mental health and domestic abuse.

Outside of this funding, LCF continued to monitor the ongoing effects of the pandemic both on the grassroots organisations it funds and the people they seek to serve. Domestic abuse, violence affecting young people, and mental health remained escalating issues throughout the year, alongside a renewed focus on climate change at a grassroots level.

Creating greater equity and diverse voice has sat at the heart of LCF's funding in this important year post COVID. This has included supporting donors to consider where they prioritise funds, how they give and who makes decisions about funding. This has resulted in a series of important funds and programmes prioritising specific marginalised communities, funds to diverse infrastructure organisations, as well as the development of key policies and activities to maintain transparency and equity in how LCF funds. This is ongoing as we commit to learning ourselves and supporting donors to shape their philanthropy going forward.

LCF and our financial performance in 21/22

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

Reporting on our people

In this third year of LCF reporting diversity data on its Board and team in its Statutory Accounts, we have added key insights and challenges as part of our continued commitment to being accountable for how we represent London. This is not a statutory requirement, but the charity is committed to this level of transparency as a key part of its EDI work.

Financial review

Income

The total income for the year was £12,183,000 (2021: £21,474,000). 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 was £1,071,000 (2021: £1,075,000), a decrease of 0.4%.
- Restricted voluntary income received was £10,287,000 (2021: £19,578,000), a decrease of 47%.
- Investment income was £737,000 (2021: £761,000), a decrease of 3%.
- Income from other trading activities was £61,000 (2021: £60,000) an increase of 2%. This relates specifically to rental income from sub-letting office space.

Expenditure

The statement of financial activities (SOFA) 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 larger initiatives to support London’s local civil society. It also includes the cost of running grant-making operations and associated support costs. Grants payable in-year totalled £9,169,000 (2021: £18,432,000), a decrease of 50%.

LCF’s main cost is our team, which represented 66% of the charity’s expenditure (excluding grant awards) (2021: 60%). Staff costs are allocated to the costs of raising funds and charitable activities based on time spent. Support team costs are allocated in a similar manner. Team costs, which include employees and contractors, have increased to £1,098,000 (2021: £1,039,000) an increase of 5%. The charity’s team count remained at an average of 19 full-time equivalent staff (2021: 19).

Cash position

LCF’s cash balances (excluding any cash held by the investment managers) have increased to £10,328,000 (2021: £8,500,000), largely due to the receipt of an increased amount of restricted funds. Cash held by LCF mainly represents restricted funds held for the purposes of grant-making and, of this balance, £9,645,000 represents restricted and endowment funds (2021: £7,933,000). 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 the needs of the community and grant applicants, as well as internal resources and planning.

Of the £890,000 net general reserves (2021: £796,000), £683,000 is a cash balance representing unrestricted funds (2021: £903,000) and £329,000 is invested (2021: £303,000), leaving other net liabilities of £122,000 (2021: net liability £410,000). The decrease in unrestricted net liabilities is due to a decrease in deferred income. 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. Please refer to note 12 for further context.

Diversity of income and financial sustainability

Our business plan sets out that no one fund, or programme, should contribute more than 20% of the charity’s income or 35% of the charity’s grant-making in any year.

Investments

LCF’s investment managers are CCLA Investment Management Ltd. LCF has set a clear investment policy which is driven by the charity’s principles. This policy is reviewed annually and is consistent with the trustees’ responsibilities under the Charities Act.

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

The total value of funds invested, including cash held by investment managers for re-investment, amounted to £25,001,000 (2021: £24,560,000). The market value movement in the year represented an unrealised gain, slightly offset by sales of investments for grant-making purposes during the year. The portfolio at CCLA is invested in the investment managers’ own pooled funds with underlying

holdings in a broad spread of international ‘blue chip’ equities, fixed income stocks and alternative investments. The total investment performance of the funds and the peer group comparison are shown below.

LCF’s Audit, Risk and Investment Sub-Committee is responsible for monitoring investment performance.

LCF takes a long-term view and measures the long-term performance against the ARC Steady Growth

benchmark. The benchmark is a standard indicator of relative performance used by the investment industry and charities. CCLA provides quarterly reports and presents to the Sub-Committee at least once a year whilst also responding to specific requests during the year.

	Total investment performance in year to 31 March 2022 (net of fees and costs)	Total investment performance in year to 31 March 2021 (net of fees and costs)	Total investment performance annualised three-year return to 31 March 2022 (net of fees and costs)
CCLA - COIF Investment Fund	11.62%	24.31%	11.52%
ARC Steady Growth (peer group comparison)	6.29%	24.01%	6.68%

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 enduring impact. The capital of permanent endowment may not be spent. Endowment reserves at 31 March 2022 stood at £24,050,000 (2021: £23,575,000). The increase of £475,000 (or 2%) is due to net investment gains during the year.

Restricted reserves comprise funds available for expenditure in accordance with the donors' strategies for giving. Donations are typically spent over one to two-year periods, however, LCF encourages its donors to open multi-year funds to support the ongoing resilience of charitable organisations, which in some cases leads to the build-up of restricted reserves. Restricted reserves at 31 March 2022 were £8,184,000 (2021: £5,300,000). The increase is due to the timing of grant programmes.

Designated reserves are funds set aside from unrestricted reserves at the discretion of the trustees. The £50,000 designated fund for digital development was spent in-year.

General reserves are the balance of LCF's unrestricted reserves that have not been designated for a particular purpose and, as such, are freely

available to the trustees for any of the charity's purposes. The general reserves held at 31 March 2022 were £890,000 (2021: £796,000). 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 whereby general 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 in the years 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 than one year ahead.
- General reserves at this level enable us to plan for the longer term and to utilise resources more efficiently.
- Holding of endowment: LCF holds £24,050,000 of endowment funds, of which £5,599,000 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.

- Planning in the longer term: LCF operates a five-year planning process to allow a long-term strategy.
- LCF's level of general reserves as at 31 March 2022 was £890,000. This amount is greater than the figure calculated under the Reserves Policy, which is £698,000. However, the trustees are comfortable with the level of reserves held at the current time, given the continuing uncertainty of the longer-term impact of the COVID-19 pandemic on future income.

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 supporting both current and future beneficiaries. They will only use the power to spend the capital growth to the extent that the ability to support future charitable organisations will not be prejudiced.

Beaufoy Trust

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

Endowment spending policy

LCF's policy regarding expendable endowments is to allocate a set percentage of the value of each fund at December each year for expenditure on grants and direct charitable expenditure in the next financial year. The trustees review this policy every year and set the appropriate percentage to be applied to the fund value as at 31 December. During 2022 the percentage used was 3.5% (2021: 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% (2021: 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.

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

People and pay

Remuneration policies

LCF had on average of 19 full-time equivalent staff during 2022 (2021: 19). As part of the Reset Programme's review of LCF's wider People Offer, salaries were benchmarked and placed into revised salary bands and job families, balancing the charity's commitment to attracting and retaining people, alongside inflation and future overall affordability. Recommendations are received on salary structure from the CEO and SMT in consultation with relevant line managers. The recommendation for the CEO's salary is made by the Chair to the People Committee.

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

Our approach to pay

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

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

the charities and community organisations we fund to pay the London Living Wage.

Remuneration of key management personnel

The trustees consider that they, together with SMT, comprise the key management in charge of directing and controlling, running, and operating the charity.

SMT was as follows during the year:

CEO, Director of Grants & Impact, and Director of Development & Communications. During this period, an interim Finance & Resources Director supported LCF, in line with the organisation's plans to transition to a future permanent Chief Operating Officer role. The total benefits of the employed SMT, including employer pension contributions, was £264,055 (2021: £207,578).

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 2022 (2021: 0).

Pay ratio

The ratio of our highest salary rate to our median salary during 2022 was 2.39:1 (2021: 2.34:1).

Diversity and people at LCF

This is now the third year of the charity reporting on diversity across its team and trustees. This reporting is part of LCF's ongoing commitment to equity, diversity, and inclusion (EDI). Although we are not legally

required to report against diversity, we are committed to being transparent, holding ourselves to account and learning from our challenges and progress. This work forms part of a wider EDI strategy and also relates to the Charity's Reset Programme.

Our EDI Survey

The following data tables (pages 38 and 39) is taken from an anonymous diversity survey of trustees and team members at LCF across the last three years. Responses to the survey were not mandatory, were self-reported and each question included an option

of 'Prefer not to say'. This means people did not need to complete the survey and could leave some or all sections unanswered. LCF is a small team and Board and, therefore, the process of gathering and representing data responsibly and respectfully is different compared to a large organisation.



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

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

How are we doing?

Over the three years since starting the survey, LCF’s Board has improved its diversity across ethnicity, sexual orientation, and age range. Ethnicity representation across Asian/Asian British and Black/Black British has increased markedly. Younger trustees have significantly increased across 21 /22, also in line with the charity’s desire to welcome people without previous charity governance experience. This is particularly of note in relation to London’s demographics. However, despite three trustee recruitment campaigns over the years reported, disabled people remain significantly under-represented, and we will seek to address this over the coming years as trustee terms change.

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

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

Wider equity, diversity,
and inclusion at LCF

During this year, the charity’s team and trustees collaborated to launch a new EDI Strategy and three-year plan touching all aspects of LCF’s people, culture, and operations. This included a new EDI Statement which – together with LCF’s new values and behaviours (pages 8 and 9) – underpins our commitment to an inclusive culture and approach to all whose lives and work is touched by LCF.

Our EDI Statement

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

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

We define equity, diversity, and inclusion as:

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

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

Inclusion means everyone feels they belong, feels safe, valued, has a voice and a means to participate and realise their potential. Diversity efforts alone do not create inclusive environments. For LCF, this means taking active steps to listen, reach and involve people, particularly those who tend to be under-represented or whose voices tend not to be heard, and to welcome and accept them as they are. LCF’s EDI Strategy reaches across the organisation including our governance, people, culture, grant-making and donor engagement. The charity is also working with its peer community foundations on diversity and inclusion as part of its membership of the UKCF network.

Future plans for 22/23

Following the Reset Programme, 22/23 will focus on embedding and learning from changes internally whilst ensuring LCF continues to grow its convening role in London and progresses its strategic commitments across equity, diversity and inclusion. Each area of the charity's work will have operational plans to align with the charity's overarching strategic objectives. Summary activities are highlighted below:

- **Foster a culture of belonging and inclusion across the LCF team and Board:**

- Progress LCF's EDI strategy ensuring collaborative work across the Board and team
- Embed and learn from the impact of LCF's revised People Offer, including hybrid working culture

- **Grow our knowledge, reach and connection with London's communities:**

- Conduct a snapshot state-of-the-sector survey on London's grassroots
- Work with grantees to tell us how we are doing on our grant-making

- **Diversify and grow our donor portfolio and products:**

- Launch new donor pooled funds
- Grow LCF's individual donor portfolio
- Embed and learn from new ways of delivering giving for donors

- **Make the best use of our time, data, and digital solution, ensuring compliance:**

- Procure and embed a new digital system that ensures our grant-making remains accessible, supports donor engagement and underpins the charity's funding operations

- **Build long-term financial resilience:**

- Review LCF's Reserves Policy
- Review LCF's property arrangements in line with new ways of working

Our approach to fundraising

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

Only LCF's team and trustees are involved in fundraising for the charity (aside from a small group of individuals raising donations on our behalf through fundraising events like the London Marathon). We 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 2022.



Principal risks and uncertainties

The trustees consider the major risks to which LCF is exposed by conducting a review. This forms part of the business planning process by maintaining a risk register which is reviewed 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.

1. Shortfall of income: Long-term financial resilience for LCF remains a key strategic risk for the organisation. The result of a shortfall in income 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. Our team remains the single largest cost and this is regularly reviewed by SMT against fund management and new business development, the latter managed tightly through regular weighted 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 year on year. Financial resilience is key to LCF being able to sustain its strategic objectives and direction whilst weathering challenging periods. We have strengthened reserves in 21/22 and seek to manage costs tightly, through collaboration, improving systems and influencing how donors work with LCF.

2. Potential or perceived misuse of funds: The result of which could be reputational and/or loss of donors and income. As a high-volume, small grant funder – and often at pace – LCF's reputation relies

on the trust bestowed upon the charity by its donors and partners. We seek to mitigate the risk of potential fraud, funding inappropriate or eligible organisations and poor funding decisions through Standard Operating Procedures, controls, and development and learning across the team.

3. Data and cyber security: Post COVID-19 individuals and organisations alike are more digitally dependent and, therefore, face greater risk of cybercrime. LCF is a relationship-based organisation, from applicants and grantees to donors and our wider stakeholder networks. Regular review of our controls, team awareness and training, and Board oversight help mitigate this risk. In addition, we have upgraded our information management systems and IT provision, and we are progressing our government-backed Cyber Essentials accreditation.

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 situation 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: SORP 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 to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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

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



Russell Prior
Chair

Dated 21 November 2022

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

Opinion

We have audited the Financial Statements of The London Community Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities (SOFA), the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the Financial Statements. 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 2022 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

In auditing the Financial Statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually

or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the Financial Statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the Financial Statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report and Financial Statements.

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.

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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the Financial

Statements are prepared is consistent with the Financial Statements; and

- The trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. They are also responsible for such internal control as the trustees determine are necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

influence the economic decisions of users taken on the basis of these Financial Statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the Financial Statements are those that relate to the reporting framework (SORP: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)), the Companies Act 2006 and the Charities Act 2011 and those that relate to data protection (General Data Protection Regulation) and fundraising regulations and employment law;
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's Financial Statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure, ensuring expenditure was approved in line with the charitable company's financial procedures;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reviewing the minutes of meetings of those charged with governance; and
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Catherine Biscoe (Senior Statutory Auditor)

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

Buzzacott LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

Signature: *Buzzacott LLP*

Dated: 2 December 2022

Statement of financial activities for the year to 31 March 2022

	Notes	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Income and endowments from:							
Donations and legacies	2a	1,071	-	10,287	27	11,385	20,653
Investments	2b	296	-	383	58	737	761
Other trading activities	2c	61	-	-	-	61	60
Total income		1,428	-	10,670	85	12,183	21,474
Expenditure on:							
Raising funds	3a	542	-	12	-	554	531
Charitable activities:							
Grant programme	3b	883	58	9,285	-	10,226	19,481
Community development	3c	2	-	23	-	25	21
Total		1,427	58	9,320	-	10,805	20,033
Net income / (expenditure) before investment gains and losses		1	(58)	1,350	85	1,378	1,441
Net gains on investments	9	25	-	-	1,992	2,017	4,235
Net income / (expenditure)		26	(58)	1,350	2,077	3,395	5,676
Transfer in / (out) between funds	14,15	68	-	1,534	(1,602)	-	-
Net movement in funds		94	(58)	2,884	475	3,395	5,676
Reconciliation of funds:							
Total at 01 April 2021		796	64	5,300	23,575		29,735
Total at 31 March 2022	12	890	6	8,184	24,050	33,130	
All the activities of The London Community Foundation derive from continuing operations. There are no recognised gains and losses other than those shown above.							

