



Trust for London

Tackling poverty and inequality

Trust for London

Annual Report and Consolidated Financial Statements for the

Year ended 31 December 2018

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Chair's foreword

2018 marked the first full year of our new funding strategy and guidelines. We are now providing grant funding in seven programme areas, as well as continuing to provide social investment. We were able to make grants and provide grant related funding, to tackle poverty and inequality, totalling £10.4 million and social investments totalling £350,000 due to the strong performance of our endowment, which now stands at £321 million.

Over the last year this has allowed us to launch new initiatives that support our ambition to strengthen the voice of those who are experts by experience. A new disability rights initiative funds and brings together Deaf and Disabled People-led organisations to advance equal rights for Deaf and Disabled Londoners, a group that has been disproportionately affected by austerity.

We have also funded an initiative to assess how the current Social Security System can be improved to better assist those in need. The Commission on Social Security led by Experts by Experience, will produce a White Paper style document which will set out a way forward and help to build a consensus around this.

The Commission is user led and all the Commissioners are people who are on or have been on benefits.

Working with the Mayor of London, we've also launched the London Housing Panel. This brings together voluntary and community organisations that focus on housing in London. The Panel, which will be independent of the Greater London Authority (GLA) and the Trust, will look at the housing issues faced by Londoners and provide the civil society sector with a structured way of engaging with the GLA in relation to housing policy.

The work we do, and the decisions to launch new initiatives, are grounded in evidence of what is working and what needs to change. To help us with this and to build the evidence base, we commission a range of research. Recently we published a report on living standards by Loughborough University which showed that 4 in 10 Londoners cannot afford a minimum socially acceptable standard of living because of the high costs of housing, childcare and transport.

Despite the scale of the issues, the groups we work with and fund, have continued to help improve the lives of millions of Londoners, especially the small groups that exist across the capital, with 73% of our funding in 2018 going to organisations with a turnover of less than £1 million. They do vital work and provide steady support across London and it is important to recognise the progress they make each and every year.

We look to the year ahead having moved to new offices and welcomed three new members to our team. We also eagerly await the launch of a revamped London's Poverty Profile which provides data on London's poverty and inequality issues. The new Poverty Profile, which will be produced by WPI Economics, will be updated on a much more regular basis, helping guide our work and continuing to provide an invaluable resource for policymakers and the voluntary sector.

We are confident that in the year ahead, the new initiatives and the civil society organisations we have funded will benefit many more Londoners and will help to come up with new solutions to some of London's most pressing social issues.

Jeff Hayes
Chair of Trustees

The Trustee's Annual Report

1. Overview

The overall objectives of the Trust are to tackle poverty in London through the Central Fund and to support the Church of England within London through the City Church Fund. This was the first year of the Central Fund's 2018-2022 five-year funding programme. The number, size and destination of the grants awarded reflect that policy.

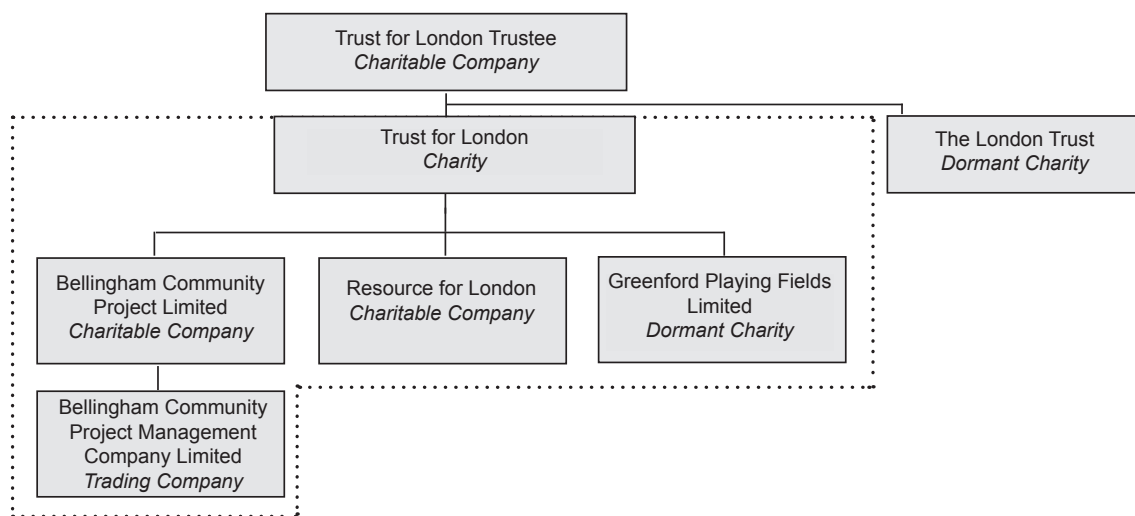
The financial position of the Trust was such that the endowment fund at the year end stood at £321 million, a decrease of £8 million over the value at the end of 2017 having fallen on the back of continued stock market volatility in a period of increased distribution.

The history of the Trust is given at pages 38 and 39 of this report.

2. Structure, governance and management

2.1 Structure

The trustee is Trust for London Trustee which exists solely for the purpose of carrying out the duties of the trustee and associated activities of Trust for London. All financial transactions are reported by Trust for London.



These consolidated accounts incorporate the entities shown within the dotted lines. Trust for London also has a 30.22% equity holding in the Social Justice and Human Rights Centre Limited.

2.2 Trust for London funds

Trust for London is made up of three funds. The Central Fund which aims to tackle poverty and inequality, the City Church Fund for the advancement of religion and the Trust for London Common Investment Fund, established to pool the investment assets of the other two funds.

2.3 Trustee

Trust for London Trustee, the corporate trustee of the charity, has up to 18 Board members “trustees” who are normally appointed by a variety of nominating bodies or by itself. For its own appointments, a range of recruitment processes, including advertisement, are used, building on the trustee skills audit.

All the trustees are appointed on a five-year term. The administrative details regarding the Trustees are provided at page 40 of this report.

A full induction programme is provided for all new trustees. Both face-to-face meetings and written information are provided and training opportunities are offered on an ongoing basis.

2.4 Key management personnel remuneration

The trustees consider the Board of trustees and the senior management team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. See note 9.

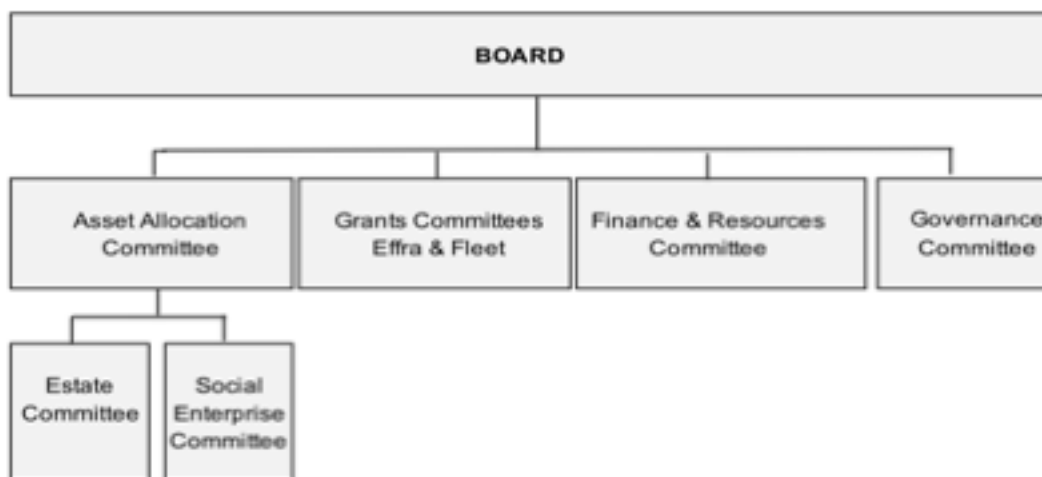
All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 9 and 24 to the accounts. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises in accordance with policy.

2.5 Governance

The Board believes that it is best placed to achieve its mission and objectives if it has effective, accountable and transparent governance structures. It believes that, to a considerable extent, its current practices and thinking already reflect the seven principles of the Charity Governance Code, with the trustees having a clear understanding of the Trust’s organisational purpose and providing strategic leadership in line with the charity’s aims and values.

The Board, which meets quarterly, has ultimate oversight and responsibility for the Trust’s activities but has delegated decision making to Board Committees.

Through the work of the Governance Committee, and by conducting reviews of the Board’s governance arrangements, the Trust aims to ensure an appropriate, and diverse, balance of skills, experience and backgrounds amongst trustees. The Trust believes that effective decision-making is reflected throughout the organisation through a clear system of delegation and robust management and control systems. The Trust intends to continue to apply the Governance Code’s recommended practices to support further improvements in its governance standards therefore creating a culture whereby all involved can work effectively and sustainably to achieve the organisation’s charitable purposes.



The staff team, currently 23, led by the Chief Executive works for the Trust providing appropriate input into the policy debates, and the means of implementing all the decisions taken. In addition another two are employed by the Bellingham Community Project.

The advisers to the Trust, namely the Solicitors, the Property Investment Advisers, the Property Valuers, the Property Managing Agents, the Investment Managers and the Auditors, have an important role in raising issues and in some cases working with the staff on preliminary policy papers. The administrative details of the Trust's advisers and key management personnel are provided on page 41 of this report.

2.6 Risk management

The Trust has a formal risk management process to assess business risks and implement risk management strategies in the context of the Trust's strategic plan for 2018-2022. This involves identifying the types of risks it faces, categorising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

The two most significant risks identified by the Trust and the plans and strategies for tackling these were:-

- 1) *Adverse public and media comment in part due to increased working with commissioning bodies not under Trust's direct control and from supporting "riskier" activities.* The Trust strives to work with propriety at all times and seeks proper legal advice with regards to riskier areas of work. It has developed a communications strategy to ensure consistent messaging and undertaken crisis media training.
- 2) *A crash in the financial and property markets and/or excessive volatility in the markets.* The Trust uses asset allocation to spread portfolio risk and tasks the individual asset committees to assess risk. Securing good quality advice is also seen as a useful step towards minimising risk.

As part of the process the Trust reviews its existing internal controls, and ongoing work continues by all the working committees entrusted with oversight of control functions to ensure their adequacy.

3 Objectives and activities for the public benefit

3.1 Core objects

The objects of the Central Fund are any charitable purposes, other than the advancement of religion, which are directed to the benefit of poor inhabitants in the area of benefit.

The Central Fund, through its grant making, aims to reduce poverty and inequality in London. It does this by funding the voluntary and community sector and others, as well as by using its own expertise and knowledge to support work that tackles poverty and its root causes.

The Trust considers that the relief and prevention of poverty is of public benefit to all.

The objects of the City Church Fund are the advancement of religion for the benefit of the public in accordance with the doctrines of the Church of England; the repair, restoration and maintenance or preservation of churches; the augmentation of clerical stipends; and the giving of theological instruction to persons preparing for Holy Orders.

The purposes to which the City Church Fund has to be applied are essentially religious. The monies have to be distributed in the following proportions: one third is given to the City churches within the City of London and two thirds to the six Dioceses of the Church of England, in whole or in part within the area of benefit, in such proportions as are determined by the Church Commissioners.

