

# **Annual Report and Financial Statements**

For the year ended March 2021



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





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# 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.

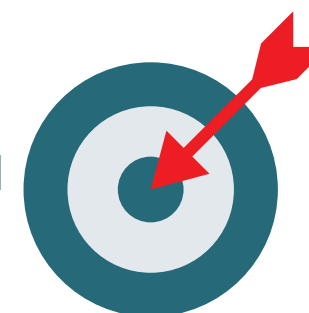
Partnership working went beyond the funding. Importantly, the **London Community Response** partnered with the vital equality-led infrastructure organisations representing different communities in London – responsible for informing and challenging funders like LCF to maximise equity through our funding.

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.

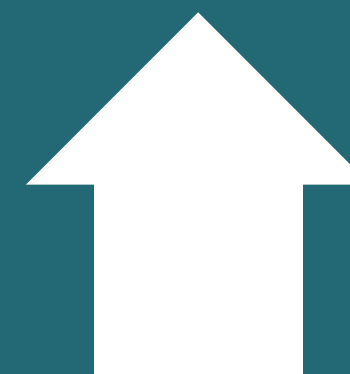
## Funding and support

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
<b>How do you describe your ethnicity:</b>		
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%
<b>How do you define your gender identity?</b>		
Man:	63%	60%
Of other gender identities listed:	0%	0%
Other:	0%	0%
Woman:	25%	30%
Did not respond:	13%	10%
<b>Which of the following options best describes how you think of your sexual orientation?</b>		
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%
<b>Do you consider yourself to live with a disability?</b>		
No:	88%	90%
Yes:	0%	0%
Prefer not to say:	0%	0%
Did not respond:	13%	10%
<b>What is your age?</b>		
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
<b>How do you describe your ethnicity:</b>		
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%
<b>How do you define your gender identity?</b>		
Man:	23%	26%
Of other gender identities listed:	0%	0%
Other:	0%	5%
Woman:	54%	68%
Did not respond:	33%	0%
<b>Which of the following options best describes how you think of your sexual orientation?</b>		
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%
<b>Do you consider yourself to live with a disability?</b>		
No:	54%	89%
Yes:	8%	5%
Prefer not to say:	15%	5%
Did not respond:	23%	0%
<b>What is your age?</b>		
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%

## Financial statements

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

### Catherine Biscoe (Senior Statutory Auditor)

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

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
<b>Income and endowments from:</b>						
Donations and legacies	2a	1,075	19,578	-	<b>20,653</b>	8,966
Investments	2b	283	418	60	<b>761</b>	761
Other trading activities	2c	60	-	-	<b>60</b>	69
<b>Total income</b>		<b>1,418</b>	<b>19,996</b>	<b>60</b>	<b>21,474</b>	9,796
<b>Expenditure on:</b>						
Raising funds	3a	517	14	-	<b>531</b>	603
<b>Charitable activities:</b>						
Grant programme	3b	897	18,584	-	<b>19,481</b>	9,766
Community development	3c	-	21	-	<b>21</b>	36
<b>Total</b>		<b>1,414</b>	<b>18,619</b>	<b>-</b>	<b>20,033</b>	10,405
Net income / (expenditure) before investment gains and losses		4	1,377	60	<b>1,441</b>	(609)
Net gains / (losses) on investments	9	52	-	4,183	<b>4,235</b>	(1,110)
<b>Net income / (expenditure)</b>		<b>56</b>	<b>1,377</b>	<b>4,243</b>	<b>5,676</b>	(1,719)
Transfer in / (out) between funds	14,15	37	228	(265)	-	-
<b>Net movement in funds</b>		<b>93</b>	<b>1,605</b>	<b>3,978</b>	<b>5,676</b>	(1,719)
<b>Reconciliation of funds:</b>						
Total at 01 April 2020		767	3,695	19,597		<b>24,059</b>
<b>Total at 31 March 2021</b>	<b>12</b>	<b>860</b>	<b>5,300</b>	<b>23,575</b>	<b>29,735</b>	