Summary income and expenditure account

for the year ended 31 March 2022

	Total 2022 £000	Total 2021 £000
Total income from continuing operations	12,183	21,474
Total expenditure from continuing operations	(10,805)	(20,033)
Net income for the year before transfers and investment asset disposals	1,378	1,441
Transfers from endowment funds	1,544	204
Realised gains on disposal of fixed asset investments	24	31
Net income	2,946	1,676
Total income comprises £1,428,000 (2021: £1,418,000) of unrestricted funds, £10,670,000 (2021: £19,996,000) of restricted funds and £85,000 (2021: £60,000) of endowment funds.		
Detailed analysis of the expenditure is provided in the SOFA.		
Net income before investment asset gains and transfers from the endowment funds for the year is £1,378,000 (2021: net income £1,441,000).		
This comprises net unrestricted expenditure of £1,000 (2021: net income £4,000), net designated expenditure of £58,000 (2021: none), net restricted income of £1,350,000 (2021: net restricted expenditure £1,371,000) and net endowment income of £85,000 (2021: £60,000).		
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 SOFA which, together with the notes to the accounts on pages 59 to 91, provides full information on the movements during the year on all funds of the charitable company.		

Balance sheet

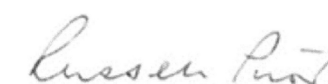
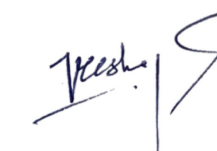
as at 31 March 2022

	Notes	Total 2022 £000	Total 2021 £000
Fixed assets:			
Tangible assets	8	6	14
Investments	9	25,001	24,560
Total		25,007	24,574
Current assets:			
Debtors	10	295	165
Cash at bank and in hand		10,328	8,500
Total		10,623	8,665
Creditors: amounts falling due within one year	11	(2,500)	(3,504)
Net current assets:		8,123	5,161
Net assets		33,130	29,735
The funds of the charity:			
Capital funds:			
Expendable endowment funds	14	18,451	18,495
Permanent endowment funds	14	5,599	5,080
Total		24,050	23,575
Revenue funds:			
Restricted funds	15	8,184	5,300
Unrestricted funds:			
Designated funds	16	6	64
General funds		890	796
Total funds		33,130	29,735

The Financial Statements were approved by the Board of Trustees on 21 November 2022.

Russell Prior
Chair of Trustees' Committee

Veesh Sharma
Interim Chair of Audit, Risk & Investment
Committee

Company number: 4383269 Charity number: 1091263

Statement of cash flows

for the year ended 31 March 2022

	Notes	Total 2022 £000	Total 2021 £000
Cash flows from operating activities:			
Net cash (used in) / provided by operating activities	A	(511)	2,092
Interest received		1	3
Investment income received		736	758
Purchase of property, plant, and equipment		-	(9)
Purchase of investments		(27)	(2)
Proceeds from the disposal of investments		1,602	463
Net cash provided by investing activities		2,312	1,213
Cash flow from financing activities:			
Receipt of endowment		27	-
Net cash provided by investing activities		27	-
Change in cash and cash equivalents in year		1,828	3,305
Cash and cash equivalents at 01 April 2021		8,500	5,195
Cash and cash equivalents at 31 March 2022	B	10,328	8,500
Notes to the statement of cash flow for the year ended 31 March 2022			
Note A:			
Net income for the year (as per the SOFA)		3,368	5,676
Adjustments for:			
Net (gains) on investments		(2,017)	(4,235)
Depreciation charge		8	8
Dividends and interest from investments		(737)	(761)
Fees deducted from investments		-	-
(Increase) / decrease in debtors		(129)	420
(Decrease) / increase in creditors		(1,004)	984
Net cash (used in) / provided by operating activities		(511)	2,092
Note B:			
Analysis of cash and cash equivalents:			
Cash at bank and in hand		10,328	8,500
Cash held by investment manager for reinvestment		-	-
Total		10,328	8,500

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 Statement of Recommended Practice (SORP) (FRS 102)) and the Charities Act 2011. The Financial Statements have been prepared for the year ended 31 March 2022 with comparative information in respect to the year ended 31 March 2021.

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 SORP 'Accounting and Reporting by Charities' (SORP 2019), Financial Reporting Standard 102 and Companies Act 2006. The particular accounting policies adopted by the Board of Trustees are described below:

Income

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

The following specific policies are applied to

particular categories of income:

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

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

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

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

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:

- **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 the 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 costs incurred which are not directly attributable to our charitable activities, but which are vital to carry out the primary purposes of the charity. These include costs such as finance, human resources, premises, communications, and information systems.

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.

Permanent endowment funds represent amounts for which the capital must be retained and invested. Income arising on these funds may be spent on the charitable objectives of LCF and in line with restrictions placed on each fund.

Permanent endowment funds (with total return approach) require all income, gains and losses be taken to the part of the fund representing accumulated unapplied returns in the first instance.

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

Permanent endowment funds (without total return approach) whereby 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.

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

Significant accounting estimates and judgements

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

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

Tangible fixed assets

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

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

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

Investments

Investments are a form of basic financial instrument 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.

Debtors

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

Creditors and provisions

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

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

Cash and cash equivalents

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

Value Added Tax

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

Expenditure in these Financial Statements is therefore shown inclusive of VAT paid and not reclaimable.

Operating lease

Rents payable under operating leases are chargeable to the SOFA on a straight-line basis over the lease term.

Benefits received as a lease incentive are credited to the SOFA, 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 continues to credit the lease incentives to the SOFA 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 2022 £000	Total 2021 £000
2a Income from donations and legacies					
Trusts and foundations	225	2,835	27	3,087	10,828
Corporates	437	3,195	-	3,632	4,024
Local public authorities	247	3,546	-	3,793	5,066
Individuals	162	711	-	873	735
Total	1,071	10,287	27	11,385	20,653
2b Income from investments					
Interest receivable	1	-	-	1	3
Investment income	295	383	58	736	758
Total	296	383	58	737	761
2c Income from other trading activities					
Rental income	61	-	-	61	60
Total	61	-	-	61	60

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
2022 Total income	1,428	10,670	85	12,183	
2021 Total income	1,418	19,996	60		21,474

3 Expenditure

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
3a Expenditure on raising funds					
Investment management costs:					
Staff costs	9	-	-	9	8
Allocated support costs (note 4)	6	-	-	6	6
Cost of raising donations and legacies:					
Staff costs	291	-	-	291	257
Other direct costs	21	12	-	33	38
Allocated support costs (note 4)	204	-	-	204	212
Cost of generating rental income:					
Staff costs	5	-	-	5	4
Other direct costs	3	-	-	3	3
Allocated support costs (note 4)	3	-	-	3	3
Total	542	12	-	554	531
3b Expenditure on charitable activities: grant programme					
Grants payable	-	9,169	-	9,169	18,432
Staff costs	551	8	-	559	563
Other direct costs	4	108	-	112	85
Allocated support costs (note 4)	386	-	-	386	401
Total	941	9,285	-	10,226	19,481
3c Expenditure on charitable activities: community development					
Other direct costs	2	23	-	25	21
Total	2	23	-	25	21

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
2022 Total expenditure	1,485	9,320	-	10,805	
2021 Total expenditure	1,414	18,619	-		20,033

4 Analysis of support costs

	2022 £000	2021 £000
Support staff costs (note 6)	167	148
Professional fees	80	140
Premises costs	164	158
Office and other costs	27	19
Depreciation	8	7
IT costs	40	41
Governance costs (note 5)	113	109
Total	599	622
Attributed to:		
Expenditure on raising funds (note 3a):		
Investment management	6	6
Cost of raising donations and legacies	204	212
Cost of generating rental income	3	3
Expenditure on charitable activities:		
Grant programme (note 3b)	386	401
Total	599	622
Support costs are allocated to expenditure on raising funds and charitable activities based on employee time allocated to each area.		

5 Governance costs

	2022 £000	2021 £000
Staff costs (direct)	67	59
External auditor's remuneration	14	17
Legal and professional fees	32	33
Total	113	109

6 Staff costs and remuneration of key management personnel

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
Salaries and wages	808	8	816	765
Social security costs	83	-	83	72
Employer pension contributions	56	-	56	48
Temporary staff costs	143	-	143	154
Total	1,090	8	1,098	1,039

The average number of employees during the year was:

Employees	2022 FTE	2021 FTE	2022 Number	2021 Number
Grant delivery and community development	12	13	13	14
Fundraising	4	2	4	2
Support	3	4	3	4
Total	19	19	20	20

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

£60,001 - £70,000			2	1
£80,001 - £90,000			-	1
£90,001 - £100,000			1	-
Total			3	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 £20,481 (2021: £15,517).

22 employees participated in the charity's stakeholder pension scheme, inclusive of starters and leavers (2021: 22).

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 Development and Communications, Interim Director of Finance and Resources.
(2021: CEO, Director of Grants and Impact, Director of Development and Communications from January 21).

The total benefits including employer pension contributions of the employed senior management team were £264,055 (2021: £207,578).

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 2022 (2021: 0).

7 Net (expenditure) / income

	2022 £000	2021 £000
This is stated after charging:		
Staff costs (note 6)	1,098	1,039
Auditor's remuneration (excluding VAT):		
Statutory audit services	14	13
Depreciation	8	8
Rentals under operating leases: property	107	116

8 Tangible fixed assets

	Leasehold improvements £000	Furniture, IT, office equipment £000	Total £000
Cost:			
As at 01 April 2021	107	77	184
Additions	-	-	-
As at 31 March 2022	107	77	184
Depreciation:			
As at 01 April 2021	106	64	170
Charge for the year	1	7	8
As at 31 March 2022	107	71	178
Net book value as at 31 March 2022	-	6	6
Net book value as at 31 March 2021	1	13	14

9 Fixed asset investments

	2022 £000	2021 £000
9a Investments at market value		
Market value of listed investments at 01 April 2021	24,560	20,786
Additions at cost	27	2
Disposal proceeds	(1,601)	(463)
Realised gains on disposal	24	31
Fees deducted by the investment managers directly from the fund (note 3a)	-	-
Unrealised gains	1,993	4,204
Market value of listed investments at 31 March 2022	25,001	24,560
Cash held by investment managers	-	-
Total market value of listed investments at 31 March 2022	25,001	24,560
9b Investments at historical cost		
Market value at 31 March 2022	25,001	24,560
Accumulated gains brought forward	(11,100)	(6,896)
Unrealised (gains) for the year	(1,993)	(4,204)
Unrealised gain in respect to disposals in the year	323	39
Historical cost at 31 March 2022	12,231	13,499
9c Investments disposition		
Common investment funds: COIF Charities Investment Fund	24,895	24,450
Common investment funds: COIF Ethical Investment Fund	106	110
Total market value of listed investments at 31 March 2022	25,001	24,560

10 Debtors

	2022 £000	2021 £000
Trade debtors	226	115
Prepayments	38	36
Accrued income	31	14
Total	295	165

11 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Grants payable	2,270	2,992
Other creditors	67	60
Accruals	100	104
Deferred income	63	348
Total	2,500	3,504
Movements on deferred income during the year was as follows:		
Balance brought forward at 1 April 2021	348	43
Amounts released to income	(345)	(38)
Cash received to be deferred	60	343
Balance carried forward at 31 March 2022	63	348
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 £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2022 £000	Total 2021 £000
Fund balances as at 31 March 2022						
Represented by:						
Tangible fixed assets	-	6	-	-	6	14
Fixed asset investments	329	-	622	24,050	25,001	24,560
Current assets – cash	683	-	9,645	-	10,328	8,500
Current assets – debtors	100	-	195	-	295	165
Creditors: amounts falling due within one year	(222)	-	(2,278)	-	(2,500)	(3,504)
Total	890	6	8,184	24,050	33,130	29,735
The restricted funds represented by fixed asset investments are made up of endowment funds where LCF's endowment spending policy has determined the portion of the capital gain on those funds which should be spent, but the investment assets will not be drawn down until spending plans are finalised.						
The total unrealised gains as at 31 March 2022 constitutes movement on revaluation in respect of listed investments and are as follows:						
Total unrealised gains included above:						
On listed investments					13,093	11,061
Reconciliation of movements in unrealised gains:						
Unrealised gains as at 01 April 2021					11,061	4,033
Less disposals in year					39	2,824
Sub-total					11,100	6,857
Add net gains / (losses) arising on revaluation arising in-year					1,993	4,204
Total unrealised gains as at 31 March 2022					13,093	11,061

13 Obligations under operating leases

	2022 £000	2021 £000
As at 31 March 2022, 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	42	126
After two but within five years	-	53
Total	168	305

14 Endowment funds

	Bal. 01 April 2021 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Investment gain/(loss) £000	Bal. 31 March 2022 £000	Bal. 31 March 2021 £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). We have separated out any individual Grassroots Grant Fund or Community First fund with an opening balance of over £250,000. The remainder of funds are grouped together under Other Grassroot Grants funds or Other Community First funds.							
Expendable endowments – Grassroots Grants funds:							
Bromley Community Fund	263	-	-	-	24	287	263
Croydon Community Fund	418	-	-	-	38	456	418
Deutsche Bank Fund	663	-	-	-	62	725	663
Evening Standard Dispossessed Fund **	3,652	-	-	(1,000)	232	2,884	3,638
Gordon Family Fund	321	-	-	-	30	351	321
Lambeth Community Fund	260	-	-	-	23	283	260
Norton Rose Fund	489	-	-	-	45	534	489

	Bal. 01 April 2021 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Investment gain/(loss) £000	Bal. 31 March 2022 £000	Bal. 31 March 2021 £000
Victoria Foundation Fund	412	-	-	-	37	449	412
Westminster Fund	431	-	-	-	40	471	431
Other Grassroots Grants funds	1,786	-	-	-	164	1,950	1,786
Total	8,695	-	-	(1,000)	695	8,390	8,681
Expendable endowments – Community First funds:							
Barnet Fund**	468	-	-	(112)	36	392	498
Gordon Family Fund **	1,149	-	-	(93)	96	1,152	1,166
Cadogan Kensington & Chelsea Fund	250	27	-	(27)	22	272	250
Land Securities Westminster Fund	257	-	-	-	22	279	257
Living Cities Community Fund **	1,250	-	-	(207)	99	1,142	1,295
The London Leg-Up Fund **	389	-	-	(13)	33	409	402
Other Community First funds **	2,732	-	-	(150)	231	2,813	2,641
Total	6,495	27	-	(602)	539	6,459	6,509
Expendable endowments – Other funds:							
Cresswell Trust	71	-	-	-	6	77	71
Lambeth Endowment Fund	1,373	-	-	-	122	1,495	1,373
Lewisham Fund	387	-	-	-	37	424	387
Portuguese Fund	719	-	-	-	65	784	719
South London Opportunity Fund	184	-	-	-	17	201	184

	Bal. 01 April 2021 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Investment gain/(loss) £000	Bal. 31 March 2022 £000	Bal. 31 March 2021 £000
Wandsworth Community Fund	570	-	-	-	50	620	570
Total	3,304	-	-	-	297	3,601	3,304
Total expendable endowments	18,495	27	-	(1,602)	1,531	18,451	18,495
Permanent endowments:							
Barnet Endowment	83	-	-	-	7	90	83
Beaufoy Trust	1,636	-	-	-	142	1,778	1,636
Pedlar's Acre Trust	2,810	58	-	-	264	3,132	2,810
Richmond Civic Trust	551	-	-	-	48	599	551
Total	5,080	58	-	-	461	5,599	5,080
Total endowment funds	23,575	85	-	(1,602)	1,992	24,050	23,575
Ref: ** Following re-analysis by the charity £90k has been re-allocated to these funds (marked **) that were shown as part of the other Community First funds balances as at 31 March 2021.							
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 2022 can be seen in note 15.							
The £1,602,000 of transfers out of expendable endowment funds to restricted funds represent: a £1,000,000 release of the capital from the Evening Standard Dispossessed Fund to fund a capital project and £602,000 of Community First RPI drawdowns. The transfers operate under LCF's endowment spending policy and allow further application of the funds as grants.							