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

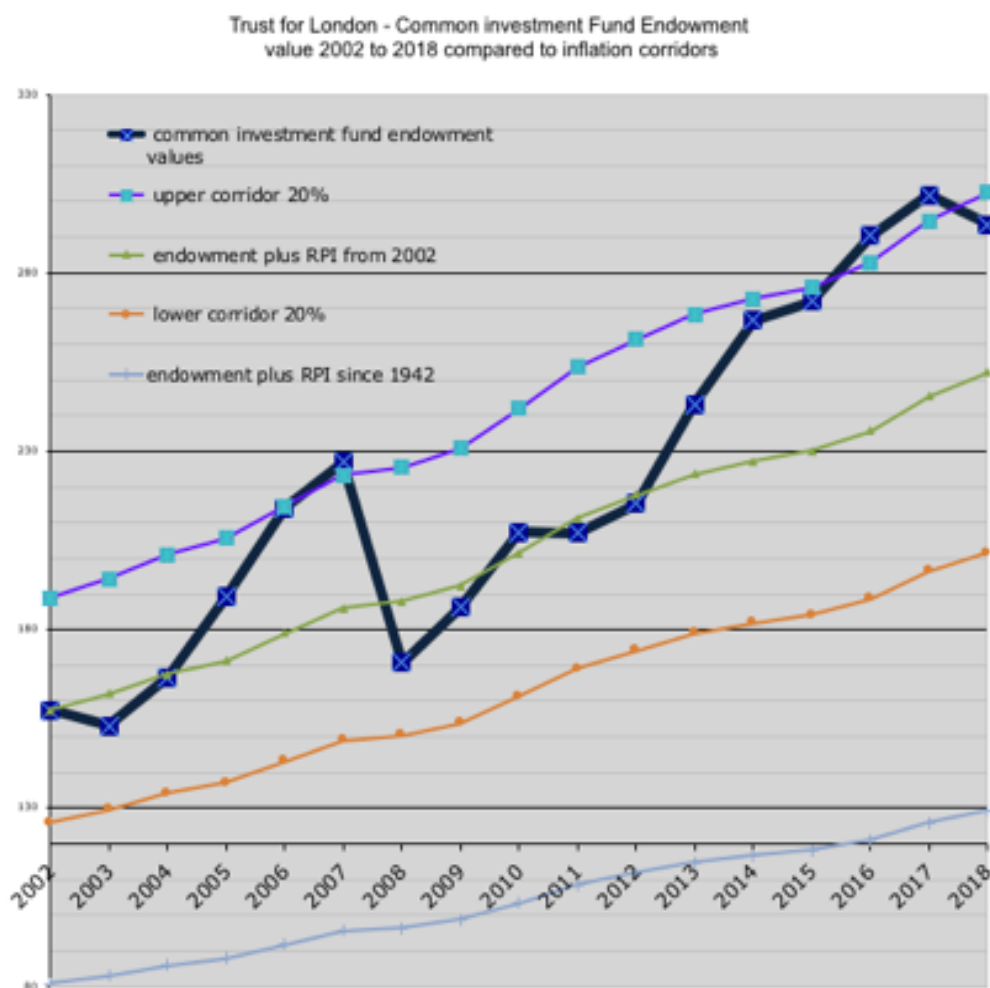
3.2 Strategies employed to achieve objectives

The three key strategies employed to achieve these objectives are: -

i) Investment strategy

Use of permanent endowment

The Trust is authorised by the Charity Commission to pursue a total return approach to investment for the permanent endowment of the Common Investment Fund. The total return approach enables it to exercise more effectively its duty to be even-handed as between present and future beneficiaries by allowing it to supplement its investment income with a proportion of the capital gains that have accumulated. The Trust's 1942 Valuation of the Estate provided the initial value of the trust for investment. Detail of the operation of total return is given in note 5 to the accounts. The Trust is therefore able to focus on investments which are expected to give good performance in terms of their overall return. Social, ethical and environmental factors are considered when setting investment strategy. Financial markets are subject to volatility in the short run and the aim of this strategy is to keep the value of the endowment and the income available for grant making constant in real terms using an appropriate inflation index as the benchmark. The chart that follows shows the progress of the endowment against inflation since 2002.



Use of expendable endowment

The funds within the expendable endowment of the Central Fund are not subject to the total return order but with the agreement of the Charity Commission remain expendable.

To enable the Trust to provide a regular and increasing stream of income for the Trust's beneficiaries, the Trust has agreed that in addition to spending the income derived from the expendable endowment, it will also as required expend a proportion of the endowment fund itself.

The Trust also uses its expendable endowment to fund mission related investments.

ii) Grant making strategy

The performance of the Central Fund is usually reviewed against its grant objectives every five years and its priorities are revised accordingly to ensure that it reflects the charity's objects and thereby advances public benefit. Halfway through this period an extensive interim review is also carried out. These reviews provide an opportunity to review gaps in the funding programme and to discuss how to address these, which are fed back into the planning process. It is currently intended to continue making fewer but larger grants with the intention that those grants have more impact.

The Trust operates through a significant open programme and through the funding of special initiatives. The open programme is available to any eligible applicant whilst the special initiatives are designed to achieve greater impact on poverty and supporting disadvantaged communities in London through a more focused

approach. This latter approach leads to the Trust becoming more ‘engaged’ as a funder and in ‘adding value’. The many and varied ways in which this has been achieved include having a greater potential to influence policy makers, government and other external bodies and a greater capacity to get relevant people around the table – through our capacity to act as an ‘honest broker’ due to our independence.

The Trust produces an Annual Review (www.trustforlondon.org.uk/publications/) to enable it to communicate information about individual grants and also the wider themes that underpin its grant-making to stakeholders and interested parties.

iii) Resources strategy

The Trust uses its resources in ways other than grant making such as the provision of facilities for charitable purposes and in direct charitable work e.g. London’s Poverty Profile.

3.3 Activities

The major activities in the year were: -

- a) the management of investment and property portfolios
- b) the making of grants for the relief of poverty
- c) the provision of facilities at Resource for London and Bellingham (see 4 iii) a & b)

The City Church Fund grants were administered in accordance with the core objects and on the instructions of the Church Commissioners.

There are additional disclosures required concerning new fundraising regulations. The charity is aware of the regulations and, as it does not undertake fundraising activity, has nothing to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

4 Financial review and achievements in the year

i) Income and investment performance

Income from investment properties at £4.2 million represented 34% of income rising by 7% from £3.9 million in 2017.

Dividends, alternative fund income and interest receivable were 19% higher than in 2017 going from £3.5 million to £4.2 million.

Investment performance is driven by asset allocation decisions, the state of the investment markets and the investment manager performance. The total returns by investment asset class (net of fees except property) are set out in the table below:

Sector	Common Investment Fund Total return 2018 %	Central Fund Total return 2018 %
Direct property portfolio	6.2	-
Global equities portfolios	-	0.6
Alternative funds portfolio	(1.0)	(1.1)
Cash and near cash portfolio	0.7	-
Total portfolio	2.2	0.3

Property Investments

The Trust has gained fund value building on the continued strength of the London property market with the Common Investment Fund property portfolio showing a total return of 6.2% in 2018.

The investment property portfolio is shown in the accounts at a fair value (market value) of £119 million (2017: £112 million). A sizeable addition to the portfolio in the year was a property that was under reconstruction at the start of the year and completed mid year. The portfolio showed significant unrealised gains totalling £3 million.

The steps the Trust has taken to sell non-performing assets and restructure its property portfolio generally, to work risk within the portfolio and to increase the consistency of its rental income cash flows continue to lead to a better than benchmark performance by the portfolio.

BH2 manage the direct property portfolio on a non-discretionary basis and were set targets to improve and add to the portfolio within Central London; to increase the income yield and to de-risk the portfolio allowing other potentially riskier properties to be acquired within the existing risk management profile in terms of the lease maturities, exposure to voids and concentrated exposure to individual tenants. Their performance is included in the table above.

Listed Investments

From a starting value of £182 million, volatile market conditions led the value of the portfolio of alternative assets and global and emerging market equities within the Common Investment Fund permanent endowment to end the year at £166 million, after having had £11.6 million of funds withdrawn.

The Central Fund expendable endowment ended the year at £17.8 million after no withdrawals (2017: £18.4 million).

The global and emerging market equities managers are tasked to run actively managed portfolios for the Common Investment Fund on a discretionary basis with a mandate to outperform RPI by 4%. The alternative funds manager is tasked to outperform LIBOR plus 4% net of fees.

Mission related investments

The Trust has invested nearly £3.9 million to date in mission related investments including £1.9 million in the Foundry. The Foundry is a social justice cluster project in which the charitable group's interest is currently valued at £3.1 million.

The building occupied by Resource for London, the Trust's subsidiary, in the Holloway Road is shown under fixed assets. The Resource Centre is also considered as a mission related asset by Trust for London.

ii) Grants and grants related funding

Total grants payable in the year, including grants related funding and support and governance costs, were £17.2 million (2017: £14.9 million). Of this amount £11.5 million (2017: £9.2 million) was payable from the Central Fund and £5.7 million (2017: £5.7 million) was payable from the City Church Fund as detailed in note 8.

a) Grants made from the Central Fund

2018 was the first year of the five-year funding programme during which the Trust was distributing grants to tackle poverty and inequality in London with the following priorities: -

- a) Good Homes and Neighbourhoods
- b) Better Work
- c) Decent Living Standards
- d) Pathways to Settlement
- e) Shared Wealth
- f) Stronger Voices
- g) Connected Communities (small groups)

The beneficiaries of our grant-making programme are ultimately the poor of London and those at risk of falling into poverty.

Grants receivable from other foundations have enhanced our own grant-making on shared areas of interest. Some of these have been joint initiatives such as the Citizenship and Integration Initiative (Unbound Philanthropy, Paul Hamlyn Foundation, City Bridge Trust and Pears Foundation) and Strengthening Voice, Realising Rights (City Bridge Trust), whilst others have been for re-granting as part of our programme areas – Good Homes and Neighbourhoods (Oak Foundation) and Connected Communities (Romeera Foundation). In 2018 these totalled £2.2 million (see note 3).

In total 141 grants (2017:136) were made to charitable organisations working in the field of prevention or relief of poverty in London, in response to our core objectives.

Significant grants during the year included:

- £1.9 million towards our new priority - Good Homes and Neighbourhoods - with a specific focus on strengthening the voice of tenants in the private rented sector. This included grants to Brent Private Tenants Rights Group (£160,000) and Generation Rent (£150,000). We also made a significant grant to Client Earth (£255,000) to continue to campaign for improved air quality in London.
- We invested £1.1 million in a new initiative, the Strengthening Voice, Realising Rights Initiative. This included 7 grants to Deaf and Disabled People's Organisations to respond to the growing need for advice by deaf and disabled people, and to advocate for their rights.
- Continued investment in funding specialist immigration advice, with 11 grants totaling £1.1 million. A number of these included specific outreach and advice to vulnerable EU migrants living in the UK, and needing to apply for Settled Status.

We published ourselves, or by providing funding to organisations, 16 reports during the year including:

- The unspoken decline of Outer London: Why is poverty and inequality increasing in Outer London and what needs to change? (The Smith Institute, March 2019)

- Helping Hand? Improving Universal Credit (Bright Blue, March 2019)
- Out of Pain: Breaking the cycle of physical pain and homelessness (Groundswell, Aug 2018)
- What Britain thinks: Comparing views across London and other regions (NatCen, Jul 2018)

During the year we funded five organisations to undertake research that is yet to be published into issues such as: transport equity, the private rented sector, the future of work and social mobility.

We media-trained people with lived experience of low pay, insecure employment and the criminal justice system, and those trained went to take up media opportunities with outlets such as Daily Politics, BBC News and the Guardian. We had significant media coverage over the year in outlets such as the BBC, Guardian, Sun and Evening Standard. We had 55 pieces of coverage and 53 journalists’ requests during the year. In addition, our Twitter following increased by 120% to reach 16.5K followers at the end of 2018 and our new website saw a 15% increase in users, meaning 250K people used our site in 2018.