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	<b>21,474</b>	9,650
Total expenditure from continuing operations	<b>(20,033)</b>	(10,405)
<b>Net income / (expenditure) for the year before transfers and investment asset disposals</b>	<b>1,441</b>	(755)
Transfers from endowment funds	<b>204</b>	332
Realised gains / (losses) on disposal of fixed asset investments	<b>31</b>	(24)
<b>Net Income / (expenditure)</b>	<b>1,676</b>	<b>(447)</b>
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
<b>Fixed assets:</b>			
Tangible assets	8	<b>14</b>	13
Investments	9	<b>24,560</b>	20,786
<b>Total</b>		<b>24,574</b>	20,799
<b>Current assets:</b>			
Debtors	10	<b>165</b>	585
Cash at bank and in hand		<b>8,500</b>	5,195
<b>Total</b>		<b>8,665</b>	5,780
<b>Creditors: amounts falling due within one year</b>	11	<b>(3,504)</b>	(2,520)
<b>Net current assets:</b>		<b>5,161</b>	3,260
<b>Net assets</b>		<b>29,735</b>	<b>24,059</b>
<b>The funds of the charity:</b>			
<b>Capital funds:</b>			
Expendable endowment funds	14	<b>18,495</b>	15,387
Permanent endowment funds	14	<b>5,080</b>	4,210
<b>Total</b>		<b>23,575</b>	19,597
<b>Revenue funds:</b>			
Restricted funds	15	<b>5,300</b>	3,695
<b>Unrestricted funds:</b>			
Designated funds	16	<b>64</b>	63
General funds		<b>796</b>	704
<b>Total funds</b>		<b>29,735</b>	<b>24,059</b>

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
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by operating activities</b>	A	<b>2,092</b>	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
<b>Net cash provided by investing activities</b>		<b>1,213</b>	600
<b>Cash flow from financing activities:</b>			
Receipt of endowment		-	146
<b>Net cash provided by investing activities</b>		-	146
Change in cash and cash equivalents in year		<b>3,305</b>	850
Cash and cash equivalents at 01 April 2020		<b>5,195</b>	4,345
<b>Cash and cash equivalents at 31 March 2021</b>	B	<b>8,500</b>	<b>5,195</b>
<b>Notes to the statement of cash flow for the year ended 31 March 2021</b>			
<b>Note A:</b>			
<b>Net income / (expenditure) for the year (as per the statement of financial activities)</b>		<b>5,676</b>	(1,865)
<b>Adjustments for:</b>			
Net (gains) / losses on investments		<b>(4,235)</b>	1,110
Depreciation charge		8	6
Dividends and interest from investments		<b>(761)</b>	(761)
Fees deducted from investments		-	122
Decrease in debtors		<b>420</b>	1,180
Increase in creditors		<b>984</b>	312
<b>Net cash provided by operating activities</b>		<b>2,092</b>	104

	Notes	Total 2021 £000	Total 2020 £000
<b>Note B:</b>			
<b>Analysis of cash and cash equivalents:</b>			
Cash at bank and in hand		<b>8,500</b>	5,195
<b>Total</b>		<b>8,500</b>	<b>5,195</b>

# 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
<b>3a Expenditure on raising funds</b>					
<b>Investment management costs:</b>					
Staff costs (note 6)	8	-	-	8	7
Other direct costs	-	-	-	-	124
Allocated support costs (note 4)	6	-	-	6	5
<b>Cost of raising donations and legacies:</b>					
Staff costs (note 6)	257	-	-	257	239
Other direct costs	24	14	-	38	43
Allocated support costs (note 4)	212	-	-	212	174
<b>Cost of generating rental income:</b>					
Staff costs (note 6)	4	-	-	4	4
Other direct costs	3	-	-	3	4
Allocated support costs (note 4)	3	-	-	3	3
<b>Total</b>	<b>517</b>	<b>14</b>	<b>-</b>	<b>531</b>	<b>603</b>
<b>3b Expenditure on charitable activities: grant programme</b>					
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
<b>Total</b>	<b>897</b>	<b>18,584</b>	<b>-</b>	<b>19,481</b>	<b>9,766</b>
<b>3c Expenditure on charitable activities: community development</b>					
Staff costs (note 6)	-	-	-	-	-
Other direct costs	-	21	-	21	36
Allocated support costs (note 4)	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>21</b>	<b>36</b>