15 Restricted funds

	Bal. 01 April 2021 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Total 2022 £000	Total 2021 £000
LCF holds many restricted funds. We have separated out any individual fund with an opening balance or closing balance of over £100,000. The remainder of funds are grouped together under Other grant-making funds and Other endowment funds (revenue element).						
Deutsche Bank Small Grants Fund	52	89	-	12	153	52
Evening Standard Dispossessed Fund – Homelessness Fund	575	4	(478)	-	101	575
Evening Standard Dispossessed Fund – The Excluded Initiative	237	46	(122)	-	161	237
Evening Standard Dispossessed Fund – Save London Lives	(8)	180	(43)	-	129	(8)
Gordon Family (combined) Fund	(7)	-	-	138	131	(7)
Grenfell Children and Young People's Fund	28	25	197	-	250	28
JP Morgan Chase (Pathways to Economic Opportunities)	147	745	(86)	-	806	147
Lambeth Wellbeing Fund	101	342	(302)	-	141	101
Living Communities Fund	(1)	-	5	268	272	(1)
London Communities Coronavirus Appeal	112	(3)	(112)	3	-	112
London Impact Awards	152	-	(124)	-	28	152
Made by Sport 'Clubs in Crisis' Fund	504	(140)	(364)	-	-	504
Mayor's Office for Policing & Crime (MOPAC) – Violence Against Women and Girls Grassroots Fund	705	1,543	(1,530)	-	718	705
MoJ Domestic abuse and Sexual Violence Fund	-	800	(420)	-	380	-
Peabody Community Fund	441	410	(379)	-	472	441

	Bal. 01 April 2021 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Total 2022 £000	Total 2021 £000
Stanhope Foundation	70	551	(302)	-	319	70
Skill Up Step Up Employability Fund	-	465	(112)	-	353	-
The CJ Fund	-	439	(60)	-	379	-
The Young People's Fund	123	-	(74)	-	49	123
Wimbledon Foundation Community Fund	-	499	(99)	-	400	-
Other grant-making funds	798	4,292	(4,147)	177	1,120	798
Total grant-making funds	4,029	10,287	(8,552)	598	6,362	4,029
Endowment funds (revenue element)						
Deutsche Bank Older People's Fund	103	3	(59)	-	47	103
Evening Standard Dispossessed Appeal	81	92	(589)	964	548	81
Lambeth Community Fund Endowment Fund	167	29	-	-	196	167
Pedlar's Acre Trust	99	5	-	-	104	99
Sue Estermann Fund	159	-	-	-	159	159
Other endowment funds (income element)	662	254	(120)	(28)	768	743
Total endowment funds (revenue element)	1,271	383	(768)	936	1,822	1,271
Total restricted funds	5,300	10,670	(9,320)	1,534	8,184	5,300
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 consider 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.						

16 Designated funds

The tangible fixed assets fund of £6,000 (2021: £14,000) represents 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 LCF's digital development programme. All funds have been spent and shown on the face of the SOFA in 21/22.

17 Funds of Pedlar's Acre Trust

Assets of each charity at 31 March 2022	LCF £000	Pedlar's Acre Trust £000	2022 £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 2022 are shown below:			
Opening balance at 01 April 2021	26,925	2,810	29,735
Income	12,125	58	12,183
Expenditure	(10,805)	-	(10,805)
Fund transfers in / (out) (note 18)	-	-	-
Gains on investments	1,753	264	2,017
Net movement in funds	3,073	322	3,395
Closing balance as at 31 March 2022	29,998	3,132	33,130
Tangible fixed assets	6	-	6
Fixed asset investments	21,869	3,132	25,001
Debtors	295	-	295
Cash at bank and in hand	10,328	-	10,328
Creditors: amounts falling due within one year	(2,500)	-	(2,500)
Net assets as at 31 March 2022	29,998	3,132	33,130
Funds of the charity			
Expendable endowment funds	18,451	-	18,451
Permanent endowment funds	2,467	3,132	5,599
Restricted funds	8,184	-	8,184
Unrestricted funds	896	-	896
Closing balance as at 31 March 2022	29,998	3,132	33,130

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

	2022 £000	2021 £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 the 17th century, however no valuation is available for it prior to 31 March 2004. At this date the fund was valued at £1,836,806. The note below shows the opening unapplied total return and fund transfer in the year.		
The power of total return allows the trustees to decide in each year how much of the unapplied total return is transferred to income funds and so is available for grant-making expenditure. During the year to 31 March 2022 it was decided not to transfer 3.5% of the value of the fund as at 31 December 2020 to income funds, 3.5% being the amount LCF aims to spend of its permanent endowment funds holding total return power under its endowment spending policy. Standard policy was followed, and the transfer was made in 2022/23 re the 31 December 2020 fund value and the 31 December 2021 fund value.		
The trustees decided that the duty to be even-handed to future and present beneficiaries was fulfilled by following LCF's standard policy in 21/22.		
The investment fund and application of total return to permanent endowment funds is as follows:		
Opening value of permanent endowment 01 April 2021	2,810	2,328
Less: Value of endowment at 31 March 2004	(1,837)	(1,837)
Opening value of unapplied total return at 01 April 2021	973	491
Add: Investment return income	58	60
Add: Investment return unrealised gain / (loss) on investment	264	523
Less: Investment management and legal costs	-	-
Unapplied total return before transfer to income	1,295	1,074
Less: Unapplied total return applied	-	(101)
Sub-total unapplied total return as at 31 March 2022	1,295	973
Add: Value of endowment at 31 March 2004	1,837	1,837
Permanent endowment including unapplied total return as at 31 March 2022	3,132	2,810

19 Funds held in capacity as agents – Deptford Challenge Trust

	2022 £000	2021 £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	-	6
Grant creditor	-	(8)
Total funds held in capacity as agents	-	(2)

20 Related party transactions

As per note 6, the trustees are not remunerated, and no expenses have been incurred in 2022 (2021: 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 2022 was £4,000 (2021: £6,845.81).	
In the year ended 31 March 2022 (2021: one grant of £25,000) one grant of £25,000 was made to an organisation where a trustee who was in post at the time of award held a declarable interest, as captured at the end of the prior financial year.	

21 Analysis of grants

21a Analysis of grants by recipient

	Total 2022 Number	Total 2022 £000
Grants awarded to institutions	615	9,433
Grants awarded to individuals	17	33
TOTAL	632	9,466
Most of the grant-making at LCF is to charities and community groups each year.		

21b Analysis of grants by theme

Primary Beneficiary	Value			Volume		
	Institutions £000	Individuals £000	Total £000	Institutions Number	Individuals Number	Total Number
Children and young people	2,198	-	2,198	147	-	147
People living in poverty	1,972	26	1,998	88	13	101
Black and minoritised ethnic communities	1,594	4	1,598	150	2	152
Arts	1,252	-	1,252	83	-	83
People affected by violence, crime, or abuse	1,029	-	1,029	34	-	34
People with mental health or physical health issues	396	-	396	29	-	29
Women and girls	326	3	329	30	2	32
Older people	316	-	316	27	-	27
People affected by homelessness	177	-	177	9	-	9
People with learning difficulties	61	-	61	5	-	5
LGBTQ+ communities	46	-	46	6	-	6
Refugees and migrants	45	-	45	5	-	5
Carers	21	-	21	2	-	2
Total	9,433	33	9,466	615	17	632

22 Post balance sheet event

There were no post balance sheet events to report for 21/22.

Prior year comparatives

Statement of Financial Activity for the year to 31 March 2021

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and legacies	2a	1,075	19,578	-	20,653	8,966
Investments	2b	283	418	60	761	761
Other trading activities	2c	60	-	-	60	69
Total income		1,418	19,996	60	21,474	9,796
Expenditure on:						
Raising funds	3a	517	14	-	531	603
Charitable activities:						
Grant programme	3b	897	18,584	-	19,481	9,766
Community development	3c	-	21	-	21	36
Total		1,414	18,619	-	20,033	10,405
Net (expenditure) / income before investment gains and losses		4	1,377	60	1,441	(609)
Net (losses) / gains on investments		52	-	4,183	4,235	(1,110)
Net (expenditure) / income		56	1,377	4,243	5,676	(1,719)
Transfer in / (out) between funds	14,15	37	228	(265)	-	-
Net movement in funds		93	1,605	3,978	5,676	(1,719)
Reconciliation of funds:						
Total at 01 April 2020		767	3,695	19,597		24,059
Total at 31 March 2021	12	860	5,300	23,575	29,735	
All the activities of The London Community Foundation derive from continuing operations. There are no recognised gains and losses other than those shown above.						

Refers to note 2 Income

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
2a Income from donations and legacies					
Trusts and foundations	543	10,285	-	10,828	3,682
Corporates	293	3,731	-	4,024	2,355
Local public authorities	200	4,866	-	5,066	158
Individuals	39	696	-	735	870
National public authorities	-	-	-	-	1,901
Total	1,075	19,578	-	20,653	8,966
2b Income from investments					
Interest receivable	3	-	-	3	18
Investment income	280	418	60	758	743
Total	283	418	60	761	761
2c Income from other trading activities					
Rental income	60	-	-	60	69
Total	60	-	-	60	69
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
2021 Total income	1,418	19,996	60	21,474	
2020 Total income	1,264	8,328	204		9,796

Refers to note 3 Expenditure

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
3a Expenditure on raising funds					
Investment management costs:					
Staff costs	8	-	-	8	7
Other direct costs	-	-	-	-	124
Allocated support costs	6	-	-	6	5
Cost of raising donations and legacies:					
Staff costs	257	-	-	257	239
Other direct costs	24	14	-	38	43
Allocated support costs	212	-	-	212	174
Cost of generating rental income:					
Staff costs	4	-	-	4	4
Other direct costs	3	-	-	3	4
Allocated support costs	3	-	-	3	3
Total	517	14	-	531	603
3b Expenditure on charitable activities: grant programme					
Grants payable	-	18,432	-	18,432	8,905
Staff costs	486	77	-	563	452
Other direct costs	10	75	-	85	80
Allocated support costs	401	-	-	401	329
Total	897	18,584	-	19,481	9,766
3c Expenditure on charitable activities: community development					
Staff costs	-	-	-	-	-
Other direct costs	-	21	-	21	36
Allocated support costs	-	-	-	-	-
Total	-	21	-	21	36
	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
2021 Total expenditure	1,414	18,619	-	20,033	
2020 Total expenditure	1,254	9,029	122		10,405

Refers to note 12 Analysis of net assets between funds

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000
Fund balances as at 31 March 2021					
Represented by:					
Tangible fixed assets	-	14	-	-	14
Fixed asset investments	303	-	682	23,575	24,560
Current assets – cash	903	50	7,547	-	8,500
Current assets – debtors	98	-	67	-	165
Creditors: amounts falling due within one year	(508)	-	(2,996)	-	(3,504)
Total	796	64	5,300	23,575	29,735
The restricted funds represented by fixed asset investments are made up of a few endowment funds where LCF's endowment spending policy has determined the portion of the capital gain on those funds which should be spent, but the investment assets will not be drawn down until spending plans are finalised.					
The total unrealised gains as at 31 March 2021 constitutes movement on revaluation in respect of listed investments and are as follows:					
Total unrealised gains included above:					
On listed investments					11,061
Reconciliation of movements in unrealised gains:					
Unrealised gains as at 01 April 2020					4,033
Less disposals in year					2,824
Sub-total					6,857
Add net (losses) / gains arising on revaluation arising in-year					4,204
Total unrealised gains as at 31 March 2021					11,061

Refers to note 14 Endowment funds

	Bal. 01 April 2020 £000	Income £000	Expenditure £000	Transfer in / (out) £000	Investment gain / (loss) £000	Total 2021 £000	Total 2020 £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:							
Bromley Community Fund	217	-	-	-	46	263	217
Croydon Community Fund	343	-	-	-	75	418	343
Deutsche Bank Fund	540	-	-	-	123	663	540
Evening Standard Dispossessed Fund	3,015	-	-	-	623	3,638	3,015
Gordon Family Fund	262	-	-	-	59	321	262
Lambeth Community Fund	214	-	-	-	46	260	214
Norton Rose Fund	399	-	-	-	90	489	399
Victoria Foundation Fund	338	-	-	-	74	412	338
Westminster Fund	353	-	-	-	78	431	353
Other Grassroots Grants Funds	1,463	-	-	-	323	1,786	1,463
Total	7,144	-	-	-	1,537	8,681	7,144
Expendable endowments – Community First funds:							
Barnet Fund	417	-	-	-	81	498	417
Gordon Family Fund	969	-	-	-	197	1,166	969
Cadogan Kensington & Chelsea Fund	207	-	-	-	43	250	207
Land Securities	213	-	-	-	44	257	213
Westminster Fund							
Living Cities Community Fund	1,082	-	-	-	213	1,295	1,082
The London Leg-Up Fund	335	-	-	-	67	402	335

Refers to note 15 Restricted funds

	Bal. 01 April 2020 £000	Income £000	Expenditure £000	Transfer in / (out) £000	Investment gain / (loss) £000	Total 2021 £000	Total 2020 £000
Other Community First funds	2,304	-	-	(164)	501	2,641	2,304
Total	5,527	-	-	(164)	1,146	6,509	5,527
Expendable endowments – Other funds:							
Cresswell Trust	59	-	-	-	12	71	69
Lambeth Endowment Fund	1,131	-	-	-	242	1,373	1,131
Lewisham Fund	315	-	-	-	72	387	315
Portuguese Fund	591	-	-	-	128	719	591
South London Opportunity Fund	150	-	-	-	34	184	150
Wandsworth Community Fund	470	-	-	-	100	570	470
Total	2,716	-	-	-	588	3,304	2,716
Total expendable endowments						18,495	15,387
Permanent endowments:							
Barnet Endowment	70	-	-	-	13	83	70
Beaufoy Trust	1,356	-	-	-	280	1,636	1,356
Pedlar's Acre Trust	2,328	60	-	(101)	523	2,810	2,328
Richmond Civic Trust	456	-	-	-	95	551	456
Total	4,210	60	-	(101)	911	5,080	4,210
Total endowment funds	19,597	60	-	(265)	4,183	23,575	19,597

	Bal. 01 April 2020 £000	Income £000	Expenditure £000	Transfer in / (out) £000	Total 2021 £000	Total 2020 £000
Grant-making funds						
Evening Standard Dispossessed Fund – Homelessness Fund	264	539	(228)	-	575	264
Evening Standard Dispossessed Fund – The Excluded Initiative	225	293	(281)	-	237	225
JP Morgan Chase (Pathways to Economic Opportunities)	(1)	147	-	1	147	(1)
Lambeth Wellbeing Fund	17	79	5	-	101	17
London Communities Coronavirus Appeal	6	1,005	(1,112)	213	112	6
London Impact Awards	-	152	-	-	152	-
Made by Sport 'Clubs in crisis' Fund	-	504	-	-	504	-
Mayor's Office for Policing & Crime (MOPAC) – Violence Against Women and Girls Grassroots Fund	8	1,599	(902)	-	705	8
Peabody Community Fund	412	700	(361)	(310)	441	412
The Young People's Fund	99	100	(77)	1	123	99
Other grant-making funds	1,304	14,421	(15,082)	289	930	1,034
Total grant-making funds	2,334	19,539	(18,038)	194	4,029	2,334
Endowment funds (revenue element)						
Deutsche Bank Older People's Fund	64	38	-	1	103	64
Lambeth Community Fund Endowment Fund	137	30	-	-	167	137
Sue Estermann Fund	159	-	-	-	159	159
Other endowment funds (income element)	925	385	(581)	14	743	925
Total endowment funds (revenue element)	1,361	457	(581)	34	1,271	1,361
Total restricted funds	3,695	19,996	(18,619)	228	5,300	3,695

Refers to note 17 Funds of Pedlar's Acre Trust

	LCF £000	Pedlar's Acre Trust £000	Total 2021 £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 2021 are shown below:			
Opening balance at 1 April 2020	21,731	2,328	24,059
Income	21,414	60	21,474
Expenditure	(20,033)	-	(20,033)
Fund transfers in / (out) (note 18)	101	(101)	-
Gain on investments	3,712	523	4,235
Net movement in funds	5,194	482	5,676
Closing balance as at 31 March 2021	26,925	2,810	29,735
Tangible fixed assets	14	-	14
Fixed asset investments	21,750	2,810	24,560
Debtors	165	-	165
Cash at bank and in hand	8,500	-	8,500
Creditors: amounts falling due within one year	(3,504)	-	(3,504)
Net assets at 31 March 2021	26,925	2,810	29,735
Funds of the charities			
Expendable endowment funds	18,495	-	18,495
Permanent endowment funds	2,270	2,810	5,080
Restricted funds	5,300	-	5,300
Unrestricted funds	860	-	860
Closing balance at 31 March 2021	26,925	2,810	29,735

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

	2021 £000	2020 £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 regarding 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 2021 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 20/21.		
The investment fund and application of total return to permanent endowment funds is as follows:		
Opening value of permanent endowment 01 April 2020	2,328	2,580
Less: Value of endowment at 31 March 2004	(1,837)	(1,837)
Opening value of unapplied total return at 01 April 2020	491	743
Add: Investment return income	60	58
Add: Investment return unrealised (loss) / gain on investment	523	(205)
Less: Investment management and legal costs	-	(15)
Unapplied total return before transfer to income	1,074	581
Less: Unapplied total return applied	(101)	(90)
Sub-total unapplied total return as at 31 March 2021	973	491
Add: Value of endowment at 31 March 2004	1,837	1,837
Permanent endowment including unapplied total return as at 31 March 2021	2,810	2,328

Refers to note 21a Analysis of grants awarded by recipient

	Total 2021 Number	Total 2021 £000
Grants awarded to institutions	1,311	22,571
Grants awarded to individuals	14	27
TOTAL	1,325	22,598
Most of the grant-making at LCF is to charities and community groups each year.		