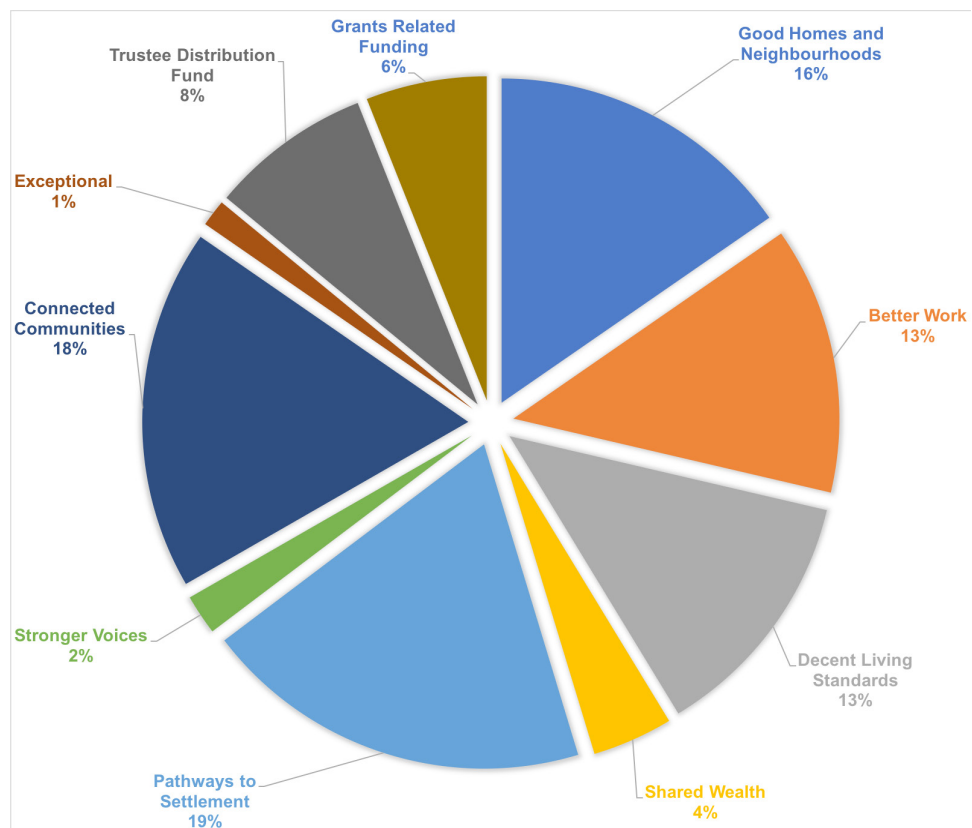
Our funding plus programme provided 15 days of training to 113 people from 103 organisations. This has included training in strategic communications, evaluation and campaigning.

We established a new network, the Housing Campaigners Group, and have also continued to co-ordinate the Employment Legal Advice Network and are actively engaged in the London Child Poverty Alliance, which co-ordinated the first London Challenge Poverty Week in October 2018.

The £1,321,778 that was unspent on grants (2017: £1,166,881) will be carried forward to 2019 and this is reflected as restricted funds in the balance sheet.

An analysis of grants made from the Central Fund in 2018 other than that to Bellingham Community Project is shown in the chart below:

FUNDING AIMS SUPPORTED (by amount awarded)



Grants analysis and policies

A separate publication 'Funding List 2018' <http://www.trustforlondon.org.uk/funding/other-funding/> gives further details of every grant made from the Central Fund. Our grant policies are detailed in our current 'Funding guidelines' publication <http://www.trustforlondon.org.uk/funding/apply-for-grant/funding-guidelines/> It is our view that proper assessment and monitoring of charitable priorities in London cannot be achieved without making visits to all grant applicants. Further details are available from our offices and on the website.

A reconciliation of grants and grants related funding authorised shown in the 'Funding List 2018' is given below:

	2018 £	2017 £
Grants	10,360,394	8,025,595
Grants written back	(226,206)	(126,938)
Other – Bellingham	(55,000)	(30,000)
	-----	-----
Net Central Fund grants (see note 8)	10,079,188	7,868,657
	=====	=====

b) Grants made from the City Church Fund

The income from this fund is divided between the Church Commissioners, the six Metropolitan Dioceses and the City Churches Grants Committee in accordance with the Trust's governing instruments. One third of the income is allocated to the City churches and, after a contribution of £100,000 towards prior charges made by the Church Commissioners, two thirds of the income is payable to the six Dioceses in the proportions listed below:

Diocese	%	£	Diocese	%	£
London	44.37	1,591,132	Rochester	6.18	221,618
Chelmsford	15.30	548,666	Southwark	29.05	1,041,749
Guildford	2.27	81,404	St Albans	2.83	101,485

The recipient bodies of the Church of England use the grants for the purpose of the advancement of religion including the repair, restoration and preservation of churches, the provision of church services, pastoral support and mission. There is more about the use of these grants on the Church of England website <https://www.churchofengland.org/about/leadership-and-governance/city-church-fund>

iii) Subsidiary charities

a) Resource for London

In 1992 the Trust applied funds to the conversion of a property to house Resource for London at 356 Holloway Road, London N7. This subsidiary is itself a registered charity and is incorporated as a company limited by guarantee. The objective of Resource for London is to provide office space and meeting rooms to London based charitable organisations at an affordable rent.

Ethical Property Company continues to manage the Centre under a fifteen year lease granted in 2017 and works closely with the Board of Resource for London to meet this objective. The overall good performance of the centre has continued.

The accounts of Resource for London show net unrestricted income of £175k and net restricted income of £8k (2017: net income £130k). It had total funds at 31 December 2018 of £302k (2017: funds £118k).

The performance of Resource for London is shown in the SOFA within the restricted funds of the Charity. The statutory accounts are available from our offices.

b) Bellingham Community Project

The Trust owns property in Lewisham, London SE6. The Bellingham site comprises a 12 acre playing field. The playing fields are the direct responsibility of the Trust through its subsidiary, Bellingham Community Project Limited (BCP), a registered charity, which runs a leisure and lifestyle centre on the site for the benefit of the local community.

The Centre is run by the LB Lewisham and comes under the day-to-day management of Fusion, their borough-wide sports facilities provider. The principal funders of this £4 million building were Sport England, the Trust itself and LB Lewisham.

The Trust took on in 2016 90% of the costs of BCP's repair obligations falling to it under the lease with LB Lewisham for the Centre, on the condition that BCP remained responsible for the first 10% of the costs and that BCP transferred £200,000 of its reserves to the Trust for spending on activities that benefitted the residents of Lewisham.

The directors aim to continue to develop the facilities on the site and are committed to ensuring that the charges for the facilities will be affordable by the local community. Alongside the Centre there has been continuing support for local community projects e.g. a Youth First project, Bellingham Interagency, Bellingham Golden Oldies (BEGO) and the Bellingham Festival.

The accounts of the Project show net outgoing resources of £22k (2017: outgoing £124k) after receipt of £55k (2017: £30k) in grants from the Trust. It had total net assets at 31 December 2018 of £2.8 million (2017: £2.8 million).

Bellingham Community Project Management Company Limited, a wholly owned subsidiary of the Project, showed a net loss of £214 (2017: loss £216).

The performance of the Project is shown in the SOFA within the restricted funds of the Charity. The statutory accounts are available from our offices.

Both subsidiaries work towards the relief and prevention of poverty and, the Trust considers, provide public benefit. Resource for London is open to all charitable organisations in London and Bellingham Community Project is for the benefit of the people of Bellingham and its surrounding community, irrespective of wealth.

5 The Foundry

The Social Justice and Human Rights Centre Limited (also known as The Foundry) has become an associate entity of the Trust as a result of the equity share holding acquired in a loan/equity swap in June 2017. The Chief Executive sits on the Board to represent the Trust's interests. Based on the 30 September 2018 accounts, the share of the profit and loss attributable to the Trust was £166k (2017: £467k) and the carrying value of the Trust's investment in the Foundry was £3.126 million (2017: £2.959 million).

6 The London Trust

The London Trust is a sister charity of Trust for London but whose accounts are not consolidated with it. It is dormant and it is intended that The London Trust will be wound up in due course. The statutory accounts are available from our offices.

7 Reserves Policy

It is the Trust's policy not to maintain any unrestricted reserves as ongoing working capital is available from the endowment under the total return policy adopted. The endowment stood at £321 million at 31 December and over £17 million was made available to further its grant activities in the year. A small proportion of the grant budget is permitted to be carried over the year end, if unspent at the year end.

8 Staff remuneration

Trust for London, a Living Wage employer, is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives.

In accordance with the Charities SORP FRS 102 the Trust discloses:-

- all payments to trustees (no trustees are remunerated)
- the number of staff in receipt of more than £60,000 and above (in bands of £10,000)
- pensions and other benefits

In addition the Trust publishes on its website key facts about salaries including 'high to low' pay ratios, staff salary bands and pay gap data, both by gender and ethnicity.

The Trust's Chair, in consultation with the Vice Chair and Chair of Finance & Resources Committee, has governance responsibility for the oversight of the Chief Executive's pay reviews, whilst the Trust's Finance & Resources Committee have oversight of staff pay reviews. Both report to the Board of Trustees.

The Trust's Chair, in consultation with the Vice Chair and Chair of Finance & Resources Committee, has the responsibility for determining the remuneration package of the Chief Executive.

The Finance & Resources Committee meets annually to consider staff remuneration. The Chief Executive and members of the Senior Management Team are in attendance for the meeting. Its main responsibilities are to:-

- conduct five-yearly reviews of staffing structures and salaries
- decide the terms and conditions of service of the Trustee's staff
- approve the annual cost of living percentage increase (which can be zero) taking into account a variety of indices
- approve any incremental increases
- approve any pay awards and staff salary increases outside of the annual review process as recommended from time to time by the Chief Executive
- determine pension arrangements
- approve staff policies

Our remuneration policy

The Trust's pay and grading policy will:

- determine the appropriate grade for all posts through the use of our Grade Profiles
- aim for consistency, fairness, transparency, and legal compliance within our grading and pay practice
- monitor our grading and pay practice to ensure that it complies with equal pay for work of equal value legislation and the best principles of equity
- take account of pay market data and practice within other comparable organisations when reviewing pay scales every five years
- develop pay levels that reflect appropriate internal differentials, and the need to recruit and retain high quality staff and be in keeping with our position as a charitable organisation
- provide pay progression on the basis of annual increments until the top of grade has been achieved
- refer to a range of indices and other sources of information on pay market movements in order to determine any appropriate cost of living increase, whilst also taking account of the charity's financial circumstances and affordability

The appropriateness and relevance of the pay and grading policy is reviewed every five years including reference to comparisons with other charities ensuring the Trust remains sensitive to the broader issues e.g. pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at a lower point within a band, providing scope for increases in line with experience. We pay any interns the London Living wage.

In 2018-19 the Trust awarded staff a 2.5% cost of living increase in salary. Three members of staff earn more than £60,000 per annum (being two remunerated between £70,000 and £80,000 and one remunerated between £120,000 and £130,000). The Chief Executive is the highest paid member of staff. Further information on staffing costs and pensions is presented in the notes to the financial statements.

9 Plans for the future

In response to the more severe problems faced by Londoners and the good returns generated by the investment portfolio, the Trust agreed to increase the overall amount available for grants by £2 million in 2018 and the following year subject to annual review.

Trust for London will implement its five-year funding strategy for the period 2018 to 2022.

The grant guidelines are issued in summary format and are also on our website. These outline in detail the funding programmes and priorities, and expand upon how we intend to administer our funding and explain the application process.

The Trust also undertakes a programme of proactive work on specific issues, often in collaboration with other funders. Our plans for the future include developing special initiatives on: a second phase of funding for the Strengthening Voice, Realising Rights Initiative to support deaf and disabled people's organisations; re-launching London's Poverty Profile in a digital format with more regular updates; and a new Crowdfunder programme targeting outer London boroughs, where there are fewer community activities to overcome isolation and to address increasing levels of poverty. Other proactive work will include increasing engagement with low income private sector tenants, and strengthening the voice of people who are directly affected by poverty and inequality in campaigning work.

We will also continue to provide training and development support to organisations to improve their skills and capacity in evaluation, learning, campaigning and strategic communications.

The Trust has an evaluation plan, with anticipated outcomes for each of the programme areas as well as high-level organisational outcomes. In addition to assessing the outcomes from the individual grants, we also invest in commissioning external evaluations to assess the effectiveness of the work and to highlight the learning to share with others.

Trust for London intends to continue and expand its mission related investment activities through our Capital for London initiative, using the endowment assets to secure social and financial returns.

10 Trustee matters

The Board saw changes in that Robert Laurence, Adrian Newman and Deborah Finkler left. Onkar Sahota and Rosemarie Paul were welcomed to the Board.