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2021 £000	Total 2020 £000
<b>2021 Total Expenditure</b>	<b>1,414</b>	<b>18,619</b>	<b>-</b>	<b>20,033</b>	
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
<b>Total</b>	<b>622</b>	<b>511</b>
<b>Attributed to:</b>		
<b>Expenditure on raising funds (note 3a):</b>		
Investment management	6	5
Cost of raising donations and legacies	212	174
Cost of generating rental income	3	3
<b>Expenditure on charitable activities:</b>		
Grant programme (note 3b)	401	329
Community development (note 3c)	-	-
<b>Total</b>	<b>622</b>	<b>511</b>
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
<b>Total</b>	<b>109</b>	<b>72</b>

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
<b>Total</b>	<b>962</b>	<b>77</b>	<b>1,039</b>	<b>895</b>

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
<b>Total</b>	<b>19</b>	<b>18</b>	<b>20</b>	<b>19</b>

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			-	-
<b>Total</b>			<b>2</b>	<b>2</b>

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).
<b>Key management personnel</b>
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
<b>This is stated after charging:</b>		
Staff costs (note 6)	1,039	895
<b>Auditor's remuneration (excluding VAT):</b>		
Statutory audit services	13	11
Other services	-	-
Depreciation	8	6
Rentals under operating leases: property	116	115
<b>Total</b>	<b>1,176</b>	<b>1,027</b>

## 8 Tangible fixed assets

	Leasehold improvements £000	Furniture, IT, office equipment £000	Total 2021 £000
<b>Cost:</b>			
As at 01 April 2020	107	68	<b>175</b>
Additions	-	9	<b>9</b>
<b>As at 31 March 2021</b>	<b>107</b>	<b>77</b>	<b>184</b>
<b>Depreciation:</b>			
As at 01 April 2020	105	57	<b>162</b>
Charge for the year	1	7	<b>8</b>
<b>As at 31 March 2021</b>	<b>106</b>	<b>64</b>	<b>170</b>
<b>Net Book Value as at 31 March 2021</b>	<b>1</b>	<b>13</b>	<b>14</b>
Net Book Value as at 31 March 2020	2	11	<b>13</b>

## 9 Fixed asset investments

	2021 £000	2020 £000
<b>9a Investments at market value</b>		
Market value of listed investments at 01 April 2020	<b>20,786</b>	21,870
Additions at cost	<b>2</b>	10,798
Disposal proceeds	<b>(463)</b>	(10,650)
Realised gains / (losses) on disposal	<b>31</b>	(24)
Fees deducted by the investment managers directly from the fund (note 3a)	-	(122)
Unrealised gains / (losses)	<b>4,204</b>	(1,086)
<b>Market value of listed investments at 31 March 2021</b>	<b>24,560</b>	20,786
<b>Cash held by investment managers</b>	-	-
<b>Total market value of listed investments at 31 March 2021</b>	<b>24,560</b>	<b>20,786</b>
<b>9b Investments at historical cost</b>		
<b>Market value at 31 March 2021</b>	<b>24,560</b>	20,786
Accumulated gains brought forward	<b>(6,896)</b>	(7,982)
Unrealised gains / (losses) for the year	<b>(4,204)</b>	1,086
Unrealised gain in respect to disposals in the year	<b>39</b>	2,863
<b>Historical cost at 31 March 2021</b>	<b>13,499</b>	16,753
<b>9c Investments disposition</b>		
Common Investment Funds: COIF Charities Investment Fund	<b>24,450</b>	20,689
Common Investment Funds: COIF Ethical Investment Fund	<b>110</b>	97
<b>Total market value of listed investments at 31 March 2021</b>	<b>24,560</b>	<b>20,786</b>