Refers to note 21b Analysis of grants by theme

Business as usual grants by theme						
Theme	Value			Volume		
	Institutions £000	Individuals £000	Total £000	Institutions	Individuals	Total volume
Connect	1,970	27	1,997	113	14	127
Future	1,716	-	1,716	61	-	61
Thrive	4,599	-	4,599	66	-	66
Total	8,285	27	8,312	240	14	254
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 to live, work and thrive in London."						

COVID emergency fund grants by theme						
Theme	Value			Volume		
	Institutions £000	Individuals £000	Total £000	Institutions	Individuals	Total volume
Adapt	977	-	977	70	-	70
Crisis	4,194	-	4,194	470	-	470
Delivering differently	3,004	-	3,004	164	-	164
MOPAC emergency	504	-	504	114	-	114
Enable	1,305	-	1,305	94	-	94
MoJ Covid	2,135	-	2,135	65	-	65
Renewal	1,288	-	1,288	41	-	41
Strategic	21	-	21	1	-	1
Total	13,428	-	13,428	1,019	-	1,019
Adapt: Funding charitable work that helps charities and community groups to restart, adapt, or collaborate for the future						

COVID emergency fund grants by theme						
Theme	Value			Volume		
	Institutions £000	Individuals £000	Total £000	Institutions	Individuals	Total volume
Crisis: Wave 1 - Small grants up to £5,000 for charitable organisations providing food and essential items to people in need in the first weeks of COVID-19 Wave 2 - Providing a continuation of crisis funding (small short-term grants) to support food and essential services Wave 3 - Providing a continuation of crisis funding (small short-term grants) to support food and essential services Wave 4 - Providing ongoing running costs for charitable organisations specifically focusing on charities led by and for communities disproportionately impacted by the pandemic						
Delivering differently: Providing grants of up to £50,000 to support charitable organisations seeking transition services to their beneficiaries online and investing in digital infrastructure to deliver differently						
MOPAC Emergency: Emergency grants to support both grassroots and larger charitable organisations' running costs in the capital, facing an upsurge in demand for domestic abuse, so-called honour-based crime and sexual violence support services						
Enable: Providing funding to support charitable work that helps to prevent difficulties escalating, and that enables people to emerge from crisis						
MoJ COVID-19: Ongoing COVID-19 funding – delivered on behalf of MOPAC (Mayor's Office for Policing and Crime) – to support charitable organisations providing domestic abuse and violence support services in the capital						
Renewal: Launched in January 2021 providing further crisis response grants of up to £10,000 to support food and essential items, as well as key charitable services like mental health and domestic abuse services. More widely up to £50,000 grants to support charitable organisations' running costs coming out of the pandemic						
Strategic: Funds from Citi Foundation to invest in an equity-led infrastructure partner.						

Contact

Acknowledgements

Design: **Strudel**

Front cover image: **FORWARD UK**

Contact

The London Community Foundation

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

londoncf.org.uk
info@londoncf.org.uk
+44 (0)20 7582 5117
Twitter: @London_cf

Registered charity number 1091263
Company limited by guarantee number 4383269



**The London
Community
Foundation**

londoncf.org.uk

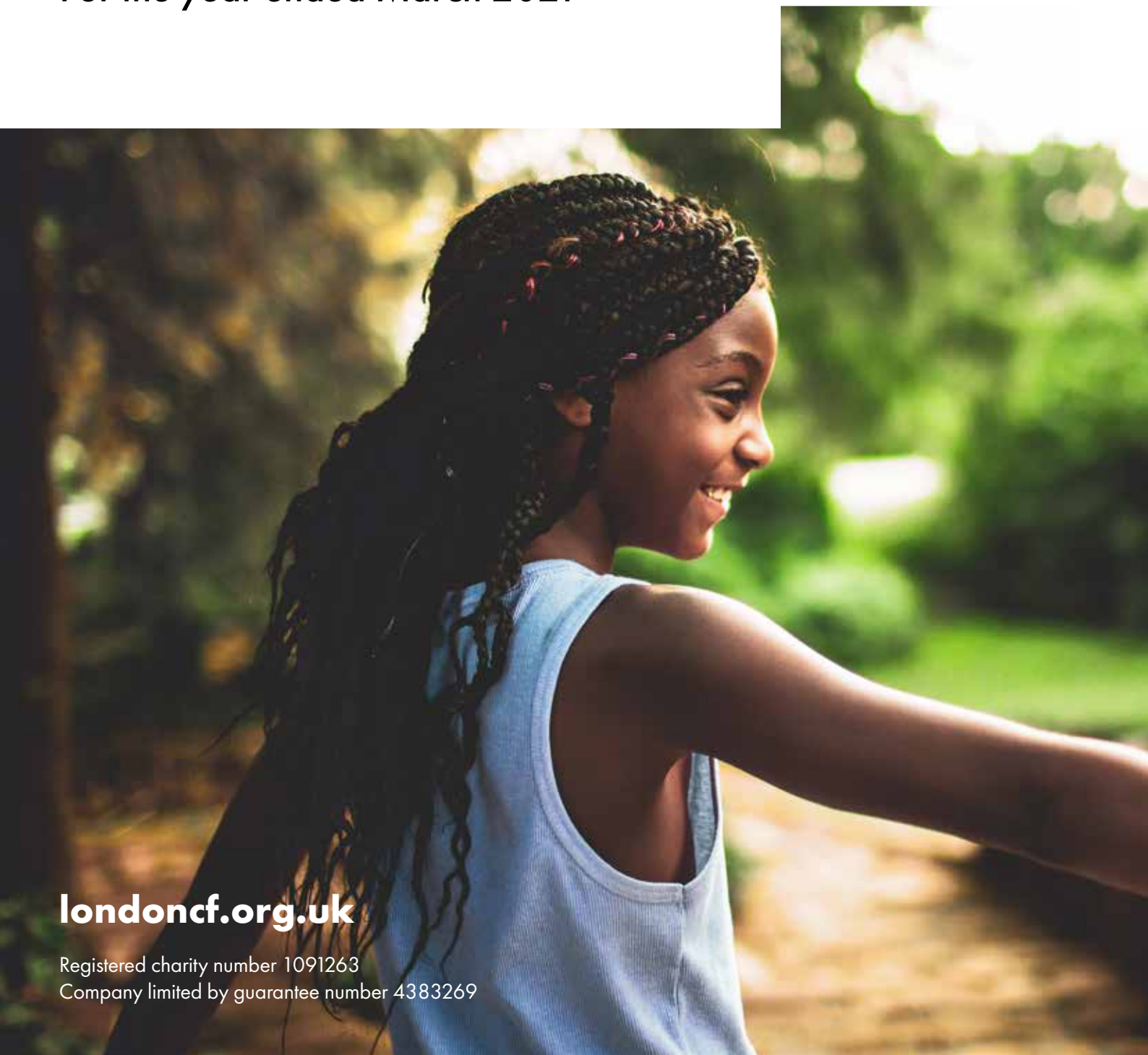
THE LONDON COMMUNITY FOUNDATION

England & Wales - Charity number 1091263

Accounts

Annual Report and Financial Statements

For the year ended March 2021



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 local charities and community groups.



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.

Since 2010, we have committed over

£92.7m

in grants to support London's grassroots organisations



Contents

Chair's statement	06
Chief Executive's welcome	08
Our impact - Our COVID-19 story	10
Our impact - Violence Against Women and Girls Grassroots Fund	16
A year at LCF	18
Annual Report and Financial Statements	20
Report of the Trustees	21
Legal and administrative information	21
The year of COVID-19	23
Objectives and activities	25
Public benefit statement	29
Strategic report	29
Financial review	33
Executive remuneration	39
Future plans for 2021/22	40
Our approach to fundraising	42
Principal risks and uncertainties	43
Statement of Trustees' responsibilities	44
Independent auditor's report to the members of The London Community Foundation	45
Statement of financial activities	51
Summary income and expenditure account	52
Balance sheet	53
Statement of cash flows	54
Notes to the accounts	57

Resilience in a crisis

When COVID-19 struck the UK in March 2020, London's local charities and community groups moved. Their agility and resilience meant they could quickly channel resources to reach the most vulnerable people on their doorsteps. At the same time, community foundations, including London, stood with them.

There is no other network of philanthropic foundations that in times of crisis can connect donors to the greatest need. So often local charities and their people are intimately connected to and trusted by the communities around them. To be impactful LCF relies on its donors, the people for whom we are a trusted vehicle and voice to guide their philanthropy. And to be purposeful, LCF looks to civil society organisations seeking funds who allow us to amplify the needs of London through their vital work.

COVID-19 demonstrated the incredible value of often under-the-radar grassroots services as the bedrock of our communities. The mosque delivering food parcels to elderly people in its neighbourhood, to the children's nursery providing baby supplies to mothers at risk, each one pivoted its model in a time of crisis and

utilised its local knowledge and connections to meet local need. I know I speak on behalf of the team and Board at LCF when I say that it is has been an honour and privilege to support their work. They are a credit to our wonderful city called London.

Our mission now is to look forward and challenge ourselves to do more to help tackle the disadvantage and inequality that COVID has laid bare in London. During this year, many organisations – including LCF – have been challenged to do more to create greater equity in how we work, who we represent and where power lies. These are challenging but necessary conversations for the year ahead to ensure organisations like LCF are as impactful as possible for London.



I am beyond proud and grateful to the team and Board for their commitment, insights and generosity of spirit during this time. Despite their personal challenges and uncertainties during COVID-19, they stepped up for London and its people.

Russell Prior
Chair of The London Community Foundation

Our impact across London

£22,598,000

awarded to charitable
organisations

1,325

grants awarded

Chief
Executive's
welcome

Local communities have the solutions

There are simply no superlatives that could do justice to the last 12 months of LCF: as a funder, a partner, a team, and an advocate of London's diverse civil society.

With incredible commitment, drive and focus, the LCF team resiliently kept pace with the scale of fundraising and funding to London's communities, untold in LCF's history.

I know I speak on behalf of the LCF team in saying how grateful we are to the team at **London Funders** for their expert collaboration and convening, bringing together funders from across the capital to respond to COVID-19 in the **London Community Response**.

Demand for food, escalating domestic violence, desperate refugees – at times the volume of applications, reflecting London's need – felt utterly overwhelming. However, sharing the strain – sometimes the anxiety – the skills, insights and learning with funding friends, made the challenge more manageable. To be part of a whole London funding response was an absolute honour.

Partnering with the **Muslim Charities Forum** (MCF) during this year was insightful, challenging and positive, despite COVID-19. I am grateful to Fadi Itani, CEO of MCF, and his team, for their support to LCF and giving us the opportunity to work with them. Charitable membership bodies like MCF may be national organisations based in London, but unless London funders – like LCF – support them, we threaten the great diversity of this country's civil society. Looking forward, London won't build and sustain a diverse and resilient charitable sector without investing in all parts that help it function, including those infrastructure organisations representing diverse communities.

To the public, a **community foundation** is a little-known concept. But at times of crisis, desperate emergency and local need, community foundations are so often a vital vehicle of response.



It is a well-recognised position that so many of LCF's donors and partners recalled to me during this year. A position only made possible by local charities working at the heart of their neighbourhoods, the generosity of our donors and the incredible expertise of our teams. **A real collaboration, for without one part it can't happen.**

Despite over doubling our total funding to London's civil society during this year, we managed our cost base effectively to be able to end the year with a modest contribution to our free reserves.

This report looks back at our year of COVID-19 and is filled with the stories and statistics of the Charity's work. But behind it are people. I will be forever grateful for the resilience, mutual support, and commitment of the LCF team, and the Board, shown during COVID-19. Thank you.

Kate Markey
CEO

Annual Report and
Financial Statements

Supporting London's grassroots

£185,752

was the median annual
income of organisations
supported

29%

of organisations we
supported had less than
5 employees

£16,952

was the average grant

Our impact

Our COVID-19 impact story

"The lockdown came very unexpectedly and hit families hard. COVID-19 brought us into contact with a significant number of families who we would not normally have had contact with. Suddenly we had those who had lost jobs, were on zero-hours contracts, had no recourse to public funds or ran a small business and overnight had no income and no way of supporting themselves."

Noni, Growbaby, COVID-19 grantee

This is a story of collaboration when it was needed the most. A year ago, 67 funders came together for the first time to collaborate in their response to COVID-19 – the London Community Response, organised by the membership body, London Funders.

One year later, £57m had been committed in over 3,300 grants through a central grants portal to ease the burden on charitable organisations seeking funds across London's boroughs. This was a ground-breaking funder collaboration – with investment moving from crisis response to building towards the recovery and renewal of the Capital's civil society.

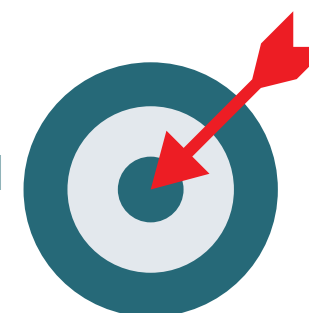
Partnership working went beyond the funding. Importantly, the **London Community Response** partnered with the vital equality-led infrastructure organisations representing different communities in London – responsible for informing and challenging funders like LCF to maximise equity through our funding.

They were Ubele, the Council of Somali Organisations, London Gypsies and Travellers, Inclusion London, the Women's Resource Centre, and LGBT+ Consortium. As a contributor to the London Community Response, we are supremely grateful to them for their work.