The work of the Trustee has been as efficiently supported as ever by the staff, to whom the Trust for London is very grateful for their enthusiasm, loyalty and commitment.

11 Statement of Trustee's responsibilities in respect of the Trustee's annual report and the financial statements

Under the trust deed of the charity and charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year.

The group and charity's financial statements are required by law to give a true and fair view of the state of affairs of the group and the charity and of the group's excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- selects suitable accounting policies and then applies them consistently;
- observes the methods and principles in the applicable Charities SORP;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements; and
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The Trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. It is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustee to ensure that, where any statements of accounts are prepared by it under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

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

12 Disclosure of information to auditor

The Trustee who held office at the date of approval of this Trustee's report confirms that, so far as it is aware, there is no relevant audit information of which the Trust's auditor is unaware; and the Trustee has taken all the steps that it ought to have taken as a Trustee to make itself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

By order of the Trustee

Jeff Hayes
28 June 2019

Independent Auditor's Report to the Trustee of Trust for London

Opinion

We have audited the financial statements of Trust for London for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated and Trust Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines 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 trustee is responsible for assessing the group's and the parent charity'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 trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to it 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor
London

Date: 8th July 2019

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Annual Report and Consolidated Financial Statements 2018 of Trust for London

Consolidated Statement of Financial Activities		Year ended 31 December 2018				
	Note	Restricted Funds Subsidiaries & Associates	Restricted Central Fund & City Church Fund	Endowment Funds	Total	Total
		2018	2018	2018	2018	2017
		£	£	£	£	£
Income						
<i>Income and endowments</i>						
<i>Donations</i>						
Social Justice & Human Rights Centre income	12	-	-	-	-	617,826
Grants receivable	3	-	2,210,038	-	2,210,038	341,546
<i>Charitable activities</i>						
Resource for London income		1,423,664	-	-	1,423,664	1,251,901
Bellingham Community Project income		106,328	-	-	106,328	58,435
Social Justice & Human Rights Centre income	12	166,337	-	-	166,337	466,580
<i>Investment income</i>						
Income from mission related assets		-	260,348	-	260,348	166,430
Dividends, alternative fund income and interest	4	-	615,126	3,543,719	4,158,845	3,495,275
Income from investment properties		-	-	4,195,525	4,195,525	3,916,119
Income to cover rechargeable expenses		-	22,297	212,091	234,388	220,183
Less: Rechargeable expenses		-	(22,297)	(212,091)	(234,388)	(220,183)
<i>Transfer to income: Total return transfers between funds</i>						
	5	-	14,741,185	(14,741,185)	-	-
Total income		1,696,329	17,826,697	(7,001,941)	12,521,085	10,314,112
Expenditure						
<i>Raising funds</i>						
- Costs of trading subsidiary		(217)	-	-	(217)	(217)
Investment management costs	6	-	(553,196)	(494,813)	(1,048,009)	(1,177,245)
<i>Charitable activities</i>						
Relief of poverty	8	-	(11,479,095)	-	(11,479,095)	(9,163,285)
Furtherance of religion	8	-	(5,724,672)	-	(5,724,672)	(5,723,855)
Resource for London operations		(1,006,662)	-	-	(1,006,662)	(937,352)
Bellingham Community Project operations		(183,287)	-	-	(183,287)	(212,828)
Total expenditure		(1,190,166)	(17,756,963)	(494,813)	(19,441,942)	(17,214,782)
Net gains/(losses) on investments						
Net gains/(losses) on listed investments and cash and near cash instruments	11	-	-	(4,371,284)	(4,371,284)	19,077,276
Net gains on investment properties	11	-	-	2,937,778	2,937,778	2,178,006
Total of net gains/(losses) on investment		-	-	(1,433,506)	(1,433,506)	21,255,282
Net income/(expenditure) before transfers		506,163	69,734	(8,930,260)	(8,354,363)	14,354,612
Transfers between funds	18	(178,559)	85,163	93,396	-	-
Net income/(expenditure) before other recognised gains/(losses)		327,604	154,897	(8,836,864)	(8,354,363)	14,354,612
Other recognised gains/(losses)						
Net revaluation gains on fixed assets for own use	10	-	-	150,000	150,000	-
Net movement in funds		327,604	154,897	(8,686,864)	(8,204,363)	14,354,612
Fund balances brought forward at 1 January		4,042,170	1,166,881	328,176,441	333,385,492	319,030,880
Fund balances carried forward at 31 December		4,369,774	1,321,778	319,489,577	325,181,129	333,385,492

All income derives from continuing operations. There have been no recognised gains or losses other than the net movement in funds in the year. The notes on pages 23 to 36 form part of these accounts.

Year ended 31 December 2018

Balance Sheets

	Note	Group 2018	Group 2017	Trust 2018	Trust 2017
		£	£	£	£
Fixed assets					
Tangible assets	10	8,603,390	10,060,514	5,753,686	7,200,362
Investments	11	324,080,716	328,239,178	324,080,716	328,363,448
Investment in associate	12	3,125,743	2,959,406	1,875,000	1,875,000
		335,809,849	341,259,098	331,709,402	337,438,810
Current assets					
Debtors	13	3,216,992	1,949,441	3,132,984	1,964,880
Short term cash deposits		3,430	3,426	-	-
Cash at bank and in hand		3,120,426	4,534,450	2,656,063	3,998,352
		6,340,848	6,487,317	5,789,047	5,963,232
Liabilities					
Creditors: amounts falling due within one year	14	(14,439,343)	(12,572,848)	(14,156,869)	(12,270,645)
Net current liabilities		(8,098,495)	(6,085,531)	(8,367,822)	(6,307,413)
Total assets less current liabilities		327,711,354	335,173,567	323,341,580	331,131,397
Creditors: amounts falling due after more than one year	15	(2,530,225)	(1,788,075)	(2,530,225)	(1,788,075)
Total net assets	21	325,181,129	333,385,492	320,811,355	329,343,322
The funds of the group and charity					
Permanent endowment funds	21	293,525,988	301,910,671	293,525,988	301,910,671
Central Fund expendable endowment fund	21	25,963,589	26,265,770	25,963,589	26,265,770
Restricted funds subsidiaries & associates	19	4,369,774	4,042,170	-	-
Central Fund restricted fund	20	1,321,778	1,166,881	1,321,778	1,166,881
Total group and charity funds		325,181,129	333,385,492	320,811,355	329,343,322

The accounts were approved by the Board on 28 June 2019 and signed on their behalf by:

Jeff Hayes
Chair

The notes on pages 23 to 36 form part of these accounts.

Year ended 31 December 2018

Consolidated Statement of Cash Flows

	Note	2018	2017
		£	£
Net cash outflow from operating activities	A	(5,533,405)	(4,786,165)
Investment and capital expenditure			
Purchase of listed investments		(21,133,859)	(122,752,508)
Sales of listed investments		33,252,235	111,867,762
Purchase of unlisted investments		(311,467)	(525,836)
Sales of unlisted investments		35,944	-
Net movement in cash and near cash investments		(5,499,999)	11,636,383
Net movement in cash held by investment managers		(240,962)	15,105,687
Purchase of investment properties		(1,422,225)	(11,663,991)
Sales of investment properties		300,000	-
Purchase of mission related investments		(38,807)	(222,070)
Sales of mission related investments		86,397	342,371
Purchase of fixed assets		(907,872)	(18,053)
Net cash inflow from investments and capital expenditure		4,119,385	3,769,745
Increase/(decrease) in cash		(1,414,020)	(1,016,420)
Analysis of change in cash			
Cash balances as at 1 January		4,537,876	5,554,296
Net cash inflow		(1,414,020)	(1,016,420)
Cash balances as at 31 December		3,123,856	4,537,876

Note to the cash flow statement

	£	£
A. Reconciliation of operating result to net cash outflow from operating activities		
Net expenditure before revaluations and transfers	(6,920,857)	(7,985,076)
Social Justice & Human Rights Centre income	(166,337)	-
Depreciation charges	212,695	193,479
Decrease/(Increase) in debtors	(1,267,551)	1,033,418
Increase/(decrease) in creditors: Amounts falling due within one year	1,866,495	1,577,307
Increase in creditors: Amounts falling due after more than one year	742,150	394,707
Net cash provided by/(used in) operating activities	(5,533,405)	(4,786,165)

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement.

Year ended 31 December 2018

Notes to the Financial Statements**1 Basis of preparation of financial statements and assessment of going concern**

Trust for London is a charity registered in England and Wales governed by 31 December 2004 scheme which operates from 4 Chiswell Street London EC1Y 4UP.

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The accounts have been prepared in accordance with applicable accounting standards, Charities Acts and 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 UK and Republic of Ireland (FRS 102).

Financial resources are well placed to manage the business risks. Our planning processes have taken into account the current economic climate and its potential impact on sources of income. We believe that there are no material uncertainties that call into doubt the charity's ability to continue and the accounts have therefore been prepared on a going concern basis.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Trust for London meets the definition of a public benefit entity under FRS 102.

In the application of the charity's accounting policies, which are described in note 2, the trustee is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the accounts are described in the accounting policies and are summarised below:

Valuation of investment properties and valuation of land and buildings - the charity's investment properties and land and buildings other than the Bellingham Leisure & Lifestyle Centre are stated at their estimated fair value based on professional valuations as disclosed in notes 10 and 11

Multi-year grant commitments - the charity recognises future liabilities discounted to their present value where material.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

2 Accounting policies**(i) Basis of consolidation**

Resource for London and Bellingham Community Project Limited have been treated as subsidiary undertakings as defined in the SORP. Therefore all their transactions are accounted for gross in these accounts. The funds of these subsidiaries have been treated as restricted funds of the charity. Bellingham Community Project Management Company Limited is treated as a subsidiary as defined in the SORP. The costs of this company are shown on separate lines in the Statement of Financial Activities.

(ii) Income and expenditure

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

All income is accounted for on an accruals basis.

Grants receivable and donations are recognised upon notification in writing of the amount awarded or donated and date of entitlement.

Resource for London rent, service charge income and similar income represents income from the operation of Resource for London at 356 Holloway Road, London, N7.

Investment income and related tax credits are recognised upon notification in writing of the amount and date of entitlement.

In some cases the Trust pays property expenses on behalf of its tenants and recovers these expenses in full. In such circumstances the Trust has thought it appropriate to show these service charge expenses as a deduction from income on the face of the Statement of Financial Activities.

Liabilities are recognised in the Statement of Financial Activities as expenditure as soon as 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.

All expenditure is accounted for on an accruals basis.

Raising funds comprise those operational costs directly attributable to managing the investment and property portfolio and raising investment and rental income, those expended on marketing and an appropriate proportion of general overheads which are identifiable wholly or mainly in support of raising funds.

Charitable activities include grants made for charitable purposes from the Central Fund at the discretion of the Trust. These are charged to grants payable when they are approved by the Trust and notified to the beneficiaries. When grants are withdrawn or unclaimed they are shown as a deduction from grants payable. Grants made by the Trust but not paid at the year end are carried forward as a liability. They also include grants staff costs, consultants and an appropriate proportion of general overheads which are identifiable wholly or mainly in support of charitable expenditure.

Year ended 31 December 2018

Notes to the Financial Statements (continued)**2 Accounting policies (continued)**

Resource for London costs relate directly to the operation of Resource for London. Bellingham Community Project costs relate directly to the operation of Bellingham Community Project. Costs of trading subsidiary relate to the operations of Bellingham Community Project Management Company Ltd.

Governance costs are those incurred in connection with the governance arrangements of the Trust as opposed to those associated with charitable activity. They cover the costs of compliance with constitutional and statutory requirements and include audit fees, legal fees and costs of trustee meetings. They are shown within charitable activities and raising funds in an appropriate proportion.

(iii) Financial instruments

Trust for London has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and the group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the group's short and long term creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial. Investments (excluding property) are included in the balance sheet at their fair value as described in iv below.