(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
<b>Total</b>	<b>165</b>	<b>585</b>

## 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
<b>Total</b>	<b>3,504</b>	<b>2,520</b>
<b>Movements on deferred income during the year was as follows:</b>		
<b>Balance brought forward at 1 April 2020</b>	<b>43</b>	<b>11</b>
Amounts released to income	(38)	(3)
Cash received to be deferred	343	35
<b>Balance carried forward at 31 March 2021</b>	<b>348</b>	<b>43</b>
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
<b>Fund balances as at 31 March 2021</b>						
<b>Represented by:</b>						
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)
<b>Total</b>	<b>796</b>	<b>64</b>	<b>5,300</b>	<b>23,575</b>	<b>29,735</b>	<b>24,059</b>
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:						
<b>Total unrealised gains included above:</b>						
On listed investments					11,061	4,033
<b>Reconciliation of movements in unrealised gains:</b>						
Unrealised gains as at 01 April 2020					4,033	7,959
Less disposals in year					2,824	(2,840)
<b>Sub-total</b>					<b>6,857</b>	<b>5,119</b>
Add net gains / (losses) arising on revaluation arising in-year					4,204	(1,086)
<b>Total unrealised gains as at 31 March 2021</b>					<b>11,061</b>	<b>4,033</b>

*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
<b>Total</b>	<b>305</b>	<b>420</b>

## 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.							
<b>Expendable endowments – Grassroots Grants Funds:</b>							
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
<b>Total</b>	<b>7,144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,537</b>	<b>8,681</b>	<b>7,144</b>
<b>Expendable Endowments - Community First Funds:</b>							
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
<b>Total</b>	<b>5,527</b>	<b>-</b>	<b>-</b>	<b>(164)</b>	<b>1,146</b>	<b>6,509</b>	<b>5,527</b>
<b>Expendable endowments - Other funds:</b>							
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	<b>719</b>	591
South London Opportunity Fund	150	-	-	-	34	<b>184</b>	150
Wandsworth Community Fund	470	-	-	-	100	<b>570</b>	470
<b>Total</b>	<b>2,716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>588</b>	<b>3,304</b>	<b>2,716</b>
<b>Total Expendable Endowments</b>						<b>18,495</b>	<b>15,387</b>
<b>Permanent Endowments:</b>							
Barnet Endowment	70	-	-	-	13	<b>83</b>	70
Beaufoy Trust	1,356	-	-	-	280	<b>1,636</b>	1,356
Pedlar's Acre Trust	2,328	60	-	(101)	523	<b>2,810</b>	2,328
Richmond Civic Trust	456	-	-	-	95	<b>551</b>	456
<b>Total</b>	<b>4,210</b>	<b>60</b>	<b>-</b>	<b>(101)</b>	<b>911</b>	<b>5,080</b>	<b>4,210</b>
<b>Total Endowment Funds</b>	<b>19,597</b>	<b>60</b>	<b>-</b>	<b>(265)</b>	<b>4,183</b>	<b>23,575</b>	<b>19,597</b>
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 <b>seen in note 15</b> .							
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)	-	<b>575</b>	264
Evening Standard Dispossessed Fund - The Excluded Initiative	225	293	(281)	-	<b>237</b>	225
JP Morgan	(1)	147	-	1	<b>147</b>	(1)
Lambeth Wellbeing Fund	17	79	5	-	<b>101</b>	17
London Communities Coronavirus Appeal	6	1,005	(1,112)	213	<b>112</b>	6
London Impact Awards	-	152	-	-	<b>152</b>	-
Made by Sport 'Clubs in Crisis' Fund	-	504	-	-	<b>504</b>	-
Mayor's Office for Policing & Crime (MOPAC) - Violence Against Women and Girls Fund	8	1,599	(902)	-	<b>705</b>	8
Peabody Community Fund	412	700	(361)	(310)	<b>441</b>	412
The Young People's Fund	99	100	(77)	1	<b>123</b>	99
Other grant making funds	1,304	14,421	(15,082)	289	<b>930</b>	1,034
<b>Total grant making funds</b>	<b>2,334</b>	<b>19,539</b>	<b>(18,038)</b>	<b>194</b>	<b>4,029</b>	<b>2,334</b>
<b>Endowment funds (revenue element)</b>						
Deutsche Bank Older People's Fund	64	38	-	1	<b>103</b>	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	-	-	<b>167</b>	137
Pedlar's Acre Trust	76	4	-	19	<b>99</b>	76
Sue Estermann Fund	159	-	-	-	<b>159</b>	159
Other endowment funds (income element)	925	385	(581)	14	<b>743</b>	925
<b>Total endowment funds (revenue element)</b>	<b>1,361</b>	<b>457</b>	<b>(581)</b>	<b>34</b>	<b>1,271</b>	<b>1,361</b>
<b>Total Restricted Funds</b>	<b>3,695</b>	<b>19,996</b>	<b>(18,619)</b>	<b>228</b>	<b>5,300</b>	<b>3,695</b>