Our COVID-19 impact in numbers

£13.4m

COVID-19
funding awarded
to London's civil
society



45%

of total funds
committed
support BME
communities



1,019

grants awarded



21%

of funds committed
to domestic
violence and
abuse services



92%

of supported
organisations
had an income
of less than £1m



11%

of funds committed
to support women-
led organisations



32%

of funds
spent on
emergency
food



4.2



was the average number of days
between receiving an application
and awarding a grant for the first
month of lockdown

Our impact

The London Community Response focused on key priority areas developed from knowledge shared from the frontline and data from London's boroughs. Priority areas included: food, people at risk, homelessness, advice, domestic violence and abuse, children and young people, infrastructure, and arts and culture.

Throughout the pandemic, applications to these categories told a story of how the crisis was unfolding for London's communities: lockdowns and their impact on domestic abuse; children's vulnerability with interrupted education and the inability to socialise and grow together; furlough and the desperate need for advice and guidance.

The response of the charitable organisations working in these fields has been humbling and inspiring in equal measure.

London's generosity moved into action, both in giving to LCF's own appeal and releasing existing or new funds to us. At LCF we were moved by the speed, flexibility, and desire to support London's grassroots from individual donors, corporate partners (new and longstanding), housing associations, the Mayor's Office, and many more.

"Our COVID Charitable Fund was set up to help people and communities affected by the pandemic. We were delighted to partner with The London Community Foundation to direct some of the Fund to grassroots organisations helping people across the Capital who were affected by issues including food poverty, mental health, disability and domestic violence. The LCF team used its knowledge and experience to identify those organisations whose beneficiaries were most in need, so we could start making a difference as quickly as possible."

Kathryn Van Der Kroft, 3i Group, COVID-19 donor

At LCF we were moved by the speed, flexibility, and desire to support London's grassroots from individual donors, corporate partners (new and longstanding), housing associations and the Mayor's Office.

£57m

in funds committed by the London Community Response

3,300

awarded through the central London Community Response portal



Our impact

“What began as an initial crisis response to the pandemic has evolved into more than just a foodbank: people have made friends, accessed essential support, gained paid work, taken part in training, and even done online dance exercise classes together. The foodbank has become a vital source of social connection and a space where neighbours can support each other, contributing to improved mental health, tackling social isolation, and highlighting the resilience and kindness within the community. Now the foodbank is almost exclusively run by members of the local community, most of them volunteers.”

David, Wheely Tots Foodbank, COVID-19 grantee

As the pandemic struck, LCF supported the local civil society by signing **#WeStandwiththeSector**, a statement from across London’s funding sector and beyond committing to be flexible, responsive, and equitable with charities holding or receiving funds from them. In turn, as a Donor Advised Fund model, we are proud of how our donor partners gave us the flexibility to direct funds where we saw the most need. Their trust in LCF is precious to us.

Throughout the pandemic, supporting food banks, charities and religious institutions pivoting to distribute food and essential goods remained a constant. Of the funds we committed, over £4.2m were dedicated to food.

Alongside our wider COVID-19 work, LCF was pleased to initially support the Evening Standard’s fundraising work of its Food for London Now Campaign. In the end this incredible campaign, backed by hundreds of Londoners and companies in the Capital, raised over £10m for the Felix Project charity.



Throughout the pandemic, supporting food banks, charities and religious institutions pivoting to distribute food and essential goods remained a constant.

£4.2m

was dedicated to food



Violence Against Women and Girls Grassroots Fund

"The funding process was excellent. The application process was user-friendly, and we felt the funder was empathetic. Often it is the case that the skills we bring to the melting pot are unaccounted for, but it felt that we were in sync with the assessor."

Rani, DAWN, VAWG Grassroots Fund grantee

When the COVID-19 pandemic hit, many of London's most vulnerable citizens found themselves even more at risk than before. Ongoing lockdowns compounded isolation, reduced access to support services and further facilitated the opportunity for domestic violence and abuse. Many women and girls found themselves confined with their abuser(s), and grassroots organisations that were supporting survivors, or those at risk, of violence against women and girls (VAWG) struggled to secure funding, while simultaneously experiencing greater demand for their services.

We provided 21% of our emergency funding to charitable organisations to support them to meet the additional demands for services. In November we restarted work on The Mayor's Office for Policing and Crime (MOPAC) VAWG Grassroots Fund in partnership with The Social Innovation Partnership (TSIP).

The Fund was created to support the resilience of the existing VAWG sector in London, in particular organisations supporting women and girls from marginalised groups. In February we committed £3m to 41 organisations.

Funding and support

21%

of our emergency funding went to community organisations supporting survivors, or those at risk, of violence against women and girls

£3m

committed to 41 grassroots organisations through the MOPAC VAWG Fund



A year at LCF

April 2020

£1m is raised and 100 grants awarded in first 3 weeks for our COVID-19 response.

Our partner **Grosvenor** cornerstones our Coronavirus Appeal with a £250k donation. As part of the London Community Response Wave 1 we are rapidly providing £5k grants for emergency food provision and we launch Wave 2 to fund communities' immediate needs.

May 2020

Our partner **Deutsche Bank** awards £120k to 4 community organisations addressing the root causes of homelessness through their Deutsche Bank Opportunity Fund.



June 2020

LCF marks £4m committed in funds, thanks to the generosity of our donors, to support community organisations through the crisis. The UK reaches 100 days since first lockdown.

Our partner **Evening Standard's Dispossessed Fund**, with support from Martin Moshal, awards 4 schools over £731k to tackle school exclusions through a new ground-breaking pilot Excluded Initiative.



July 2020

£5m is raised for our COVID-19 response, thanks to the generosity of our donors, to support community organisations through the crisis. As part of the London Community Response, we begin Wave 3 of our COVID-19 response with a focus on supporting community organisations' running costs as lockdown continues.

Our partner **SEGRO** awards £194,030 to 6 community organisations supporting people's employability skills through their SEGRO Centenary Fund.



August 2020

We begin a new strategic partnership with the **Muslim Charities Forum** aimed at hearing, recognising, and addressing the needs of Muslim-led charities accessing funding.

Our partner **Morgan Stanley** commits £300k to support BAME-led community organisations through the COVID-19 crisis.

September 2020



Our partner **Peabody** launches a new Young People's Fund, a youth-led initiative to help community organisations tackle violence affecting young people.

We publish findings from the **Evening Standard Dispossessed Fund Save London Lives Initiative** that supports community groups tackling violence affecting young people. 61% of grantees secured additional funding as result of being part of the initiative.

October 2020

Our partner **3i Group** donates £200k to support our COVID-19 response with a particular focus on supporting mental health, disabled people, BME communities and domestic violence.

November 2020

We begin Wave 4 of our COVID-19 response prioritising support for organisations led by and for marginalised communities and smaller organisations with a turnover up to £1m.

Our partner **JPMorgan Chase** commits £2m to a new fund to support BME-led community organisations and infrastructure partners working in employability, enterprise, and financial health.

December 2020

£10m raised and 1,000 grants awarded as part of our COVID-19 response.

We welcome 4 new Trustees to our Board, building our commitment to increase representation of London's diverse communities.

LCF distributes the Government's Big Night In funds via our partnership with UKCF and National Emergencies Trust (NET). The Muslim Charities Forum launches its partnership report at London Funders' Festival of Learning.

Annual Report and Financial Statements

January 2021

We begin Wave 5 of our COVID-19 response focusing on supporting community organisations to continue to provide food and to support their organisational resilience.

February 2021

We sign the **#FlexibleFunders** pledge led by London Funders and the Institute of Voluntary Action Research committing us to adopting even more open and trusting practices in support of London's community organisations.

March 2021

£13m raised for our COVID-19 response.

We announce the **MOPAC Violence Against Women and Girls Fund** grantees following co-design and consultation with grassroots charitable organisations working to tackle the issue.



Our partner **Evening Standard** awards over £600k to community organisations, working to improve the wellbeing of children and young people affected by the fire, through the final round of **The Grenfell Children and Young People's Fund**.

Annual Report and Financial Statements

For the year ended March 2021

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 2021. The Report has been prepared in compliance with Part 8 of the Charities Act 2011. The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the Financial Statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice

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

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

Legal and administrative information

Name of Charity:
The London Community Foundation (LCF)

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

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

Trustees:

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

Russell Prior

Chair of the Board

Gaynor Humphreys

Genine Whitehorne
(from December 2020)

John Hume

Chair of Programmes
and Impact Committee

Natalie Creary

(from December 2020)

Paul G Cattermull

(to October 2021)

Sanjay Mazumder

Chair of People Committee

Scott Greenhalgh

Chair of Supporter Engagement
Committee (from December 2020)

Timothy C Ingram

Chair of Audit, Risk,
and Investment Committee
(to September 2021)

Veesh Sharma

(from December 2020)

Nicholas T J Reid

(until December 2020)

Rosanna M Machado

(until December 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.

Kelly Rust:

Director of Grants and Impact

Laura Perkins:

Director of Development
and Communications
(from January 2021)

Auditor:

Buzzacott LLP

130 Wood Street
London
EC2V 6DL

Legal Advisors:

Bates Wells & Braithwaite London LLP

2-6 Cannon Street
London
EC4M 6YH

Stone King LLP

Boundary House
91 Charterhouse Street, Barbican
London
EC1M 6HR

Bankers:

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

The year of COVID-19

Throughout the period of the COVID-19 pandemic that this Annual Report covers, the Board and leadership of LCF instigated both formal and responsive engagement and communication to ensure emergency and normal business (where this continued) operations of the Charity were maintained effectively.

Virtual working for the LCF team continued throughout the period of this Annual Report with the Board and Executive maintaining specific focus regarding wellbeing, health and safety, support and work/life flexibility. Like many charities, and organisations, our lessons learned during this period for our people will inform how we move forward.

Risk controls remained a key focus throughout the year given the scale of funds being processed by the Charity, as did our digital requirements. The Board and Sub-Committees maintained a significant focus on LCF's COVID-19 operations and impact, alongside the 'normal' business that continued.

The year saw unprecedented incoming funds from LCF's existing and new donors, including the Charity's partnership with UKCF and the National Emergencies Trust, as well as longstanding donors.

The 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, and cost management. This is alongside the Trustees' oversight of health and safety and wellbeing of the LCF team.

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 local charities and community groups.

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

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

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

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

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

Our core activities are:

1. Funding predominantly small charities and community groups 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 through 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.

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

We do this by promoting the work of local charities addressing the Capital's needs and building on its community strengths. This includes thought leadership and engagement events across London's philanthropic landscape, private banks, and wealth advisory and intermediary services.

Through our work, connections and knowledge, we help donors get close to the issues affecting London and build a compelling case for how local charitable 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.

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 of 31 March 2021, LCF held £23,575,000 (2020: £19,597,000) in endowment funds, the variance due to market conditions prior to the financial year due to COVID-19.

Endowment funds held have been raised primarily through:

- Individuals and companies that want to create an enduring legacy in a particular geography or cause in the Capital. We can work with donors to consider their philanthropic ambitions and how to achieve them, now and in the future, as a flexible alternative to establishing their own charitable foundation or trust.
- 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 nomination by other Trustees, recommendations from respected individuals, engagement with LCF through professional networks and community engagement. The People Sub-Committee of the Board is responsible for nominations and makes recommendations to the full Board of Trustees on appointments.

On 31 March 2021 LCF had 10 Trustees (maximum 18) with the Board agreeing its optimal number is between 10 and 12. This is supported by a Skills

and Expertise Audit and Board Performance Review every two years.

Prior to appointment, prospective Trustees meet with the Chair and CEO, and are interviewed by a panel of Trustees, as well as meeting key staff where appropriate. To provide an inclusive and supportive recruitment experience, all shortlisted candidates receive further information and a presentation from members of the LCF team with the opportunity to follow up with questions. 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 four Sub-Committees. These are **Programmes and Impact, Audit, Risk and Investment, People, and Supporter Engagement**.

The **Programmes and Impact Committee** meets four times a year and includes a minimum of two Trustees to be quorate. It has ultimate authority, delegated by the Trustees, to authorise grants managed by LCF's Programmes Team. The Committee also has the power to delegate authority to approve grants to senior staff where appropriate. Delegated authority currently sits with the Senior Management Team (SMT) for standard risk grants under £50,000 and Middle Management along with SMT under £25,000.

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

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

The Trustees and team wish to express their sincere appreciation for the expertise and knowledge of the civil society infrastructure organisations and individuals who have helped to inform, challenge, and shape our grant making over the last year. This ensures our work and advice to donors is rooted in and shaped by the experience of London's communities. Despite the COVID-19 crisis, this year we have successfully launched the Muslim Charities Forum, the Grenfell Young People's Fund Panel, the Peabody Young People's Fund Panel, the MOPAC VAWG Fund Expert Panel and the VAWG grassroots sector.

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

- Recommending to the Board of Trustees the appointment of, and performance review of, LCF's investments and Investment Managers
- Recommending the budget, business plan and targets to the Board of Trustees for approval
- Reviewing the draft statutory Financial Statements and recommending approval to the Board of Trustees
- Appointing and receiving the reports of LCF's Auditor

- Reviewing financial policies and controls, reserves policy and investment and endowment spending policies

- Overseeing risk management

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

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

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

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

Day-to-day operation of LCF is the responsibility of the **Senior Management Team** (SMT) and the **Middle Management Team** (MMT). The average number of team members employed during the year using a full-time equivalent basis was 19 (2020:18).

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

LCF is a quality-accredited member of UK Community Foundations (UKCF), the membership body that supports and promotes community foundations in the UK. There are 46 community foundations serving most of the UK population. The network of community foundations gives grants totalling around £100 million annually (2020/21 increased to almost £175 million due to COVID-19 related programmes). This makes us, collectively, one of the UK's largest grant-giving organisations. Over the past 20 years, donors have given over £1 billion to and through community foundations to address local need.

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

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 2021, as well as explaining the plans for the current financial year. LCF's work benefits a range of local London 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

2020/21 objectives, achievements and performance

Like all charities, LCF's strategic objectives for the year were radically impacted by COVID-19. As the pandemic struck, plans were quickly reviewed and – as much as practically possible in the uncertainty – reprioritised by the Board and Executive. Together, across a series of agile Board Meetings and Sub-Committees, strategic priorities were monitored regularly throughout the period. However, our core purpose remained true to inspire donors to give to London's communities. We did this

through deploying our knowledge and expertise of the Capital's grassroots organisations to reach those most in need.

COVID-19 funding to London's local civil society during the year was directed by a series of Strategic Grant Making Principles established at the start of the pandemic. During the uncertainty these helped the Board monitor the Charity's impact.

LCF Governance during COVID-19:

Despite the challenges of COVID-19, LCF continued to build on the diversity, expertise, and experience of its Board of Trustees. Reflecting LCF's mission, broad strategic networks and operating model,

LCF recruited Trustees with experience of London's local authorities, charitable frontline and infrastructure sector, governance and assurance, and philanthropy.

LCF and our Donors during COVID-19:

LCF's donors and partners responded incredibly to support the Charity's COVID-19 response. Existing and new donors alike rose to the challenge:

LCF's COVID-19 funding sources during 2020/21:

- 41% UKCF national programmes (including National Emergencies Trust)
- 20% corporate
- 20% trusts, foundations and public benefit entities
- 17% local government
- 2% individuals

The National Emergencies Trust (NET), the newly created disaster appeal which found its first crisis, was a significant donor. NET worked with UKCF, to distribute funds nationally, with LCF distributing, excluding DCMS funding, £5.3m across 506 grants. Funds were distributed by a NET Allocations Committee based on national data about COVID-19 and channelled through UKCF to the local community foundation. The model enabled unprecedented collaboration, agility and learning across the UKCF network that has and will endure beyond the immediate pandemic.