(iv) Investments

Freehold and leasehold investment properties are included in the balance sheet at fair value (market value) at the balance sheet date. The valuation was prepared as at 31 December 2018 by Cluttons, Chartered Surveyors, in accordance with R.I.C.S. guidelines. The previous valuation had been carried out at 31 December 2017. Listed investments and indirect property holdings are shown at the middle market price ruling at the balance sheet date, with the exception of certain indirect property holdings which are shown at net asset value. Unlisted investments are shown at cost less impairment.

Gains and losses are reflected in the Statement of Financial Activities and allocated to the respective funds.

v) Associate entities

Associate entities are included in the balance sheet under the equity method of accounting ie initially recognised at cost and then subsequently adjusted to to reflect the charity's share of the post-acquisition change in the net assets of the associate.

(vi) Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised. All fixed assets other than freehold land and buildings are shown at cost less depreciation.

Freehold land and buildings other than the Bellingham Leisure & Lifestyle Centre is included in the balance sheet at fair value (market value) at the balance sheet date. The valuation was prepared as at 31 December 2018 by Cluttons, Chartered Surveyors, in accordance with R.I.C.S. guidelines. The previous valuation had been carried out at 31 December 2017.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value in equal instalments over its expected useful life as follows:

Investment freehold land and buildings - nil: Operational freehold buildings - 50 years: Operational leasehold land and buildings - life of the lease: Assets in the course of construction - nil: Leasehold improvements 4%: Computer equipment - 25%: Leisure & Lifestyle Centre equipment - 10%: Furniture and fittings - 20%

(vii) Short term cash deposits

Short term cash deposits are bank and money market deposits which do not have instant access but have a requirement for no more than three months notice before withdrawal.

(viii) Pensions

There is a group personal pension scheme for staff. Contributions are accounted for as and when the amounts become payable.

(ix) Fund accounting

Funds are available for use at the discretion of the Trust in furtherance of the general objectives of the Trust.

The investment assets of the Central Fund and the City Church Fund are held within the Trust for London Common Investment Fund. These assets are permanently endowed. Trustees confirm that, as per the total return policy adopted, funds can be transferred from the endowment fund to meet current liabilities obligations as they fall due.

The Central Fund and City Church Fund have separate charitable purposes and their income and expenditure are shown as restricted funds accordingly. The Central Fund also has an expendable endowment which is available for distribution as grants or loans for charitable purposes at the discretion of the Trustee.

The funds of the charity's subsidiaries, Resource for London and Bellingham Community Project Limited, which are separate charities, also have separate purposes and their funds are shown as restricted.

(x) Taxation

Trust for London is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received, as long as the income and gains are all within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, and to the extent that such income or gains are applied exclusively to charitable purposes. Income tax will be payable to the extent that these conditions are not met.

Where appropriate, costs are shown inclusive of VAT as the charity is partially unable to recover VAT on its activities.

Year ended 31 December 2018

Notes to the Financial Statements (continued)

3 Grants receivable	Restricted Central Fund £	Total 2018 £	Total 2017 £
a) Restricted			
Grants receivable			
Oak Foundation	1,000,000	1,000,000	-
Pears Foundation	30,000	30,000	-
Romeera Foundation	100,000	100,000	-
Paul Hamlyn Foundation	50,000	50,000	50,000
Joseph Rowntree Charitable Trust	-	-	5,000
City Bridge Trust	700,000	700,000	62,000
Walcott Foundation	-	-	24,278
Unbound Philanthropy	265,000	265,000	-
	<u>2,145,000</u>	<u>2,145,000</u>	<u>141,278</u>
	Unrestricted Central Fund £	Total 2018 £	Total 2017 £
b) Unrestricted			
Grants receivable			
Oak Foundation	64,953	64,953	-
Stratford Development Partnership	85	85	200,268
	<u>65,038</u>	<u>65,038</u>	<u>200,268</u>
Total grants receivable		<u>2,210,038</u>	<u>341,546</u>

4 Dividends, alternative fund income and interest receivable

	Restricted City Church Fund £	Restricted Central Fund £	Permanent endowment funds £	Total 2018 £	Total 2017 £
Income from listed investments	-	548,156	2,935,326	3,483,482	3,072,419
Income from cash held as part of investment portfolio	-	133	7,710	7,843	9,340
Alternative fund income	-	53,033	597,072	650,105	339,273
Bank and other interest receivable	222	13,582	3,611	17,415	74,243
	<u>222</u>	<u>614,904</u>	<u>3,543,719</u>	<u>4,158,845</u>	<u>3,495,275</u>

Year ended 31 December 2018

Notes to the Financial Statements (continued)**5 Total return transfers between funds**

On 10 November 2003, the Charity Commissioners authorised the Trust to adopt a Total Return approach to the management of its investment portfolios. On 1 January 2003 the Trust adopted this approach and selected 31 December 1942 as the reference date from which the permanently endowed funds have been analysed between the trust for investment and the unapplied total return, the two components of a permanent endowment specified in the Charity Commission's regulations.

Under the total return approach, the Trust is permitted to allocate from the total return element of permanent endowment to the trust for application (income) such sums as it thinks appropriate in furtherance of its work providing it undertakes prescribed tasks. These tasks are essentially to exercise its statutory duty to be even-handed as between present and future beneficiaries, to maintain the balance of the unapplied total return at such a level that it will remain positive considering the volatility of investment markets and to take such professional advice as it considers necessary in the exercise of these responsibilities.

The Trust's strategy is to manage the endowment effectively in order to maximise the amount available for distribution whilst maintaining the real value of the Trust's permanent endowment.

A summary of the Trust's permanent endowment is as follows:

	Trust for investment £	Unapplied total return £	Endowment funds £
Aggregate value of the assets since the outset of total return			
Value at 31 December 1942	3,262,620	-	3,262,620
Additional endowed capital	1,159,639	-	1,159,639
Gain in value	-	297,488,412	297,488,412
Value at 1 January 2018	4,422,259	297,488,412	301,910,671

Aggregate value of the assets for the year ended 31 December 2018

Brought forward at 1 January 2018	4,422,259	297,488,412	301,910,671
Gain in value	-	(1,382,742)	(1,382,742)
Investment income receivable	-	7,739,244	7,739,244
Transfers to trust for application	-	(14,741,185)	(14,741,185)
Carried forward at 31 December 2018	4,422,259	289,103,729	293,525,988

The aggregate value of the unapplied total return continues to form part of the permanent endowment and does not constitute a separate fund for accounting purposes.

6 investment management costs**Common Investment Fund: Permanent endowment:**

	2018 £	2017 £
Investment management fees	456,601	652,234
Property management fees	200,516	86,787
Depreciation	16,396	8,939
Staff costs (net)	224,593	214,240
Other costs of raising funds	108,949	102,795
Investment management costs	1,007,055	1,064,995
Costs transferred to restricted funds	(512,242)	(387,696)
Costs charged to permanent endowment funds	494,813	677,299
Being:-		
Investment management fees	(456,601)	(652,224)
Property management fees	(38,212)	(25,075)
	(494,813)	(677,299)

Central Fund: expendable endowment:

	2018 £	2017 £
Investment and property management fees	19,166	91,604
Depreciation	1,044	569
Staff costs (net)	14,305	13,646
Other costs of raising funds	6,439	6,431
Investment management costs	40,954	112,250
Costs transferred from permanent endowment funds	512,242	387,696
Costs charged to restricted funds	553,196	499,946

Year ended 31 December 2018

Notes to the Financial Statements (continued)

7 Governance costs	Total 2018 £	Total 2017 £
Legal and professional fees	43,100	31,167
Auditor's remuneration - audit & scrutiny fees	32,654	31,713
Governance costs - trustees	7,731	5,083
Staff costs (net)	66,043	62,998
	149,528	130,961

Amounts payable to auditors

Payable to Group auditor:

Audit of group and charity (net of vat)	32,415	31,448
Board performance review (net of vat)	12,000	-
Service charge review (net of vat)	1,425	1,425

Payable to other auditors:

Bellingham Community Project audit (net of vat)	4,237	4,600
Bellingham Community Project accountancy services (net of vat)	633	260

Total	50,710	37,733
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8 Analysis of charitable expenditure

	Operational activities of the Central Fund	Central Fund Grant making and direct work	City Church Fund Grant making	Total funds 2018	Total funds 2017
<i>- grants and grants related funding activity</i>					
Central Fund grants and grants related funding authorised		10,305,394		10,305,394	7,995,595
Central Fund grants written back		(226,206)		(226,206)	(126,938)
Grants made for the relief of poverty		10,079,188		10,079,188	7,868,657
Church Commissioners and Dioceses			3,686,054	3,686,054	3,699,255
City Churches Grants Committee			1,811,887	1,811,887	1,818,487
Schedule VII payments to City Churches			31,140	31,140	31,140
Grants for the furtherance of religion			5,529,081	15,608,269	13,417,539
Resource for London and Bellingham operations	979,941	-	-	979,941	922,160
<i>- support, direct work and governance costs</i>					
Staff costs	84,340	830,902	122,311	1,037,553	991,255
Website and e-bulletins	-	13,422	-	13,422	88,780
Media communications	-	13,445	-	13,445	20,783
Grant support consultancy	-	54,363	1,091	55,454	15,721
Depreciation	125,668	60,658	8,929	195,255	183,971
Legal and professional fees	-	44,366	5,504	49,870	47,721
Audit fees	-	16,598	7,482	24,080	23,386
Communications costs	-	14,811	3,251	18,062	24,451
Governance costs - trustees	-	5,388	793	6,181	4,064
Other support costs	-	345,954	46,230	392,184	297,489
Totals for 2018	1,189,949	11,479,095	5,724,672	18,393,716	16,037,320
Totals for 2017	1,150,180	9,163,285	5,723,855	16,037,320	

Where costs are allocated the basis of apportionment is staff time spent on each activity.

Further details and analysis of grants made and consultancies undertaken is available in the Trustee's report and, for the Central Fund, in 'Review 2018' (www.trustforlondon.org.uk/publications/review-2018) and its companion document 'Funding List 2018' (www.trustforlondon.org.uk/funding/funded-projects/). The last two reports are available from our offices as well as being on the website.

Year ended 31 December 2018

Notes to the Financial Statements (continued)

9 Analysis of staff costs and remuneration of key management personnel	2018 £	2017 £
Wages and salaries	1,044,789	999,332
Termination costs	-	-
Social security costs	102,136	95,712
Pension costs	129,527	123,258
Total costs charged	1,276,452	1,218,302

No Board member received remuneration or any other benefits during the year (2017: nil). Out of pocket expenses were reimbursed to Board members as follows:

	2018 No.	2017 No.	2018 £	2017 £
Travel	2	2	1,093	649
Training/seminars/induction	-	-	-	-
	2	2	1,093	649

	2018 No.	2017 No.
The average head count (number of staff employed) during the year was:	22	22

The average number of employees (head count) analysed by function was:

Grant making	13	13
Bellingham	2	2
Administration	7	7
	22	22

The Trust considers its key management personnel comprise the trustees and the members of the Senior Management Team ie Chief Executive, Director of Finance & Admin, Director of Grants and Director of Policy. The total employment benefits including employer pension contributions and employer pension contributions of the key management personnel were £420,582 (2017: £405,457).