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	<b>24,059</b>
Income	21,414	60	<b>21,474</b>
Expenditure	(20,033)	-	<b>(20,033)</b>
Fund transfers in/(out) (note 18)	101	(101)	-
Losses on investments	3,712	523	<b>4,235</b>
<b>Net movement in funds</b>	<b>5,194</b>	<b>482</b>	<b>5,676</b>
<b>Closing balance as at 31 March 2021</b>	<b>26,925</b>	<b>2,810</b>	<b>29,735</b>
Tangible fixed assets	14	-	<b>14</b>
Fixed asset investments	21,750	2,810	<b>24,560</b>
Debtors	165	-	<b>165</b>
Cash at bank and in hand	8,500	-	<b>8,500</b>
Creditors: amounts falling due within one year	(3,504)	-	<b>(3,504)</b>
<b>Net assets as at 31 March 2021</b>	<b>26,925</b>	<b>2,810</b>	<b>29,735</b>
<b>Funds of the Charity</b>			
Expendable endowment funds	18,495	-	<b>18,495</b>
Permanent endowment funds	2,270	2,810	<b>5,080</b>
Restricted funds	5,300	-	<b>5,300</b>
Unrestricted funds	860	-	<b>860</b>
<b>Closing balance as at 31 March 2021</b>	<b>26,925</b>	<b>2,810</b>	<b>29,735</b>



## 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)	-
<b>Total funds held in capacity as Agents</b>	<b>(2)</b>	<b>2</b>

## 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
<b>TOTAL</b>	<b>1,325</b>	<b>22,598</b>
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	<b>1,997</b>	113	14	<b>127</b>
Future	1,716	-	<b>1,716</b>	61	-	<b>61</b>
Thrive	4,599	-	<b>4,599</b>	66	-	<b>66</b>
<b>Total</b>	<b>8,285</b>	<b>27</b>	<b>8,312</b>	<b>240</b>	<b>14</b>	<b>254</b>
<b>Connect:</b> "Tackling isolation in London and helping people feel connected and purposeful."						
<b>Future:</b> "Empowering young people to help shape our Capital and their futures."						
<b>Thrive:</b> "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	-	<b>977</b>	70	-	<b>70</b>
Crisis	4,194	-	<b>4,194</b>	470	-	<b>470</b>
Delivering differently	3,004	-	<b>3,004</b>	164	-	<b>164</b>
MOPAC emergency	504	-	<b>504</b>	114	-	<b>114</b>
Enable	1,305	-	<b>1,305</b>	94	-	<b>94</b>
MoJ Covid	2,135	-	<b>2,135</b>	65	-	<b>65</b>
Renewal	1,288	-	<b>1,288</b>	41	-	<b>41</b>
Strategic	21	-	<b>21</b>	1	-	<b>1</b>
<b>Total</b>	<b>13,428</b>	<b>-</b>	<b>13,428</b>	<b>1,019</b>	<b>-</b>	<b>1,019</b>