LCF and our COVID-19 grant making:

The Charity collaborated with over 60 other funders to create the London Community Response (LCR), a central funding portal to serve the Capital's civil society during COVID-19. Priorities for – and design – of funding were based on intelligence gathered on need from local authorities, funders, frontline charities, and infrastructure partners throughout the pandemic. There were five waves of funding collectively telling the story of how COVID-19 unfolded in the Capital and touched the lives of Londoners. Eligibility criteria, restrictions and reporting requirements were agreed across funders. LCF could deploy either COVID-19 Appeal or segregated emergency funds provided by donors and partners by accessing grant applications from the LCR portal, and processing them according to COVID-19 governance procedures agreed by the Board of Trustees.

In total LCF committed £13.4m of COVID-19 funds to the London Community Response. We assessed 1,599 applications, funding 1,019 as a result. The average number of days between receiving an application and awarding a grant for the first month of lockdown was 4.2.

In summary, the LCR Waves were:

Wave 1: Launched in late March 2020 to provide small grants of up to £5k for food and emergency provision delivered by charitable organisations.

Wave 2: Launched in April 2020, the crisis response continued to provide grants of up to £10k for

charities to meet immediate need in communities and meet additional short-term staff costs or equipment. Delivering Differently provided grants of up to £50k to support charities pivoting to deliver services differently and digitally to reach beneficiaries.

Wave 3: Launched in June 2020 to provide small grants of up to £10k or large grants of up to £50k to cover up to six months of operating costs for charitable organisations in the Capital. Priority was given to charitable organisations led by and for marginalised communities most affected by the COVID-19 crisis (particularly BME, deaf and disabled, LGBT and women-led groups) and grassroots organisations (typically with a turnover of under £1m per annum).

Wave 4: Launched in November 2020, grants of up to £10k were made available to cover charities' running costs for up to six months. As with Wave 3, priority was given to charitable organisations representing and supporting marginalised communities and grassroots organisations.

Wave 5: As the country went back into lockdown, Wave 5 in January 2021 provided further Crisis Response grants of up to £10k to support food and essential items, as well as key charitable services like mental health and domestic abuse services.

LCF and our financial performance during COVID-19:

Managing high volumes of COVID-19 funding was a significant departure from LCF's model as

a Donor Advised Fund charity. This meant when working on the LCR, LCF was receiving applications and committing funds to one single cause. Funds were either pooled into LCF's COVID-19 Appeal or segregated behind the scenes – all supporting the Charity's COVID-19 response. So, despite committing almost three times the value of funds in 2019/20, LCF was able to manage its cost base effectively during this unpredictable period. £348k of income was deferred into the following year. The organisation ended the year with a surplus. With a significant proportion of LCF's donors giving annually, this will aid the Charity as – like most organisations reliant on fundraising – it faces some uncertainty moving into 2021/22.

Transparency and accountability:

With unprecedented funds committed during this COVID-19 year, LCF was committed to increasing transparency. In June, we launched our giving data on 360 Giving, the open data source for grant making. We will continue to develop our reporting on the platform next year.

Equity, diversity and inclusion:

This is the second year that LCF is reporting diversity data on its Board and team in its Statutory Accounts. This is not a statutory requirement, but the Charity is committed to increasing the diversity of its team and Trustees and reporting on its performance to that end. This work is a key part of LCF's Equity, Diversity, and Inclusion (EDI) project which was launched during the year. This is a project that over time will span all aspects of our work: how we commit, raise and invest funds, support donors and operate as an organisation. LCF is committed to learning from and progressing its EDI commitments, acknowledging its position as a funder and, for the Board and Executive, as leaders within the charitable sector.

Digital improvements:

By need and necessity, LCF progressed its digital improvement work significantly during COVID-19. Like all organisations, the Charity pivoted quickly to operating digitally and the impact on time, cost and easing administrative pressures on the team has been substantial. As always as an intermediary, our considerations on digital work always include our team, our donors and organisations seeking funding. We will continue this work into 2021/22.

Lessons learned:

Importantly every aspect of our work during this COVID-19 year has brought valuable lessons and reflections for LCF. From grant making, donor engagement, virtual working, and governance – LCF has changed significantly during this year. We will use these reflections to help inform a significant change programme (Resetting LCF for the Future) as we move into 2021/22 to ensure we are the most impactful and effective we can be.

Financial review

Income

The total income for the year was £21,474,000 (2020: £9,796,000). 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 was £1,075,000 (2020: £914,000), an increase of 18%.
- Restricted voluntary income received was £19,578,000 (2020: £7,906,000), an increase of 148%.
- Investment income remains static at £761,000 (2020: £761,000).
- Income from other trading activities was £60,000 (2020: £69,000) a decrease of 13%. This relates specifically to rental income from sub-letting office space, the negative impact being COVID-19.

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 larger initiatives to support London's local civil society. It also includes the cost of running grant-making operations and associated support costs. Grants payable in year totalled £18,432,000 (2020: £8,905,000), an increase of 107% because of COVID-19 funds raised and distributed to support local charities responding to the crisis.

LCF's main cost is our team, which represented 60% of the Charity's expenditure (excluding grant awards) (2020: 60%). Staff costs are allocated to the costs of raising funds and charitable activities based on time spent. Support team costs are allocated in a similar manner. Team costs, which include employees and contractors, have increased to £962,000 (2020: £895,000) an increase of 7%. The Charity's headcount increased slightly to 19 average full-time equivalent staff (2020: 18).

Cash position

LCF’s cash balances (excluding any cash held by the investment managers) has increased to £8,500,000 (2020: £5,195,000), largely due to the receipt of an increased amount of restricted funds and investment income. Cash held by LCF mainly represents restricted funds held for the purposes of grant making and, of this balance, £7,933,000 represents restricted and endowment funds (2020: £4,703,000). 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 the needs of the community and grant applicants, as well as internal resources and planning.

Of the £796,000 net general reserves (2020: £704,000), £903,000 is a cash balance representing unrestricted funds (2020: £442,000) and £303,000 is invested (2020 £251,000), leaving other net liabilities of (£410,000) (2020: net assets £11,000). The increase in unrestricted net liabilities is due to an increase in deferred income as LCF continues to build its long-term financial resilience. 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. Please refer to note 12 for further context.

Diversity of income and financial sustainability

Our business plan sets out 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. During the exceptional year of COVID-19 funding, this target was not met; 59% of the Charity’s income and 77% of grants awarded were part of our COVID-19 programme to support London’s local charities during the crisis.

Investments

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

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

The total value of funds invested, including cash held by investment managers for re-investment, amounted to £24,560,000 (2020: £20,786,000). 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 portfolio at CCLA is invested in the investment managers’ own pooled funds with underlying holdings in a broad spread of international ‘blue chip’ equities, fixed income stocks and alternative investments. The total investment performance of the funds and the peer group comparison are shown below.

LCF’s Audit, Risk and Investment Sub-Committee is responsible for monitoring investment performance.

LCF takes a long-term view and measures the long-term performance against the ARC Steady Growth benchmark. The benchmark is a standard indicator of relative performance used by the investment industry and charities. CCLA provides quarterly reports and presents to the Sub-Committee at least once a year whilst also responding to specific requests during the year.

	Total investment performance in year to 31 March 2021 (net of fees and costs)	Total investment performance in year to 31 March 2020 (net of fees and costs)	Total investment performance annualised three-year return to 31 March 2021 (net of fees and costs)
CCLA - COIF Investment Fund	24.31%	(0.05%)	11.49%
ARC Steady Growth (peer group comparison)	24.01%	(7.88%)	6.58%

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 enduring impact. The capital of permanent endowment may not be spent. Endowment reserves at 31 March 2021 stood at £23,575,000 (2020: £19,597,000), the increase of £3,978,000 (or 20%) is due to investment gains at year-end.

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

Restricted reserves at 31 March 2021 were £5,300,000 (2020: £3,695,000). The increase is due to the timing of grant programmes.

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

During the year 2018/19, 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 2021, no funds had been spent, and the balance remains at £50,000, out of a total designated fund balance of £64,000 (2020: £63,000), the remaining sum relates to LCF's tangible fixed assets. At the time of writing this report, LCF's digital investment had significantly progressed.

The remaining designated reserves of tangible fixed assets reflect 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 2021 was £14,000 (2020: £13,000). 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.

General reserves are the balance of LCF's unrestricted reserves that have not been designated for a particular purpose and, as such, are freely available to the Trustees for any of the Charity's purposes. The general reserves held at 31 March 2021 were £796,000 (2020: £704,000). 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 general 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.
- General reserves at this level enable us to plan for the longer term and to utilise resources more efficiently.
- Holding of endowment. LCF holds £23,575,000 of endowment funds, of which £5,080,000 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 (though this was greater in 2021 due to the receipt of significant sums of COVID-19 emergency funds). The Reserves Policy must ensure LCF has sufficient reserves to fulfil the intentions of the donors regarding distributing the grant-making funds held.
- Planning in the longer term. LCF operates a five-year planning process to allow a long-term strategy.

LCF's level of general reserves as at 31 March 2021 was £796,000. This amount is greater than the figure calculated under the Reserves Policy, which is £701,000. However, the Trustees are comfortable with the level of reserves held at the current time, given the continuing uncertainty of the longer-term impact of the COVID-19 pandemic on future income.

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 supporting both current and future beneficiaries. They will only use the power to spend the capital growth to the extent that the ability to support future charitable organisations will not be prejudiced.

Beaufoy Trust

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

Endowment spending policy

LCF's policy regarding expendable endowments is to allocate a set percentage of the value of each fund at December each year for expenditure on grants and direct charitable expenditure in the next financial year. The Trustees review this policy every year and set the appropriate percentage to be applied to the fund value as at 31 December. During 2021 the percentage used was 3.5% (2020: 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% (2020: 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.

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 of 19 full-time equivalent staff during 2021 (2020: 18). Salaries are reviewed and agreed annually by LCF's People Committee, on behalf of the Board of Trustees. Recommendations are received on salary structure from the CEO and SMT in consultation with relevant line managers. The recommendation for the CEO's salary is made by the Chair to the People Committee. 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 banding with reviews based on key factors including inflation, individual performance and the LCF's financial position. Salary bands are openly stated in job advertisements and, as a signatory to the Show the Salary campaign (Sector Partner Pledge), LCF ensures access to a fair wage and greater inclusion in the workplace. A key strategic objective in 21/22 is a review of LCF's People Offer including salary benchmarking, banding, progression framework.

Our approach to pay

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

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

Remuneration of key management personnel

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

The SMT was as follows during the year:

CEO, Director of Grants & Impact, and Director of Development & Communications (from January 2021). During this period, an interim Finance & Resources Director supported the Charity (2020: CEO, Director of Grants and Impact, Director of Finance & Resources until August 19, and Director of Business Development and Communications until January 20). The total benefits including employer pension contributions of the employed SMT was £207,578 (2020: £261,359).

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 2021 (2020:0).

Pay ratio

The ratio of our highest salary rate to our median salary during 2021 was 2.34:1 (2020: 2.35:1).

Future plans for 2021/22

Following a governance review in 2020, the LCF Board with SMT established a series of strategic priorities for Board focus in 2021/22, which are outlined below and are reflected in the specific strategic objectives. This work will be underpinned by a relaunch of Terms of Reference and scope for the Board Sub-Committees.

- Culture
- Focus on impact and thematic areas (particularly post COVID-19) that LCF should really be prioritising, and the theory of change for how we work in these areas
- Organisational structure and operational model
- Donor products and development
- Financial resilience

1. Resetting LCF for the future:

Following the unprecedented year of COVID-19, LCF will be launching a cross-organisational reset programme to ensure the organisation can serve London's local civil society and donors as effectively as possible, and grow and progress as a team and Board. Work will involve reviewing LCF's values, behaviours, operating model and operating principles and donor products. We know working life is unlikely to be the same again so this work will also include reviewing LCF's People Offer.

1.1 Equity, diversity and inclusion:

As part of its ongoing commitment to equity, diversity and inclusion, LCF will continue to enhance its reporting on diversity of 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, 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 on diversity and inclusion as part of its membership of the UKCF network.

About the EDI Survey:

The following data table (page 41) 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, the process of 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.

2. Funding resilient civil society:

We know that during COVID-19 London's local civil society pivoted in unparalleled ways to meet the desperate needs of the Capital's vulnerable, often reaching beyond their own communities and missions. As a funder, we learnt a lot about how best we stand with London's local charities and

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

LCF team	2020	2021
How do you describe your ethnicity:		
Asian / Asian British:	0%	0%
Black / Black British:	0%	5%
Other ethnicities listed:	0%	11%
White / White British:	77%	84%
Did not respond:	23%	0%
How do you define your gender identity?		
Man:	23%	26%
Of other gender identities listed:	0%	0%
Other:	0%	5%
Woman:	54%	68%
Did not respond:	33%	0%
Which of the following options best describes how you think of your sexual orientation?		
Gay or Lesbian:	15%	16%
Heterosexual:	54%	74%
Other sexual orientations listed:	0%	5%
Prefer not to say:	8%	5%
Did not respond:	23%	0%
Do you consider yourself to live with a disability?		
No:	54%	89%
Yes:	8%	5%
Prefer not to say:	15%	5%
Did not respond:	23%	0%
What is your age?		
18-24:	0%	5%
25-29:	15%	16%
30-34:	8%	16%
35-39:	23%	26%
40-45:	0%	5%
45-49:	15%	11%
50-54:	15%	21%
55-59:	0%	0%
60+:	0%	0%
Did not respond:	23%	10%

community groups as they look to the future to meet the needs of their own beneficiaries and recover, organisationally, from the pandemic.

We also know the harsh realities facing many grassroots charitable organisations who put themselves in harm's way during the crisis and who now face incredible financial challenges over the next 2 years.

Going forward, trust, equity, flexibility and proportionality will feature heavily both in our grant operations and how we inform and inspire donors to give.

Partnerships will continue to be a key part of our grant making work, recognising that investing in partners with the skills, expertise and reach to complement our funding (and enhance our own learning to be a better funder) is how we can support an equitable and diverse civil society in London.

3. Amplifying the needs of London:

LCF holds an incredibly privileged position as one of the primary philanthropic foundations in London with deep connections to the Capital's civil society as well as companies, private banks, wealth advisers and intermediaries. It is this authentic connection that draws institutions and individuals to work with LCF; never has the value of giving locally on your doorstep or in your community proved more impactful.

Convening philanthropic agencies or donors through roundtables, thought leadership and events will remain a key focus as we amplify London's needs through the work of the charitable organisations we support. It is their expertise, reach and intimate local knowledge of the people they serve that we seek to promote, as well as their funding needs.

As one member of the UK Community Foundation movement, we demonstrated during COVID-19 just how powerful the reach, profile and voice of the community foundations can be when we work together. This collective focus will continue in 21/22 for the benefit of our diverse communities and donors.

4. Maximising digital efficiencies:

Building on the significant improvements made during COVID-19, LCF will continue to invest in digital solutions that supports not only our team in their work, but also London's charitable organisations and donors. This will rightly be aligned with equal focus on our cyber security, digital infrastructure and internal controls.

Our approach to fundraising

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

Only LCF's team and Trustees are involved in fundraising for the Charity (aside from a small group of individuals raising donations on our behalf through fundraising events like the London Marathon). We 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 2021.