Key management personnel by job title	2018	2017
£80,001 and £90,000:		<i>Director of Policy & Grants</i>
£90,001 and £100,000:	Director of Finance & Admin and Director of Grants	<i>Director of Finance & Admin Director of Special Initiatives & Evaluation</i>
£130,001 and £140,000:		<i>Chief Executive</i>
£150,001 and £160,000:	Chief Executive	

Number of employees who earned between:	2018 No.	2017 No.
£70,001 and £80,000:	2	3
£100,001 and £110,000:	-	1
£120,001 and £130,000:	1	-

Year ended 31 December 2018

Notes to the Financial Statements (continued)

10 Fixed assets

Group	Leasehold improvements £	IT equipment £	Furniture, fittings and equipment £	Freehold land and buildings £	Total £
Cost or valuation					
Brought forward at 1 January	7,620	335,430	2,151,630	11,044,580	13,539,260
Additions in the year	822,362	66,452	19,058	-	907,872
Disposals/transfers in the year	-	(8,508)	(145,547)	(2,302,301)	(2,456,356)
Realised gains and revaluation of properties	-	-	-	150,000	150,000
Carried forward at 31 December	829,982	393,374	2,025,141	8,892,279	12,140,776
Depreciation					
Brought forward at 1 January	1,221	291,564	2,073,781	1,112,180	3,478,746
Charge for year	40,353	44,957	47,944	79,441	212,695
Disposals/transfers in the year	-	(8,508)	(145,547)	-	(154,055)
Carried forward at 31 December	41,574	328,013	1,976,178	1,191,621	3,537,386
Net book value at 31 December 2018	788,408	65,361	48,963	7,700,658	8,603,390
Net book value at 31 December 2017	6,399	43,866	77,849	9,932,400	10,060,514
Trust					
Trust	Leasehold improvements £	IT equipment £	Furniture, fittings and equipment £	Freehold land and buildings £	Total £
Cost or valuation					
Brought forward at 1 January	-	215,777	153,259	7,152,301	7,521,337
Additions in the year	715,373	62,866	14,413	-	792,652
Disposals/transfers in the year	-	(8,508)	(145,547)	(2,302,301)	(2,456,356)
Realised gains and revaluation of properties	-	-	-	150,000	150,000
Carried forward at 31 December	715,373	270,135	22,125	5,000,000	6,007,633
Depreciation					
Brought forward at 1 January	-	178,523	142,452	-	320,975
Charge for year	35,769	38,814	12,444	-	87,027
Disposals/transfers in the year	-	(8,508)	(145,547)	-	(154,055)
Carried forward at 31 December	35,769	208,829	9,349	-	253,947
Net book value at 31 December 2018	679,604	61,306	12,776	5,000,000	5,753,686
Net book value at 31 December 2017	0	37,254	10,807	7,152,301	7,200,362

***Total historical cost at 31 December**

*Historical cost of freehold land and buildings is shown as nil as the acquisition of the charitable properties occurred over fifteen years ago.

Freehold land and buildings represent a proportion of 350-356 Holloway Road, London, N7 which is occupied by Resource for London and the Bellingham Leisure & Lifestyle Centre managed by Bellingham Community Project Ltd. All fixed assets are held for charitable purposes.

Annual Report and Consolidated Financial Statements 2018 of Trust for London

Notes to the Financial Statement (<i>continued</i>)	Year ended 31 December 2018			
	2018	2018	2017	2017
	£	£	£	£
11 Fixed asset investments				
	Group	Trust	Group	Trust
Investment properties				
Market value at 1 January	112,383,696	112,383,696	98,541,699	98,541,699
Additions to investment properties	3,724,526	3,724,526	11,663,991	11,663,991
Disposals of investment properties	(300,000)	(300,000)	-	-
Unrealised gains on revaluation of investment properties	2,637,778	2,637,778	2,178,006	2,178,006
Realised gains on investment properties	300,000	300,000	-	-
Market value at 31 December	118,746,000	118,746,000	112,383,696	112,383,696
Listed investments*				
Market value at 1 January	200,419,740	200,419,740	170,417,468	170,417,468
Additions to listed investments	21,133,859	21,133,859	122,752,508	122,752,508
Disposals of listed investments	(33,252,235)	(33,252,235)	(111,867,762)	(111,867,762)
Realised and unrealised (losses)/gains on listed investments	(4,278,784)	(4,278,784)	19,117,526	19,117,526
Market value at 31 December	184,022,580	184,022,580	200,419,740	200,419,740
* includes global equities, bonds, multi-asset funds and alternative asset funds				
Unlisted investments				
Value at 1 January	1,172,739	1,172,739	699,292	699,292
Additions to unlisted investments	311,467	311,467	525,836	525,836
Disposals of unlisted investments	(35,944)	(35,944)	-	-
Realised and unrealised (losses)/gains on unlisted investments	(123,895)	(123,895)	(52,389)	(52,389)
Value at 31 December	1,324,367	1,324,367	1,172,739	1,172,739
UK listed investments	152,861,830	152,861,830	162,779,487	162,779,487
Overseas listed investments	31,160,750	31,160,750	37,640,253	37,640,253
UK unlisted investments	1,324,367	1,324,367	1,172,739	1,172,739
	185,346,947	185,346,947	201,592,479	201,592,479
Cash held by investment managers				
Market value at 31 December	5,502,819	5,502,819	5,261,857	5,261,857
Mission related investments				
Value at 1 January	1,857,247	1,981,517	3,852,548	4,093,970
Additions/transfers in the year to mission related investments	38,807	38,807	222,070	226,793
Repayment/transfers of mission related investments	(86,397)	(210,667)	(2,217,371)	(2,339,246)
Value at 31 December	1,809,657	1,809,657	1,857,247	1,981,517
Cash and near cash investments				
Market value at 1 January	7,143,899	7,143,899	18,768,143	18,768,143
Additions	6,000,000	6,000,000	21,963,617	21,963,617
Disposals	(500,001)	(500,001)	(33,600,000)	(33,600,000)
Realised and unrealised (losses)/gains on cash and near investments	31,395	31,395	12,139	12,139
Market value at 31 December	12,675,293	12,675,293	7,143,899	7,143,899
Total market value at 31 December	324,080,716	324,080,716	328,239,178	328,363,448
+Total historical cost at 31 December	166,480,576	166,480,576	172,260,733	172,260,733

+Historical cost excludes investment properties as some of them were acquired over 100 years ago.

Investment properties in 2017 included £12 million carried at cost re a property that was under refurbishment at the year-end.

All investment properties are situated in the UK.

Year ended 31 December 2018

Notes to the Financial Statements (continued)

12 Investment in associate

The Trust holds a 30.22% equity holding in the Social Justice and Human Rights Centre Limited (SJ&HRC). Accordingly an appropriate share of the net assets of SJ&HRC has been recognised in the group balance sheet as an investment in associate during the year as follows:

	Group 2018 £	Group 2017 £	Trust 2018 £	Trust 2017 £
Cost	1,875,000	1,875,000	1,875,000	1,875,000
Share of net assets at 31 December 2017	1,084,406	-	-	-
Negative goodwill on acquisition of associate	-	617,826	-	-
Share of surplus in the year	166,337	466,580	-	-
	166,337	1,084,406	-	-
Share of net assets at 31 December 2018	3,125,743	2,959,406	1,875,000	1,875,000

Share of net assets at acquisition	2,492,826	2,492,826
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13 Debtors

	Group 2018 £	Group 2017 £	Trust 2018 £	Trust 2017 £
Grants receivable	987,990	-	987,990	-
Resource for London trade debtors	92,058	62,640	-	-
Resource for London grants receivable	-	-	-	-
Rent and insurance due from tenants	1,177,673	561,955	1,224,066	693,868
Amount due from connected charities	22,210	21,357	22,210	21,357
Rent deposits with solicitors	97,244	204,834	97,244	204,834
Other debtors	35,435	177,857	35,344	177,133
Prepayments	110,805	82,860	81,213	48,346
Accrued income	693,577	837,938	684,917	819,342
	3,216,992	1,949,441	3,132,984	1,964,880

14 Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Trust 2018 £	Trust 2017 £
Grants payable for the relief of poverty	10,444,581	8,329,560	10,444,581	8,329,560
Grants payable for the furtherance of religion	2,487,668	1,873,562	2,487,668	1,873,562
Resource for London trade creditors	64,562	68,783	-	-
Rents received in advance	464,565	778,133	464,565	778,133
Rent deposits with solicitors	97,244	204,834	97,244	204,834
Taxation and social security	29,877	26,946	29,877	26,946
Other creditors	329,937	156,229	257,044	79,198
Accruals	497,334	1,056,178	375,890	978,412
Deferred income	23,575	78,623	-	-
	14,439,343	12,572,848	14,156,869	12,270,645

15 Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Trust 2018 £	Trust 2017 £
Grants payable for the relief of poverty	2,530,225	1,788,075	2,530,225	1,788,075
	2,530,225	1,788,075	2,530,225	1,788,075

15a Movement in provisions and funding commitments during year

	Central fund grants payable 2018 £	City Church Fund grants payable 2018 £	Group 2018 £	Group 2017 £
Grants payable at start of year	10,117,635	1,873,562	11,991,197	10,853,187
New grants charged to the SOFA in year (see note 8)	10,360,394	5,572,745	15,933,139	13,574,477
Writebacks credited to the SOFA in year (see note 8)	(226,206)	-	(226,206)	(126,938)
Grants paid in the year	(7,277,017)	(4,914,975)	(12,191,992)	(12,309,529)
Grants payable at end of year	12,974,806	2,531,332	15,506,138	11,991,197

Year ended 31 December 2018

Notes to the Financial Statements (continued)

16 Operating leases - lessor

	2018	2017
	£	£
a) lessor		
The Trust is entitled as landlord to income from investment properties under operating leases.		
For non-cancellable leases with lives of less than 25 years		
Future minimum lease payments under non-cancellable operating leases for the each of the following periods :-		
- not later than one year	1,013,998	522,003
- later than one year and not later than five years; and	2,875,933	598,000
- later than five years	13,071,750	185,000
	<hr/> 16,961,681	<hr/> 1,305,003

For non-cancellable leases with lives of 25 years and over*

Future minimum lease payments under non-cancellable operating leases for the each of the following periods :-		
- not later than one year	3,121,815	2,719,312
- later than one year and not later than five years; and	13,543,016	11,858,651
- later than five years	554,571,148	563,841,429
	<hr/> 571,235,979	<hr/> 578,419,392

* these leases can have lives up to 1,000 years as they include ground rent leases which are valued at £92.8m and form some 75% of the portfolio.

b) lessee

The Trust as tenant has to pay rent under an operating lease at 4 Chiswell Street.

For non-cancellable leases with lives of less than 25 years

	2018	2017
	£	£
Future minimum lease payments under non-cancellable operating leases for the each of the following periods :-		
- not later than one year	215,440	-
- later than one year and not later than five years; and	572,376	-
- later than five years	-	-
	<hr/> 787,816	<hr/> -

17 Pension Scheme

The Trust provides a group personal pension scheme.

The Trust makes contributions at a rate of 10% to individuals' personal pensions within the group scheme, provided they make a personal contribution of at least 3%. During a transitional period, for certain members, the percentage of contributions may vary between 3% and 17% depending on the age of the employee. In 2018 the Trust made contributions of £121,109 (2017 : £115,365) to the scheme.

In addition staff at the Trust's subsidiary charities are entitled to contributions at a rate of 10% of gross salaries to a personal pension scheme. Total contributions made in 2018 at the Bellingham Community Project were £8,418 (2017: £7,893). No staff are directly employed at Resource for London.

Staff were enrolled under auto-enrolment as from 1 June 2016.

18 Transfers between funds

Grants and charges between the Trust and its subsidiaries are shown as transfers between funds rather than as income in the Statement of Financial Activities.

The Central Fund spent in the year from its expendable endowment to supplement the income derived from it. The amount is shown by way of transfer between funds.

	Restricted funds Subsidiaries £	Restricted Central Fund £	Endowment funds £
Subsidiary charity adjustments	(178,559)	178,559	-
Central Fund - expendable endowment - spent in the year	-	(93,396)	93,396
	<hr/> (178,559)	<hr/> 85,163	<hr/> 93,396

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Year ended 31 December 2018

Notes to the Financial Statements (continued)

19 Restricted funds - subsidiaries and associates

	Balance at 31 December 2017 £	Income £	Expenditure and transfers £	Balance at 31 December 2018 £
Resource for London	118,273	1,423,664	(1,240,221)	301,716
Bellingham Community Project Limited	2,839,491	161,328	(183,504)	2,817,315
Social Justice & Human Rights Centre Limited	1,084,406	166,337	-	1,250,743
	4,042,170	1,751,329	(1,423,725)	4,369,774

These funds have been shown as restricted because the charity's branches and associates have separate charitable purposes.