COVID Emergency Fund Grants by Theme						
Theme	Value			Volume		
	Institutions £000	Individuals £000	Total £000	Institutions	Individuals	Total volume
<b>Adapt:</b> Funding charitable work that helps charities and community groups to restart, adapt, or collaborate for the future						
<b>Crisis:</b> 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						
<b>Delivering differently:</b> 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						
<b>MOPAC Emergency:</b> 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						
<b>Enable:</b> Providing funding to support charitable work that helps to prevent difficulties escalating, and that enables people to emerge from crisis						
<b>MoJ COVID-19:</b> 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						
<b>Renewal:</b> 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						
<b>Strategic:</b> 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
<b>Income and endowments from:</b>						
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
<b>Charitable activities</b>	2d	-	-	-	-	-
<b>Total income</b>		1,264	8,328	204	9,796	9,255
<b>Expenditure on:</b>						
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
<b>Total</b>		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
<b>Net (expenditure) / income</b>		3	(701)	(1,021)	(1,719)	1,404
Transfer In / (out) between funds	14,15	13	255	(268)	-	-
<b>Net movement in funds</b>		16	(446)	(1,289)	(1,719)	1,404
<b>Reconciliation of funds:</b>						
Total at 01 April 2019		751	4,141	20,886		25,778
<b>Total at 31 March 2020</b>	12	<b>767</b>	<b>3,695</b>	<b>19,597</b>	<b>24,059</b>	

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

## Refers to note 2 Income

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
<b>2a Income from donations and legacies</b>					
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
<b>Total</b>	<b>914</b>	<b>7,906</b>	<b>146</b>	<b>8,966</b>	<b>8,455</b>
<b>2b Income from investments</b>					
Interest receivable	18	-	-	18	17
Investment income	263	422	58	743	730
<b>Total</b>	<b>281</b>	<b>422</b>	<b>58</b>	<b>761</b>	<b>747</b>
<b>2c Income from other trading activities</b>					
Rental income	69	-	-	69	53
<b>Total</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>69</b>	<b>53</b>

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
<b>2020 Total income</b>	<b>1,264</b>	<b>8,328</b>	<b>204</b>	<b>9,796</b>	
2019 Total income	1,117	7,877	261		<b>9,255</b>



## Refers to note 3 Expenditure

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2020 £000	Total 2019 £000
<b>3a Expenditure on raising funds</b>					
<b>Investment management costs:</b>					
Staff costs	7	-	-	7	4
Other direct costs	2	-	122	124	141
Allocated support costs	5	-	-	5	2
<b>Cost of raising donations and legacies:</b>					
Staff costs	239	-	-	239	243
Other direct costs	29	14	-	43	28
Allocated support costs	174	-	-	174	126
<b>Cost of generating rental income:</b>					
Staff costs	4	-	-	4	8
Other direct costs	4	-	-	4	14
Allocated support costs	3	-	-	3	1
<b>Total</b>	<b>467</b>	<b>14</b>	<b>122</b>	<b>603</b>	<b>567</b>
<b>3b Expenditure on charitable activities: grant programme</b>					
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
<b>Total</b>	<b>787</b>	<b>8,979</b>	<b>-</b>	<b>9,766</b>	<b>8,492</b>
<b>3c Expenditure on charitable activities: community development</b>					
Staff costs	-	-	-	-	24
Other direct costs	-	36	-	36	25
Allocated support costs	-	-	-	-	15
<b>Total</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>36</b>	<b>64</b>
<b>2020 Total Expenditure</b>	<b>1,254</b>	<b>9,029</b>	<b>122</b>	<b>10,405</b>	
2019 Total Expenditure	1,187	7,796	140		<b>9,123</b>