Principal risks and uncertainties

The Trustees consider the major risks to which LCF is exposed by conducting a review. This forms part of the business planning process by maintaining a risk register which is updated 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.

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. Our team 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 year on year. Therefore, building our financial resilience is key to LCF being able to sustain its strategic objectives and direction whilst weathering challenging periods. We have strengthened reserves in 2020/21 and seek to manage costs through ongoing collaboration, effective cost management, digital investment, and pipeline analysis on future income.

2. Continuing to build greater equity and diversity: Through its Board, team and funding, LCF is committed to building its representation of London and acknowledging the power and

responsibility its leaders and funding model have in the Capital. This work is vital, we won't always get it right and it will take time. As a small team with a complex model, we will also learn from the challenges presented to us. Communication, learning and committed action will be key. LCF has an EDI project team working across the Board and team that will champion a whole organisation commitment and action plan.

3. Supporting a high performing, flexible 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. Data and cyber security: Post COVID-19 individuals and organisations alike are more digitally dependent and therefore face greater risk from cybercrime. LCF is a relationship-based organisation, from the applicants and grantees, to donors and our wider stakeholder networks. Regular review of our controls, team awareness and training, and Board oversight will help mitigate this risk. Linked to this risk is potential fraud both in LCF's grant making operations and its gift acceptance work with donors. LCF's respective Sub-Committees (ARIC, SEC, PIC and PC) have oversight of the policies, procedures, and controls to monitor these areas.

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 situation 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 to be aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

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

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

Russell Prior
Chair
Dated 22 November 2021

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

Opinion

We have audited the Financial Statements of London Community Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the Financial Statements. 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 2021 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

In auditing the Financial Statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively,

may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and Financial Statements, other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report and Financial Statements. 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.

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 course of 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 this gives rise to a material misstatement in the Financial Statements themselves. 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, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- The Trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. They are also responsible for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the Financial Statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)), the Companies Act 2006 and the Charities Act 2011 and those that relate to data protection (General Data Protection Regulation); and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's Financial Statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;

- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure, ensuring expenditure was approved in line with the charitable company's financial procedures;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reviewing the minutes of meetings of those charged with governance; and
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Catherine Biscoe (Senior Statutory Auditor)

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

Buzzacott LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

Dated 20 December 2021

Statement of Financial Activities for the year to 31 March 2021

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and legacies	2a	1,075	19,578	-	20,653	8,966
Investments	2b	283	418	60	761	761
Other trading activities	2c	60	-	-	60	69
Total income		1,418	19,996	60	21,474	9,796
Expenditure on:						
Raising funds	3a	517	14	-	531	603
Charitable activities:						
Grant programme	3b	897	18,584	-	19,481	9,766
Community development	3c	-	21	-	21	36
Total		1,414	18,619	-	20,033	10,405
Net income / (expenditure) before investment gains and losses		4	1,377	60	1,441	(609)
Net gains / (losses) on investments	9	52	-	4,183	4,235	(1,110)
Net income / (expenditure)		56	1,377	4,243	5,676	(1,719)
Transfer in / (out) between funds	14,15	37	228	(265)	-	-
Net movement in funds		93	1,605	3,978	5,676	(1,719)
Reconciliation of funds:						
Total at 01 April 2020		767	3,695	19,597		24,059
Total at 31 March 2021	12	860	5,300	23,575	29,735	

All the activities of The London Community Foundation derive from continuing operations. There are no recognised gains and losses other than those shown above.

Summary income and expenditure account

Income and expenditure account for the year ended 31 March 2021

	Total 2021 £000	Total 2020 £000
Total income from continuing operations	21,474	9,650
Total expenditure from continuing operations	(20,033)	(10,405)
Net income / (expenditure) for the year before transfers and investment asset disposals	1,441	(755)
Transfers from endowment funds	204	332
Realised gains / (losses) on disposal of fixed asset investments	31	(24)
Net Income / (expenditure)	1,676	(447)
Total income comprises £1,418k (2020: £1,264k) of unrestricted funds, £19,996k (2020: £8,328k) of restricted funds and £60k (2020: £58k) of endowment funds. Received in the year, but excluded from income, are new endowments of £0k (2020: £146k).		
Detailed analysis of the expenditure is provided in the Statement of Financial Activities.		
Net income before investment asset disposals and transfers from the endowment funds for the year is £1,441k (2020: Net expenditure £755k). This comprises of net unrestricted income of £4k (2020: £10k), net restricted income of £1,377k (2020: Net restricted expenditure £701k) and net endowment expenditure of £60k (2020: £64k). 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 57 to 79, provides full information on the movements during the year on all funds of the charitable company.		

Balance sheet

Balance sheet as at 31 March 2021

	Notes	Total 2021 £000	Total 2020 £000
Fixed assets:			
Tangible assets	8	14	13
Investments	9	24,560	20,786
Total		24,574	20,799
Current assets:			
Debtors	10	165	585
Cash at bank and in hand		8,500	5,195
Total		8,665	5,780
Creditors: amounts falling due within one year	11	(3,504)	(2,520)
Net current assets:		5,161	3,260
Net assets		29,735	24,059
The funds of the charity:			
Capital funds:			
Expendable endowment funds	14	18,495	15,387
Permanent endowment funds	14	5,080	4,210
Total		23,575	19,597
Revenue funds:			
Restricted funds	15	5,300	3,695
Unrestricted funds:			
Designated funds	16	64	63
General funds		796	704
Total funds		29,735	24,059

The Financial Statements were approved by the Board of Trustees on 22 November 2021.

Russell Prior
Chair of Trustees

Veesh Sharma
Interim Chair of Audit, Risk & Investment

Statement of cash flows

Statement of cash flows for the year ended 31 March 2021

	Notes	Total 2021 £000	Total 2020 £000
Cash flows from operating activities:			
Net cash provided by operating activities	A	2,092	104
Interest received		3	18
Investment income received		758	743
Purchase of property, plant, and equipment		(9)	(13)
Purchase of investments		(2)	(10,798)
Proceeds from the disposal of investments		463	10,650
Net cash provided by investing activities		1,213	600
Cash flow from financing activities:			
Receipt of endowment		-	146
Net cash provided by investing activities		-	146
Change in cash and cash equivalents in year		3,305	850
Cash and cash equivalents at 01 April 2020		5,195	4,345
Cash and cash equivalents at 31 March 2021	B	8,500	5,195
Notes to the statement of cash flow for the year ended 31 March 2021			
Note A:			
Net income / (expenditure) for the year (as per the statement of financial activities)		5,676	(1,865)
Adjustments for:			
Net (gains) / losses on investments		(4,235)	1,110
Depreciation charge		8	6
Dividends and interest from investments		(761)	(761)
Fees deducted from investments		-	122
Decrease in debtors		420	1,180
Increase in creditors		984	312
Net cash provided by operating activities		2,092	104

	Notes	Total 2021 £000	Total 2020 £000
Note B:			
Analysis of cash and cash equivalents:			
Cash at bank and in hand		8,500	5,195
Total		8,500	5,195

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 2021 with comparative information in respect to the year ended 31 March 2020.

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, taking COVID-19 into consideration.

Accounting policies

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

Income

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

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

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

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

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

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

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:

- **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 the 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 costs incurred which are not directly attributable to our charitable activities, but which are vital to carry out the primary purposes of the Charity. These include costs such as finance, human resources, premises, communications and information systems.

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, all or part may be converted into an income fund, which can be spent.

Permanent endowment funds (with total return approach) require all income, gains and losses be taken to the part of the fund representing accumulated unapplied returns in the first instance.

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

Permanent endowment funds (without total return approach) whereby 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 judgements

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

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

Tangible fixed assets

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

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

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

Investments

Investments are a form of basic financial instrument 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.

Debtors

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

Creditors and provisions

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

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

Cash and cash equivalents

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

Value Added Tax

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

Expenditure in these Financial Statements is therefore shown inclusive of VAT paid and not reclaimable.

Operating lease

Rents payable under operating leases are chargeable to the statement of financial activities on a straight-line basis over the lease term. Benefits received as a lease incentive are credited to the statement of financial activities, to reduce the lease expense on a straight-line basis over the remaining lease term.

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 continues 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 2021 £000	Total 2020 £000
2a Income from donations and legacies					
Trusts and foundations	543	10,285	-	10,828	3,682
Corporates	293	3,731	-	4,024	2,355
Local public authorities	200	4,866	-	5,066	158
Individuals	39	696	-	735	870
National public authorities	-	-	-	-	1,901
Total	1,075	19,578	-	20,653	8,966
2b Income from investments					
Interest receivable	3	-	-	3	18
Investment income	280	418	60	758	743
Total	283	418	60	761	761
2c Income from other trading activities					
Rental income	60	-	-	60	69
Total	60	-	-	60	69

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
2021 Total income	1,418	19,996	60	21,474	
2020 Total income	1,264	8,328	204		9,796

3 Expenditure

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
3a Expenditure on raising funds					
Investment management costs:					
Staff costs (note 6)	8	-	-	8	7
Other direct costs	-	-	-	-	124
Allocated support costs (note 4)	6	-	-	6	5
Cost of raising donations and legacies:					
Staff costs (note 6)	257	-	-	257	239
Other direct costs	24	14	-	38	43
Allocated support costs (note 4)	212	-	-	212	174
Cost of generating rental income:					
Staff costs (note 6)	4	-	-	4	4
Other direct costs	3	-	-	3	4
Allocated support costs (note 4)	3	-	-	3	3
Total	517	14	-	531	603
3b Expenditure on charitable activities: grant programme					
Grants payable	-	18,432	-	18,432	8,905
Staff costs (note 6)	486	77	-	563	452
Other direct costs	10	75	-	85	80
Allocated support costs (note 4)	401	-	-	401	329
Total	897	18,584	-	19,481	9,766
3c Expenditure on charitable activities: community development					
Staff costs (note 6)	-	-	-	-	-
Other direct costs	-	21	-	21	36
Allocated support costs (note 4)	-	-	-	-	-
Total	-	21	-	21	36

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
2021 Total Expenditure	1,414	18,619	-	20,033	
2020 Total Expenditure	1,254	9,029	122		10,405

4 Analysis of support costs

	2021 £000	2020 £000
Support staff costs (note 6)	148	138
Professional fees	140	90
Premises costs	158	153
Office and other costs	19	28
Depreciation	7	6
IT costs	41	24
Governance costs (note 5)	109	72
Total	622	511
Attributed to:		
Expenditure on raising funds (note 3a):		
Investment management	6	5
Cost of raising donations and legacies	212	174
Cost of generating rental income	3	3
Expenditure on charitable activities:		
Grant programme (note 3b)	401	329
Community development (note 3c)	-	-
Total	622	511
Support costs are allocated to expenditure on raising funds and charitable activities based on employee time allocated to each area.		

5 Governance costs

	2021 £000	2020 £000
Staff costs (direct)	59	55
External auditor's remuneration	17	13
Legal and professional fees	33	4
Total	109	72

6 Staff costs and remuneration of key management personnel

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
Salaries and wages	688	77	765	683
Social security costs	72	-	72	65
Employer pension contributions	48	-	48	54
Temporary staff costs	154	-	154	90
Redundancy costs	-	-	-	3
Total	962	77	1,039	895

The average number of employees during the year was:

Employees	2021 FTE	2020 FTE	2021 Number	2020 Number
Grant delivery and community development	13	13	14	13
Fundraising	2	3	2	4
Support	4	2	4	2
Total	19	18	20	19

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

£60,001 - £70,000			1	1
£70,000 - £80,000			-	-
£80,001 - £90,000			1	1
£90,001 - £100,000			-	-
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 £15,517 (2020: £14,796).
21 employees participated in the charity's stakeholder pension scheme, inclusive of starters and leavers (2020: 22).
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 Business Development and Communications (from January 2021) (2020: CEO, Director of Grants and Impact, Director of Finance & Resources until August 19, and Director of Business Development and Communications until January 20).
The total benefits including employer pension contributions of the employed senior management team were £207,578 (2020: £261,359).
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 2021 (2020: 0).

7 Net income / (expenditure)

	2021 £000	2020 £000
This is stated after charging:		
Staff costs (note 6)	1,039	895
Auditor's remuneration (excluding VAT):		
Statutory audit services	13	11
Other services	-	-
Depreciation	8	6
Rentals under operating leases: property	116	115
Total	1,176	1,027

8 Tangible fixed assets

	Leasehold improvements £000	Furniture, IT, office equipment £000	Total 2021 £000
Cost:			
As at 01 April 2020	107	68	175
Additions	-	9	9
As at 31 March 2021	107	77	184
Depreciation:			
As at 01 April 2020	105	57	162
Charge for the year	1	7	8
As at 31 March 2021	106	64	170
Net Book Value as at 31 March 2021	1	13	14
Net Book Value as at 31 March 2020	2	11	13

9 Fixed asset investments

	2021 £000	2020 £000
9a Investments at market value		
Market value of listed investments at 01 April 2020	20,786	21,870
Additions at cost	2	10,798
Disposal proceeds	(463)	(10,650)
Realised gains / (losses) on disposal	31	(24)
Fees deducted by the investment managers directly from the fund (note 3a)	-	(122)
Unrealised gains / (losses)	4,204	(1,086)
Market value of listed investments at 31 March 2021	24,560	20,786
Cash held by investment managers	-	-
Total market value of listed investments at 31 March 2021	24,560	20,786
9b Investments at historical cost		
Market value at 31 March 2021	24,560	20,786
Accumulated gains brought forward	(6,896)	(7,982)
Unrealised gains / (losses) for the year	(4,204)	1,086
Unrealised gain in respect to disposals in the year	39	2,863
Historical cost at 31 March 2021	13,499	16,753
9c Investments disposition		
Common Investment Funds: COIF Charities Investment Fund	24,450	20,689
Common Investment Funds: COIF Ethical Investment Fund	110	97
Total market value of listed investments at 31 March 2021	24,560	20,786

(2020: During the year, The LCF consolidated its investment portfolio, to be administered by one investment manager, being CCLA. It disposed of its units in Alpha CIF for Endowment funds, held by Sarasin & Partners, and used the sale proceeds to make purchases in the COIF Charities Investment fund.)