20 Restricted funds - Central Fund and City Church Fund

	Balance at 31 December 2017 £	Transfer from unapplied return £	Net income/ (expenditure) £	Revaluations and transfers £	Balance at 31 December 2018 £
Central Fund	1,166,881	9,111,127	(8,803,419)	(152,811)	1,321,778
City Church Fund	-	6,124,871	(6,129,286)	4,415	-
	1,166,881	15,235,998	(14,932,705)	(148,396)	1,321,778

These funds have been shown as restricted because the Central and City Church Funds have separate charitable purposes. Included within the Central Fund are restricted grant balances carried forward as follows:

	Balance at 31 December 2017 £	Income £	Expenditure £	Balance at 31 December 2018 £
Citizenship and Integration (Unbound Philanthropy)	65,000	265,000	180,000	150,000
Citizenship and Integration (Paul Hamlyn Foundation)	(50,000)	50,000	-	-
Citizenship and Integration (City Bridge Trust)	-	100,000	100,000	-
Citizenship and Integration (Pears Foundation)	-	30,000	5,560	24,440
Moving On Up (City Bridge Trust)	-	300,000	-	300,000
Private Rented Sector (Oak Foundation)	-	1,000,000	358,850	641,150
Connected Communities (Romeera Foundation)	-	100,000	100,000	-
Disability Initiative (City Bridge Trust)	-	300,000	300,000	-
Strategic Legal Fund	(2,000)	-	(2,000)	-
Step Up	12,139	-	12,139	-
	25,139	2,145,000	(1,054,549)	1,115,590

The purposes of these Trust initiatives are:

Citizenship and Integration	- to improve social cohesion in London by working closely with the Mayor of London and the GLA
Moving On Up	- to improve employment rates for young black men
Private Rented Sector	- to strengthen the voice of tenants in the private rented sector
Connected Communities	- to enable small groups to support people to access services or speak out and/or organise activities that promote a sense of belonging.
Disability Initiative	- to bolster the capacity of Deaf & Disabled People's organisations to protect and promote equal rights for Deaf and Disabled Londoners
Strategic Legal Fund	- to support legal work that challenges and influences the legal policy and context in upholding the rights of vulnerable migrant young people
Step Up	- to help low-paid workers to progress in the work-place

21 Analysis of net assets between funds

a Group	Tangible fixed assets £	Investments £	Net current (liabilities)/assets £	Long term liabilities £	Total £
Endowment funds					
permanent endowment funds	753,686	292,825,045	(52,743)	-	293,525,988
expendable endowment - Central Fund	5,000,000	33,130,671	(9,636,857)	(2,530,225)	25,963,589
Restricted funds					
Central Fund	-	-	179,073	-	179,073
Central Fund - restricted grants	-	-	1,142,705	-	1,142,705
Trust net assets/(liabilities)	5,753,686	325,955,716	(8,367,822)	(2,530,225)	320,811,355
Restricted funds					
Bellingham Community Project Limited	2,713,658	-	103,657	-	2,817,315
Resource for London	136,046	-	165,670	-	301,716
Social Justice & Human Rights Centre Limited	-	1,250,743	-	-	1,250,743
Group net assets/(liabilities)	8,603,390	327,206,459	(8,098,495)	(2,530,225)	325,181,129

Year ended 31 December 2018

Notes to the Financial Statements (continued)

21 Analysis of net assets between funds (continued)

b Trust	Tangible fixed assets £	Investments £	Net current (liabilities)/assets £	Long term liabilities £	Total £
Endowment funds					
permanent endowment funds	753,686	292,825,045	(52,743)	-	293,525,988
expendable endowment - Central Fund	5,000,000	33,130,671	(9,636,857)	(2,530,225)	25,963,589
Restricted funds					
Central Fund	-	-	179,073	-	179,073
Central Fund - restricted grants	-	-	1,142,705	-	1,142,705
Trust net assets/(liabilities)	5,753,686	325,955,716	(8,367,822)	(2,530,225)	320,811,355

The entitlement of the two participating funds in the Common Investment Fund (also known as the Pool) at 1 January 2018 was 59.8% Central Fund and 40.2% City Church Fund. The entitlement remains unaltered at the year end at 59.8% Central Fund and 40.2% City Church Fund. The average entitlement over the year which is to be applied to the income distribution is also unaltered from 2017 and is 59.8% Central Fund and 40.2% City Church Fund. As a result, the allocation of income, gains and related expenditure across the two endowments has therefore been in the ratio 59.8% Central Fund and 40.2% City Church Fund.

22 Connected charities

During 2018 Trust for London was a fellow trust of The London Trust, a charity which is also administered by Trust for London Trustee and which produces separate accounts. The charity is dormant.

23 Subsidiary Undertakings

Resource for London (Charity Registration Number 1015305)

Resource for London is a subsidiary of the Trust. The Trust for London is the sole member of Resource for London. The liability of the member is limited to £1. Resource for London operates from offices at 356 Holloway Road, a property leased to it by the Trust. It operates a resource centre for charities, providing them with office accommodation, conference, meeting rooms and other facilities. Rent of £233,559 (2017: £184,654) was charged to Resource for London by the Trust. Excluding the outstanding loan at 31 December, there was a balance due to the Trust of £121,393 re rent and insurance (2017: £179,817). The Trust has made a mission related loan to Resource for London. The outstanding loan owed to Trust for London was cleared down by 31 December (2017: £124,270). Resource for London in 2017 received £30,000 from Trust for London's Trustee distribution fund towards the Enhance Project which was included within deferred income at year end.

Bellingham Community Project Limited (Charity Registration Number 1036667)

Bellingham Community Project Limited is a subsidiary of the Trust. Bellingham Community Project Limited is a charitable venture run by Trust for London in Bellingham. The liability of the members is limited to £1. The Trust has control over the Project by virtue of the fact that it has a majority vote on the Board of Directors of the company. The Project operates from an office in Randlesdown Road, Bellingham. Grants totalling £55,000 (2017: £30,000) were made by the Trust towards running costs. It runs a leisure and lifestyle centre for the benefit of the local community which is managed by the London Borough of Lewisham and provides support for local community projects.

Bellingham Community Project Management Company Limited

Bellingham Community Project Management Company Limited, a company incorporated in the UK, is a subsidiary of Bellingham Community Project Limited. The charity, through its charitable subsidiary Bellingham Community Project Limited, wholly owns the shares of Bellingham Community Project Management Company Limited, a company incorporated in the UK. Its principal activity is to provide advisory services, in a consultancy capacity, to charities, community groups, service providers and businesses who are looking to set up their own projects. Accounts are filed at Companies House.

Greenford Playing Fields Limited (Charity Registration Number 1036672)

Greenford Playing Fields Limited is a subsidiary of the Trust. The liability of the members is limited to £1. The Trust has a dominant influence over this company by virtue of the fact that it has a majority vote on the Board of Directors of the company and by virtue of the fact that each of its votes as a member counts three times. The company was treated as dormant in the year ended 31 December 2018.

23 Associate entity - Social Justice and Human Rights Centre Limited (Company Number 7630171)

Social Justice and Human Rights Centre Limited, also known as the Foundry, is an associate entity of the Trust. It is a company limited by share capital. The Trust has a significant influence over this company by virtue of the fact that it has a vote on the Board of Directors of the company and that it owns 30.22% of the share capital. See note 12 - Investment in associate.

24 Related party transactions

The Trust has a policy for declaration of interests by both trustees and staff. The declaring of interests by a trustee forms part of a wider code of behaviour expected of trustees in fulfilling their obligations towards the Trust and its beneficiaries. There have been no situations during the year where a trustee or member of staff has declared a commercial interest in any transaction. There have been more indirect interests declared, where for example a trustee is also a trustee of another charity that has provided funding to the Trust, or a trustee of a grant applicant charity and also where trustees are employed by grant applicant charities. Any gifts or hospitality with a value of more than £50 are disclosed unless it is in the normal course of business.

The Trust has agreed to take on 90% of the costs of the repair obligations for the leisure centre falling to its subsidiary Bellingham Community Project Limited (BCP) under the lease with London Borough of Lewisham. As regards the future repair obligations, the potential extent of this liability is unknown and may be in place until 2053 should the original head lease signed by the Trust and BCP run to term.

Notes to the Financial Statements (*continued*)

Year ended 31 December 2018

25 Comparative Statement of Financial Activities

Consolidated Statement of Financial Activities

Year ended 31 December 2017

	Restricted Funds Subsidiaries	Restricted Central Fund & City Church Fund	Endowment Funds	Total
	2017 £	2017 £	2017 £	2017 £
Income				
<i>Income and endowments</i>				
<i>Donations</i>				
Social Justice & Human Rights Centre income	617,826	-	-	617,826
Grants receivable	-	341,546	-	341,546
<i>Charitable activities</i>				
Resource for London income	1,251,901	-	-	1,251,901
Bellingham Community Project income	58,435	-	-	58,435
Social Justice & Human Rights Centre income	466,580	-	-	466,580
<i>Investment income</i>				
Income from mission related assets	-	166,430	-	166,430
Dividends, alternative fund income and interest	-	500,022	2,995,253	3,495,275
Income from investment properties	-	-	3,916,119	3,916,119
Income to cover rechargeable expenses	-	24,839	195,344	220,183
Less: Rechargeable expenses	-	(24,839)	(195,344)	(220,183)
<i>Transfer to income: Total return transfers between funds</i>	-	14,609,900	(14,609,900)	-
Total income	2,394,742	15,617,898	(7,698,528)	10,314,112
Expenditure				
<i>Raising funds</i>				
- Costs of trading subsidiary	(217)	-	-	(217)
Investment management costs	-	(499,946)	(677,299)	(1,177,245)
<i>Charitable activities</i>				
Relief of poverty	-	(9,163,285)	-	(9,163,285)
Furtherance of religion	-	(5,723,855)	-	(5,723,855)
Impairment of mission related investment	-	-	-	-
Resource for London operations	(937,352)	-	-	(937,352)
Bellingham Community Project operations	(212,828)	-	-	(212,828)
Total expenditure	(1,150,397)	(15,387,086)	(677,299)	(17,214,782)
Net gains/(losses) on investments				
Net gains on listed investments and cash and near cash instruments	-	-	19,077,276	19,077,276
Net gains on investment properties	-	-	2,178,006	2,178,006
Total of net gains/(losses) on investment	-	-	21,255,282	21,255,282
Net income/(expenditure) before transfers	1,244,345	230,812	12,879,455	14,354,612
Transfers between funds	(154,654)	291,077	(136,423)	-
Net income/(expenditure) before other recognised gains/(losses)	1,089,691	521,889	12,743,032	14,354,612
Other recognised gains/(losses)				
Net revaluation gains on fixed assets for own use	-	-	-	-
Net movement in funds	1,089,691	521,889	12,743,032	14,354,612
Fund balances brought forward at 1 January	2,952,479	644,992	315,433,409	319,030,880
Fund balances carried forward at 31 December	4,042,170	1,166,881	328,176,441	333,385,492

Notes to the Financial Statements (continued)

Year ended 31 December 2018

26 Comparative statement of Restricted funds - subsidiaries

Restricted funds - subsidiaries

Year ended 31 December 2017

	Balance at 31 December 2016 £	Income £	Expenditure and transfers £	Balance at 31 December 2017 £
Resource for London	(146,915)	1,250,462	(1,115,169)	(11,622)
Bellingham Community Project Limited	3,258,654	130,300	(424,853)	2,964,101
	3,111,739	1,380,762	(1,540,022)	2,952,479

These funds have been shown as restricted because the charity's branches have separate charitable purposes.

27 Comparative statement of Restricted funds - Central Fund and City Church Fund

Year ended 31 December 2017

Restricted funds - Central Fund and City Church Fund

	Balance at 31 December 2016 £	Transfer from unapplied return £	Net income/ (expenditure) £	Revaluations and transfers £	Balance at 31 December 2017 £
Central Fund	486,590	8,363,600	(7,814,707)	106,259	1,141,742
Central Fund - restricted grants	158,402	141,278	(274,541)	-	25,139
City Church Fund	-	5,717,326	(5,717,490)	164	-
	644,992	14,222,204	(13,806,738)	106,423	1,166,881

These funds have been shown as restricted because the Central and City Church Funds have separate charitable purposes.