## 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
<b>Fund balances as at 31 March 2021</b>						
<b>Represented by:</b>						
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)
<b>Total</b>	<b>704</b>	<b>63</b>	<b>3,695</b>	<b>19,597</b>	<b>24,059</b>	<b>25,778</b>
The restricted funds represented by fixed asset investments are made up of a few endowment funds where LCF's endowment spending policy has determined the portion of the capital gain on those funds which should be spent, but the investment assets will not 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:						
<b>Total unrealised gains included above:</b>						
On listed investments					4,033	7,959
<b>Reconciliation of movements in unrealised gains:</b>						
Unrealised gains as at 01 April 2020					7,579	6,692
<b>Sub-total</b>					<b>5,119</b>	<b>6,691</b>
Add net (losses) / gains arising on revaluation arising in-year					(1,086)	1,268
<b>Total unrealised gains as at 31 March 2021</b>					<b>4,033</b>	<b>7,959</b>

## 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.							
<b>Expendable endowments – Grassroots Grants Funds:</b>							
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
<b>Total</b>	<b>7,830</b>	<b>-</b>	<b>(44)</b>	<b>(90)</b>	<b>(552)</b>	<b>7,144</b>	<b>7,830</b>
<b>Expendable endowments - Community First Funds:</b>							
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
<b>Total</b>	<b>5,628</b>	<b>146</b>	<b>(35)</b>	<b>(46)</b>	<b>(166)</b>	<b>5,527</b>	<b>5,628</b>
<b>Expendable endowments - Other funds:</b>							

	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
<b>Total</b>	<b>2,878</b>	<b>-</b>	<b>(17)</b>	<b>(41)</b>	<b>(104)</b>	<b>2,716</b>	<b>2,878</b>
<b>Total expendable endowments</b>						<b>15,387</b>	<b>16,336</b>
<b>Permanent endowments:</b>							
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
<b>Grant making funds</b>						
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
<b>Total grant making funds</b>	<b>2,695</b>	<b>7,888</b>	<b>(8,643)</b>	<b>394</b>	<b>2,334</b>	<b>2,695</b>
<b>Endowment funds (revenue element)</b>						
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
<b>Total endowment funds (revenue element)</b>	<b>1,446</b>	<b>440</b>	<b>(386)</b>	<b>(139)</b>	<b>1,361</b>	<b>1,446</b>
<b>Total restricted Funds</b>	<b>4,141</b>	<b>8,328</b>	<b>(9,029)</b>	<b>255</b>	<b>3,695</b>	<b>4,141</b>

## 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)
<b>Closing balance as at 31 March 2020</b>	<b>21,731</b>	<b>2,328</b>	<b>24,059</b>
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)
<b>Net assets at 31 March 2020</b>	<b>21,731</b>	<b>2,328</b>	<b>24,059</b>

	LCF £000	Pedlar's Acre Trust £000	Total 2020 £000
<b>Funds of the charities</b>			
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
<b>Closing balance at 31 March 2020</b>	<b>21,731</b>	<b>2,328</b>	<b>24,059</b>

## 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	<b>743</b>	<b>743</b>
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	<b>581</b>	<b>893</b>
Less: unapplied total return applied**	(90)	(150)
Sub-total unapplied total return as at 31 March 2020	<b>491</b>	743
Add: Value of endowment at 31 March 2004	1,837	1,837
<b>Permanent endowment including unapplied total return as at 31 March 2020</b>	<b>2,328</b>	<b>2,580</b>
** 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

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