10 Debtors

	2021 £000	2020 £000
Trade debtors	115	447
Prepayments	36	53
Accrued income	14	85
Total	165	585

11 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Grants payable	2,992	2,351
Other creditors	60	27
Accruals	104	99
Deferred income	348	43
Total	3,504	2,520
Movements on deferred income during the year was as follows:		
Balance brought forward at 1 April 2020	43	11
Amounts released to income	(38)	(3)
Cash received to be deferred	343	35
Balance carried forward at 31 March 2021	348	43
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 £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
Fund balances as at 31 March 2021						
Represented by:						
Tangible fixed assets	-	14	-	-	14	13
Fixed asset investments	303	-	682	23,575	24,560	20,786
Current assets - cash	903	50	7,547	-	8,500	5,195
Current assets - debtors	98	-	67	-	165	585
Creditors: amounts falling due within one year	(508)	--	(2,997)	-	(3,504)	(2,520)
Total	796	64	5,300	23,575	29,735	24,059
The restricted funds represented by fixed asset investments are made up of endowment funds where LCF's endowment spending policy has determined the portion of the capital gain on those funds which should be spent, but the investment assets will not be drawn down until spending plans are finalised.						
The total unrealised gains as at 31 March 2021 constitutes movement on revaluation in respect of listed investments and are as follows:						
Total unrealised gains included above:						
On listed investments					11,061	4,033
Reconciliation of movements in unrealised gains:						
Unrealised gains as at 01 April 2020					4,033	7,959
Less disposals in year					2,824	(2,840)
Sub-total					6,857	5,119
Add net gains / (losses) arising on revaluation arising in-year					4,204	(1,086)
Total unrealised gains as at 31 March 2021					11,061	4,033

Lucas Punt

13 Obligations under operating leases

	2021 £000	2020 £000
As at 31 March 2021, 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	53	168
Total	305	420

14 Endowment funds

	Bal. 01 April 2020 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Investment gain/(loss) £000	Bal. 31 March 2021 £000	Bal. 31 March 2020 £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:							
Bromley Community Fund	217	-	-	-	46	263	217
Croydon Community Fund	343	-	-	-	75	418	343
Deutsche Bank Fund	540	-	-	-	123	663	540
Evening Standard Dispossessed Fund	3,015	-	-	-	623	3,638	3,015
Gordon Family Fund	262	-	-	-	59	321	262
Lambeth Community Fund	214	-	-	-	46	260	214

	Bal. 01 April 2020 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Investment gain/(loss) £000	Bal. 31 March 2021 £000	Bal. 31 March 2020 £000
Norton Rose Fund	399	-	-	-	90	489	399
Victoria Foundation Fund	338	-	-	-	74	412	338
Westminster Fund	353	-	-	-	78	431	353
Other Grassroots Grants Funds	1,463	-	-	-	323	1,786	1,463
Total	7,144	-	-	-	1,537	8,681	7,144
Expendable Endowments - Community First Funds:							
Barnet Fund	417	-	-	-	81	498	417
Gordon Family Fund	969	-	-	-	197	1,166	969
Cadogan Kensington & Chelsea Fund	207	-	-	-	43	250	207
Land Securities Westminster Fund	213	-	-	-	44	257	213
Living Cities Community Fund	1,082	-	-	-	213	1,295	1,082
The London Leg-Up Fund	335	-	-	-	67	402	335
Other Community First Funds	2,304	-	-	(164)	501	2,641	2,304
Total	5,527	-	-	(164)	1,146	6,509	5,527
Expendable endowments - Other funds:							
Cresswell Trust	59	-	-	-	12	71	59
Lambeth Endowment Fund	1,131	-	-	-	242	1,373	1,131
Lewisham Fund	315	-	-	-	72	387	315

	Bal. 01 April 2020 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Investment gain/(loss) £000	Bal. 31 March 2021 £000	Bal. 31 March 2020 £000
Portuguese Fund	591	-	-	-	128	719	591
South London Opportunity Fund	150	-	-	-	34	184	150
Wandsworth Community Fund	470	-	-	-	100	570	470
Total	2,716	-	-	-	588	3,304	2,716
Total Expendable Endowments						18,495	15,387
Permanent Endowments:							
Barnet Endowment	70	-	-	-	13	83	70
Beaufoy Trust	1,356	-	-	-	280	1,636	1,356
Pedlar's Acre Trust	2,328	60	-	(101)	523	2,810	2,328
Richmond Civic Trust	456	-	-	-	95	551	456
Total	4,210	60	-	(101)	911	5,080	4,210
Total Endowment Funds	19,597	60	-	(265)	4,183	23,575	19,597
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 2021 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.							

15 Restricted funds

	Bal. 01 April 2020 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Total 2021 £000	Total 2020 £000
LCF holds many restricted funds, a sample of which are shown in the note below along with totals from each type of donor.						
Evening Standard Dispossessed Fund - Homelessness Fund	264	539	(228)	-	575	264
Evening Standard Dispossessed Fund - The Excluded Initiative	225	293	(281)	-	237	225
JP Morgan	(1)	147	-	1	147	(1)
Lambeth Wellbeing Fund	17	79	5	-	101	17
London Communities Coronavirus Appeal	6	1,005	(1,112)	213	112	6
London Impact Awards	-	152	-	-	152	-
Made by Sport 'Clubs in Crisis' Fund	-	504	-	-	504	-
Mayor's Office for Policing & Crime (MOPAC) - Violence Against Women and Girls Fund	8	1,599	(902)	-	705	8
Peabody Community Fund	412	700	(361)	(310)	441	412
The Young People's Fund	99	100	(77)	1	123	99
Other grant making funds	1,304	14,421	(15,082)	289	930	1,034
Total grant making funds	2,334	19,539	(18,038)	194	4,029	2,334
Endowment funds (revenue element)						
Deutsche Bank Older People's Fund	64	38	-	1	103	64

	Bal. 01 April 2020 £000	Income £000	Expenditure £000	Transfer in/(out) £000	Total 2021 £000	Total 2020 £000
Lambeth CF Endowment Fund	137	30	-	-	167	137
Pedlar's Acre Trust	76	4	-	19	99	76
Sue Estermann Fund	159	-	-	-	159	159
Other endowment funds (income element)	925	385	(581)	14	743	925
Total endowment funds (revenue element)	1,361	457	(581)	34	1,271	1,361
Total Restricted Funds	3,695	19,996	(18,619)	228	5,300	3,695

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 consider 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 year end, it had received the first restricted funds into the Appeal. the primary fundraising and grant-making activity has occurred in 2020/21.

16 Designated funds

The tangible fixed assets fund of £14k (2020: £13k) represents 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 £50k to support The LCF's digital development programme. No funds have been added or spent from this fund in the year to 31 March 2021. Funds are to be spent in 2021/22.

17 Funds of Pedlar's Acre Trust

Assets of each Charity at 31 March 2021	LCF £000	Pedlar's Acre Trust £000	2021 £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 2021 are shown below:			
Opening balance at 01 April 2020	21,731	2,328	24,059
Income	21,414	60	21,474
Expenditure	(20,033)	-	(20,033)
Fund transfers in/(out) (note 18)	101	(101)	-
Losses on investments	3,712	523	4,235
Net movement in funds	5,194	482	5,676
Closing balance as at 31 March 2021	26,925	2,810	29,735
Tangible fixed assets	14	-	14
Fixed asset investments	21,750	2,810	24,560
Debtors	165	-	165
Cash at bank and in hand	8,500	-	8,500
Creditors: amounts falling due within one year	(3,504)	-	(3,504)
Net assets as at 31 March 2021	26,925	2,810	29,735
Funds of the Charity			
Expendable endowment funds	18,495	-	18,495
Permanent endowment funds	2,270	2,810	5,080
Restricted funds	5,300	-	5,300
Unrestricted funds	860	-	860
Closing balance as at 31 March 2021	26,925	2,810	29,735

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

	2021 £000	2020 £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 2021 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 2020/21.		
The investment fund and application of total return to permanent endowment funds is as follows:		
Opening value of permanent endowment 01 April 2020	2,328	2,580
Less: Value of endowment at 31 March 2004	(1,837)	(1,837)
Opening value of unapplied total return at 01 April 2020	491	743
Add: Investment return income	60	58
Add: Investment return unrealised gain / (loss) on investment	523	(205)
Less: Investment management and legal costs	-	(15)
Unapplied total return before transfer to income	1,074	581
Less: unapplied total return applied	(101)	(90)
Sub-total unapplied total return as at 31 March 2021	973	491
Add: Value of endowment at 31 March 2004	1,837	1,837
Permanent endowment including unapplied total return as at 31 March 2021	2,810	2,328

19 Funds held in capacity as agents – Deptford Challenge Trust

	2021 £000	2020 £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	6	2
Grant creditor	(8)	-
Total funds held in capacity as Agents	(2)	2

20 Related party transactions

As per note 6, the Trustees are not remunerated, and no expenses have been incurred in 2021 (2020: none).	
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 2021 was £6,845.81 (2020: £118,704).	
In the year ended 31 March 2021 (2020: None) one grant was made to an organisation where a Trustee or member of the Senior Management Team held a declarable interest. The value of the grant was £25,000 to Voluntary Action Camden.	

21 Analysis of grants

21a Analysis of grants by recipient

	Number	Total 2021 £000
Grants awarded to institutions	1,311	22,571
Grants awarded to individuals	14	27
TOTAL	1,325	22,598
Most of the grant making at LCF is to charities and community groups each year.		

21b Analysis of grants by theme

Business as Usual Grants by Theme						
Theme	Value			Volume		
	Institutions £000	Individuals £000	Total £000	Institutions	Individuals	Total volume
Connect	1,970	27	1,997	113	14	127
Future	1,716	-	1,716	61	-	61
Thrive	4,599	-	4,599	66	-	66
Total	8,285	27	8,312	240	14	254
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."						

COVID Emergency Fund Grants by Theme						
Theme	Value			Volume		
	Institutions £000	Individuals £000	Total £000	Institutions	Individuals	Total volume
Adapt	977	-	977	70	-	70
Crisis	4,194	-	4,194	470	-	470
Delivering differently	3,004	-	3,004	164	-	164
MOPAC emergency	504	-	504	114	-	114
Enable	1,305	-	1,305	94	-	94
MoJ Covid	2,135	-	2,135	65	-	65
Renewal	1,288	-	1,288	41	-	41
Strategic	21	-	21	1	-	1
Total	13,428	-	13,428	1,019	-	1,019

COVID Emergency Fund Grants by Theme						
Theme	Value			Volume		
	Institutions £000	Individuals £000	Total £000	Institutions	Individuals	Total volume
Adapt: Funding charitable work that helps charities and community groups to restart, adapt, or collaborate for the future						
Crisis: Wave 1 - Small grants up to £5k for charitable organisations providing food and essential items to people in need in the first weeks of COVID-19 Wave 2 - Providing a continuation of crisis funding (small short-term grants) to support food and essential services Wave 3 - Providing a continuation of crisis funding (small short-term grants) to support food and essential services Wave 4 - Providing ongoing running costs for charitable organisations specifically focusing on charities lead by and for communities disproportionately impacted by the pandemic						
Delivering differently: Providing grants of up to £50k to support charitable organisations seeking transition services to their beneficiaries online and investing in digital infrastructure to deliver differently						
MOPAC Emergency: Emergency grants to support both grassroots and larger charitable organisations' running costs in the Capital, facing an upsurge in demand for domestic abuse, so-called honour-based crime and sexual violence support services						
Enable: Providing funding to support charitable work that helps to prevent difficulties escalating, and that enables people to emerge from crisis						
MoJ COVID-19: Ongoing COVID-19 funding – delivered on behalf of MOPAC (Mayor's Office for Policing and Crime) – to support charitable organisations providing domestic abuse and violence support services in the Capital						
Renewal: Launched in Jan 21 providing further crisis response grants of up to £10k to support food and essential items, as well as key charitable services like mental health and domestic abuse services. More widely up to £50k grants to support charitable organisations' running costs coming out of the pandemic						
Strategic: Funds from Citi Foundation to invest in an equity-led infrastructure partner.						

22 Post balance sheet event

In October / November the Evening Standard approached LCF about a potential spend down of £1m from the capital of their endowment to support the development of a kitchen for the Felix Project. The drawdown occurred in April 2021 and will be distributed in tranches during the first half of 2021/22.

Prior year comparatives

Statement of Financial Activity 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
Charitable activities	2d	-	-	-	-	-
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		(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.

Refers to note 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

Refers to note 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	7	-	-	7	4
Other direct costs	2	-	122	124	141
Allocated support costs	5	-	-	5	2
Cost of raising donations and legacies:					
Staff costs	239	-	-	239	243
Other direct costs	29	14	-	43	28
Allocated support costs	174	-	-	174	126
Cost of generating rental income:					
Staff costs	4	-	-	4	8
Other direct costs	4	-	-	4	14
Allocated support costs	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	452	-	-	452	446
Other direct costs	6	74	-	80	47
Allocated support costs	329	-	-	329	303
Total	787	8,979	-	9,766	8,492
3c Expenditure on charitable activities: community development					
Staff costs	-	-	-	-	24
Other direct costs	-	36	-	36	25
Allocated support costs	-	-	-	-	15
Total	-	36	-	36	64
2020 Total Expenditure	1,254	9,029	122	10,405	
2019 Total Expenditure	1,187	7,796	140		9,123

Refers to note 12 Analysis of net assets between funds

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
Fund balances as at 31 March 2021						
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 LCF's endowment spending policy has determined the portion of the capital gain on those funds which should be spent, but the investment assets will not be drawn down until spending plans are finalised.						
The total unrealised gains as at 31 March 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 2020					7,579	6,692
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 2021					4,033	7,959

Refers to note 14 Endowment funds

	Bal. 01 April 2019 £000	Income £000	Expenditure £000	Transfer in / (out) £000	Investment gain / (loss) £000	Total 2020 £000	Total 2019 £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:							
Bromley 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	-	(1)	13	(15)	194	197
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	-	-	(1)	(3)	31	35
Ruth's Fund	132	-	(1)	(3)	(3)	125	132
Victoria Foundation Fund	375	-	(2)	(9)	(31)	338	375

	Bal. 01 April 2019 £000	Income £000	Expenditure £000	Transfer in / (out) £000	Investment gain / (loss) £000	Total 2020 £000	Total 2019 £000
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
Give 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
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)	335	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:							

	Bal. 01 April 2019 £000	Income £000	Expenditure £000	Transfer in / (out) £000	Investment gain / (loss) £000	Total 2020 £000	Total 2019 £000
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)	315	332
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
Beaufoy Trust	1,399	-	(8)	-	(35)	1,356	1,399

Refers to note 15 Restricted funds

	Bal. 01 April 2019 £000	Income £000	Expenditure £000	Transfer in / (out) £000	Total 2020 £000	Total 2019 £000
Grant making funds						
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
Cockayne 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)
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)	(125)	206
Evening Standard Dispossessed Fund – Homelessness Fund	-	344	(80)	-	264	-

	Bal. 01 April 2019 £000	Income £000	Expenditure £000	Transfer in / (out) £000	Total 2020 £000	Total 2019 £000
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	-
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
Sport England Active Communities Fund	224	-	(218)	-	6	224
The Segro Community Fund for London	9	60	(93)	27	3	9

	Bal. 01 April 2019 £000	Income £000	Expenditure £000	Transfer in / (out) £000	Total 2020 £000	Total 2019 £000
The Wembley Park Community Fund	114	85	(123)	-	76	114
UKCF & National Emergencies Trust Coronavirus Appeal (London Allocation)	-	46	-	-	46	-
UKCF Tampon Tax Community Fund	9	315	(315)	-	9	9
Unlocking Potential	26	-	-	(12)	14	26
Wimbledon Foundation Community Fund	66	63	(129)	-	-	66
Youth Social Action	-	416	(252)	(20)	144	-
Other grant making funds	402	1,651	(2,070)	153	136	402
Total grant making funds	2,695	7,888	(8,643)	394	2,334	2,695
Endowment funds (revenue element)						
Beaufoy Trust	22	34	18	-	74	22
Bromley Community Fund	-	3	-	(4)	(1)	-
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)	-	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

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

Refers to note 17 Funds of Pedlar's Acre Trust

	LCF £000	Pedlar's Acre Trust £000	Total 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 1 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 22)	90	(90)	-
Gain 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	20,876
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 at 31 March 2020	21,731	2,328	24,059

	LCF £000	Pedlar's Acre Trust £000	Total 2020 £000
Funds of the charities			
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 at 31 March 2020	21,731	2,328	24,059

Refers to note 18 Application of 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 regarding 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 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)

	2020 £000	2019 £000
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 £150,166.5.		

Contact

Acknowledgements

Design: **Strudel**

Front cover image: **Zach Lucero** from unsplash.co.uk

Contact

The London Community Foundation

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

londoncf.org.uk
info@londoncf.org.uk
+44 (0)20 7582 5117
Twitter: @London_cf

Registered charity number 1091263

Company limited by guarantee number 4383269



**The London
Community
Foundation**

londoncf.org.uk