28 Comparative statement of Analysis of net assets between funds

Analysis of net assets between funds

Year ended 31 December 2017

a Group	Tangible fixed assets £	Investments £	Net current (liabilities)/assets £	Long term liabilities £	Total £
Endowment funds					
permanent endowment funds	2,350,362	301,307,372	(1,747,063)	-	301,910,671
expendable endowment - Central Fund	4,850,000	28,931,076	(5,727,231)	(1,788,075)	26,265,770
Restricted funds					
Central Fund	-	-	25,139	-	25,139
Central Fund - restricted grants	-	-	1,141,742	-	1,141,742
Trust net assets/(liabilities)	7,200,362	330,238,448	(6,307,413)	(1,788,075)	329,343,322
Restricted funds					
Bellingham Community Project Limited	2,795,243	-	44,248	-	2,839,491
Resource for London	64,909	(124,270)	177,634	-	118,273
Social Justice & Human Rights Centre Limited	-	1,084,406	-	-	1,084,406
Group net assets/(liabilities)	10,060,514	331,198,584	(6,085,531)	(1,788,075)	333,385,492
b Trust					
Endowment funds					
permanent endowment funds	2,350,362	301,307,372	(1,747,063)	-	301,910,671
expendable endowment - Central Fund	4,850,000	28,931,076	(5,727,231)	(1,788,075)	26,265,770
Restricted funds					
Central Fund	-	-	25,139	-	25,139
Central Fund - restricted grants	-	-	1,141,742	-	1,141,742
Trust net assets/(liabilities)	7,200,362	330,238,448	(6,307,413)	(1,788,075)	329,343,322

The entitlement of the two participating funds in the Common Investment Fund (also known as the Pool) at 1 January 2017 was 59.8% Central Fund and 40.2% City Church Fund. The entitlement remains unaltered at the year end at 59.8% Central Fund and 40.2% City Church Fund. The average entitlement over the year which is to be applied to the income distribution is also unaltered from 2016 and is 59.8% Central Fund and 40.2% City Church Fund. As a result, the allocation of income, gains and related expenditure across the two endowments has therefore been in the ratio 59.8% Central Fund and 40.2% City Church Fund.

	2018 £000	2017 £000	2016 £000	2015 £000	2014 £000
STATEMENTS OF FINANCIAL ACTIVITIES					
Income					
charitable activities*	3,906	2,736	1,456	1,427	1,966
investment and other income	8,615	7,578	7,028	7,597	7,015
Total income	12,521	10,314	8,484	9,024	8,981
Expenditure					
Raising funds					
Investment management costs	(1,048)	(1,177)	(1,310)	(1,321)	(1,154)
Charitable activities*	(18,394)	(16,038)	(13,848)	(14,021)	(14,228)
Governance costs***	-	-	-	-	(143)
Total expenditure	(19,442)	(17,215)	(15,158)	(15,342)	(15,525)
Net gains/(losses) on investment assets	(1,433)	21,255	27,596	11,023	30,296
Net income/(expenditure)	(8,354)	14,354	20,922	4,705	23,752
Other recognised gains and losses					
Gains on assets for own use	150	-	227	1,174	924
Net movement in funds	(8,204)	14,354	21,149	5,879	24,676
Fund balances brought forward	333,385	319,031	297,882	292,003	267,327
Fund balances transferred in	-	-	-	-	-
Fund balances carried forward	325,181	333,385	319,031	297,882	292,003

BALANCE SHEETS AS AT 31 DECEMBER

Fixed assets					
Tangible fixed assets	8,603	10,061	10,236	10,129	8,947
Investments	324,081	328,239	312,646	295,773	289,560
Investment in associate	3,126	2,959	-	-	-
Current assets					
Debtors and stock	3,217	1,949	2,983	842	872
Short term cash deposits	3	3	3	203	203
Cash at bank and in hand	3,120	4,535	5,551	6,306	5,569
	6,340	6,487	8,537	7,351	6,644
Current creditors	(14,439)	(12,573)	(10,995)	(12,486)	(11,269)
Net current (liabilities)/assets	(8,099)	(6,086)	(2,458)	(5,135)	(4,625)
Creditors: amounts falling due after more than one year	(2,530)	(1,788)	(1,393)	(2,885)	(1,879)
Net assets	325,181	333,385	319,031	297,882	292,003
Capital funds of the group					
Permanent endowment funds	293,526	301,911	290,465	271,967	266,742
Expendable endowment funds	25,963	26,265	24,969	22,633	21,971
Restricted funds	4,370	4,042	2,952	3,112	3,086
Unrestricted funds	1,322	1,167	645	170	204
	325,181	333,385	319,031	297,882	292,003

* Resource for London and Bellingham income and costs are all under these headings

** Previously combined with gains on assets for own use

*** Not shown separately from 2015 onwards

This page does not form part of the audited accounts

Budgeted drawdown from capital	7,358	7,776	5,979	5,429	5,243
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History

On 10 August 1878, a Royal Commission was appointed to investigate the parochial charities of the City of London. Its report resulted in the City of London Parochial Charities Act, 1883. This Act provided that the five largest parishes should continue to manage their own charitable endowments, but that the bulk of the remainder should be administered by a new corporate body, to be known as the Trustees of the London Parochial Charities, with perpetual succession and a Common Seal. The Act further provided that the Charity Commissioners should prepare Schemes for the proper application of these funds. It defined the area of benefit as the City of London and the Metropolitan Police District of London, the largest boundary definition available for Greater London. The outcome was a Scheme promulgated on 23 February 1891 which brought all the endowments together into two funds, a City Church Fund and a Central Fund. Together these constituted the City Parochial Foundation, with the Trustees under the 1883 Act serving as the Foundation's Central Governing Body.

The assets of the City Parochial Foundation derive from the philanthropy of the people of London. Around 1,400 separate charitable gifts and bequests, some of them 400 years old, were held by the 112 parishes within the City of London, to be used for the benefit of the churches or, more often, the poor of those parishes. During the 19th century, the City grew to be a world financial centre and the income of these charities, many endowed with City properties, rose substantially. In contrast, the number of beneficiaries fell. Some parishes had no residents at all.

In 1986 the City Parochial Foundation became the Trustee of the Trust for London. At the outset the Trust was endowed with £10m derived from the sale of the Greater London Council's assets. It targeted small locally based community organisations which were independent of larger bodies.

The City Parochial Foundation was governed by the 1891 Central Scheme and various subsequent amending Schemes and orders.

At 1 January 2002 a single Common Investment Fund was established by City Parochial Foundation to pool the investment assets of the Central and City Church Funds and manage the endowment in a more effective and efficient manner.

The entitlement of the two participating funds in the Combined Fund at 1 January 2002 was 60% Central Fund and 40% City Church Fund, such proportions being settled by reference to the ten year historical average of distributable income of each fund prior to that date. The entitlement of the two funds may change over time.

City Parochial Foundation adopted the total return approach with effect from 1 January 2003.

By an Order of the Charity Commissioners dated 31 December 2004, the City Parochial Foundation Trustee, a newly created charitable company limited by guarantee, was appointed as the trustee of City Parochial Foundation.

This change took effect from 1 January 2005 and the Trustees serving on the Foundation's Central Governing Body on that date became Directors and Trustees of the new company. This company was also appointed as trustee of Trust for London with effect from 19 February 2005 in place of City Parochial Foundation by a similar Order of the Charity Commissioners.

At 1 January 2010, all the assets and liabilities of the Trust for London were transferred to City Parochial by an Order of the Charity Commissioners dated 11 December 2009.

As from 26 March 2010 the Central Governing Body was renamed the Board.

Trust for London continued its separate grant making programme under an indemnity from the Foundation until 30 June 2010 when the two grant programmes were combined, within the Central Fund, under new unified grant guidelines. All the entities were rebranded as at 1 July 2010. City Parochial Foundation Trustee was renamed Trust for London Trustee, City Parochial Foundation was renamed Trust for London and the former Trust for London was renamed The London Trust.

In September 2013 an order was obtained from the Charity Commission giving permission for a loan facility agreement to be made between the Common Investment Fund and the Central Fund in order to enable the Trust to manage better its internal cash flow.

The Trust celebrated its 125th anniversary in 2016 and after thirty years in Middle Street moved to new office premises in Chiswell Street in 2018.

Trustees, Co-opted Members, Officers and Advisers

The Trustee of Trust for London is the Trust for London Trustee whose board members, up to 28 June 2019, and nominating bodies are listed below:

Nominating Body	Trustee	Committees
<i>Trust for London</i>	Peter Baxter	A,Sec,G
	Stephen Burns	E,G
	Luis Correia da Silva	A,E,G
	Naomi Eisenstadt	A,G
	Tara Flood	A,G,Sec
	Jeff Hayes	A,E,F,G,Go,Sec
	Nigel Howell	E,F
	Sue Logan	A,F,G
	Lorraine Martins	A,E,F,G,Go,Sec
	Meredith Niles	G,Sec
	Sonia Sodha	G,Sec
<i>City of London</i>	Alderman Peter Estlin (<i>on sabbatical until Nov 2019</i>)	G,F
	Edward Lord	F,G,Go
	Alison Gowman	A,E,G
<i>Church Commissioners</i>	Rosemarie Paul (<i>appointed January 2019</i>)	G,Go
	Deborah Finkler (<i>resigned December 2018</i>)	
	The Rt Revd Adrian Newman (<i>resigned October 2018</i>)	
<i>London Councils</i>	Peter Brooks	G
<i>Greater London Authority</i>	Fiona Twycross (<i>resigned June 2018</i>)	
	Onkar Sahota (<i>appointed June 2018</i>)	G

Key to Committees			
A	Asset Allocation Committee	E	Estate Committee
F	Finance & Resources Committee	G	Grants Committees
Go	Governance Committee	Sec	Social Enterprise Committee

Co-opted Members as at 28 June 2019	
Asset Allocation Committee	Vikrant Vig and David Moylett
Grants Committees	Muge Dindjer (<i>resigned October 2018</i>), Maggie Baxter, Mulat Haregot, Steve Hynes (<i>resigned February 2019</i>) and Matthew Oakley (<i>resigned April 2019</i>)
Estate Committee	Cliff Hawkins, Robert Laurence (<i>appointed April 2018, resigned April 2019</i>)
Finance & Resources Committee	Bryn Jones (<i>resigned September 2018</i>), Denise Joseph and Bernadette McKernan
Sec Committee	Antony Ross, Peter Williams, Ingrid Posen (<i>resigned June 2018</i>) and Catherine Howarth (<i>resigned November 2018</i>)

Key management personnel:	
<i>Chief Executive & Clerk to the Trustees</i>	Bharat Mehta
<i>Director of Finance & Administration</i>	Carol Harrison
<i>Director of Grants</i>	Sioned Churchill
<i>Director of Policy</i>	Manny Hothi

Professional Advisers:	
<i>Solicitors</i>	Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH Birketts LLP, 22 Station Road, Cambridge CB1 2JD
<i>Property Investment Advisers - directly held portfolio</i>	BH2, 6, 7 & 8 Tokenhouse Yard, London EC2R 7AS HK London, 37-39 Lime Street, London, EC3M 7AY
<i>Property Managing Agents</i>	Savills plc, 33 Margaret Street, London W1G 0JD
<i>Property Valuers</i>	Cluttons LLP, 2 Portman Street, London W1H 6DU
<i>Auditors</i>	Crowe U.K. LLP, St Bride's House, 10 Salisbury Square, London EC4Y 8EH
<i>Bankers</i>	Lloyds Bank plc, 39 Threadneedle Street, London EC2R 8AU
<i>Investment Managers</i>	Martin Currie Investment Management UK Ltd, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2ES Veritas Investment Management LLP, 1st Floor, 90 Long Acre, London, WC2E 9RA Aviva Investors Global Services Ltd, St Helen's, 1 Undershaft, London EC3P 8DQ Cazenove Capital Management Ltd, 1 London Wall Place, London EC2Y 5AU Lindsell Train Ltd, 5th Floor, 66 Buckingham Gate, London SW1E 6AU CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London EC4V 4ET Newton Investment Management Ltd, 160 Queen Victoria Street, London EC4V 4LA