

Annual Report and Consolidated Financial Statements

Year ended 31 December 2009

Trust for London

(formerly City Parochial Foundation)

Annual Report and Consolidated Financial Statements for the

Year ended 31 December 2009

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**Annual Report and
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1. Introduction

In 2009 the decision was taken to amalgamate the operations of the City Parochial Foundation registered charity no. 205629 and the Trust for London, the two sister charities of which the City Parochial Foundation Trustee ('The Trustee') is the corporate trustee. The Charity Commission gave their consent to this and at 1 January 2010, all the assets and liabilities of Trust for London were transferred to City Parochial Foundation. 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. It is intended that the London Trust will be wound up in due course.

Since neither the asset amalgamation nor the rebranding occurred in 2009, the former names i.e. City Parochial Foundation ('the Foundation') and the Trust for London ('the Trust') are sometimes used in the body of this report to avoid confusion.

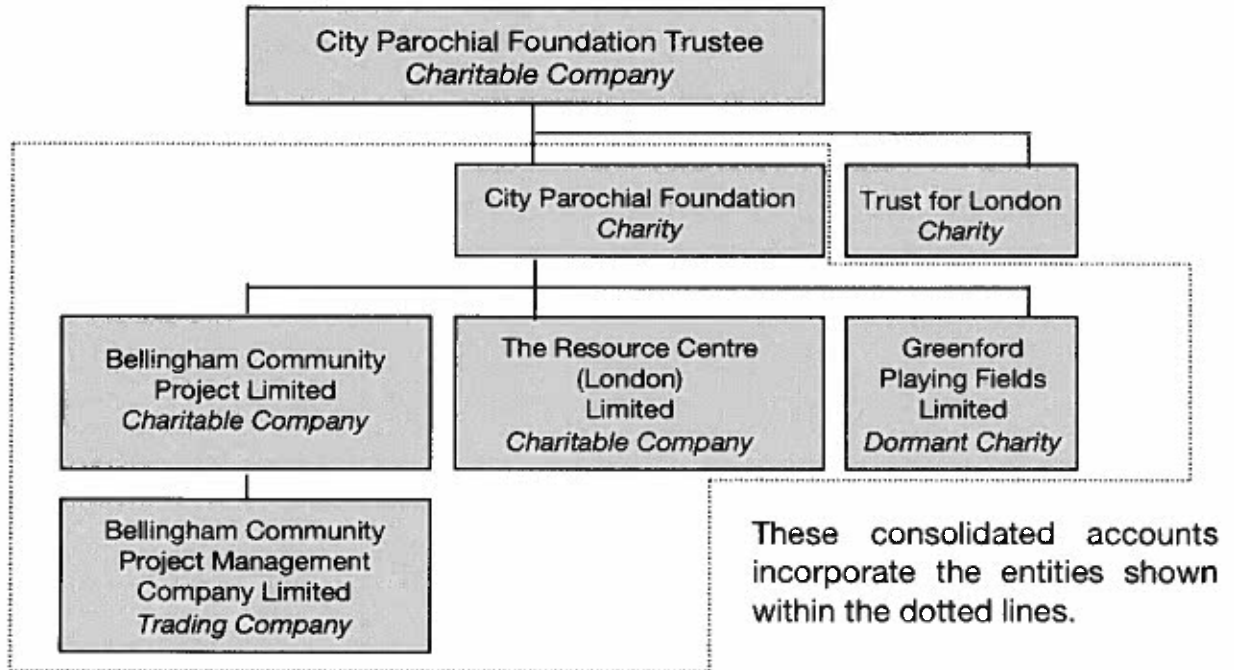
2009 has been the third year of the grants policy introduced by the former City Parochial Foundation following the quinquennial review undertaken in 2006. The number, size and destination of the grants awarded have reflected that policy. As in the past, the overall objectives of the Foundation have remained to tackle poverty in London and to support the Church of England within London. The financial position of the Foundation, in common with other investors, improved such that the endowment fund at the year end stood at £190 million.

Information on the earlier history of the Foundation is detailed at pages 32 and 33 of this report.

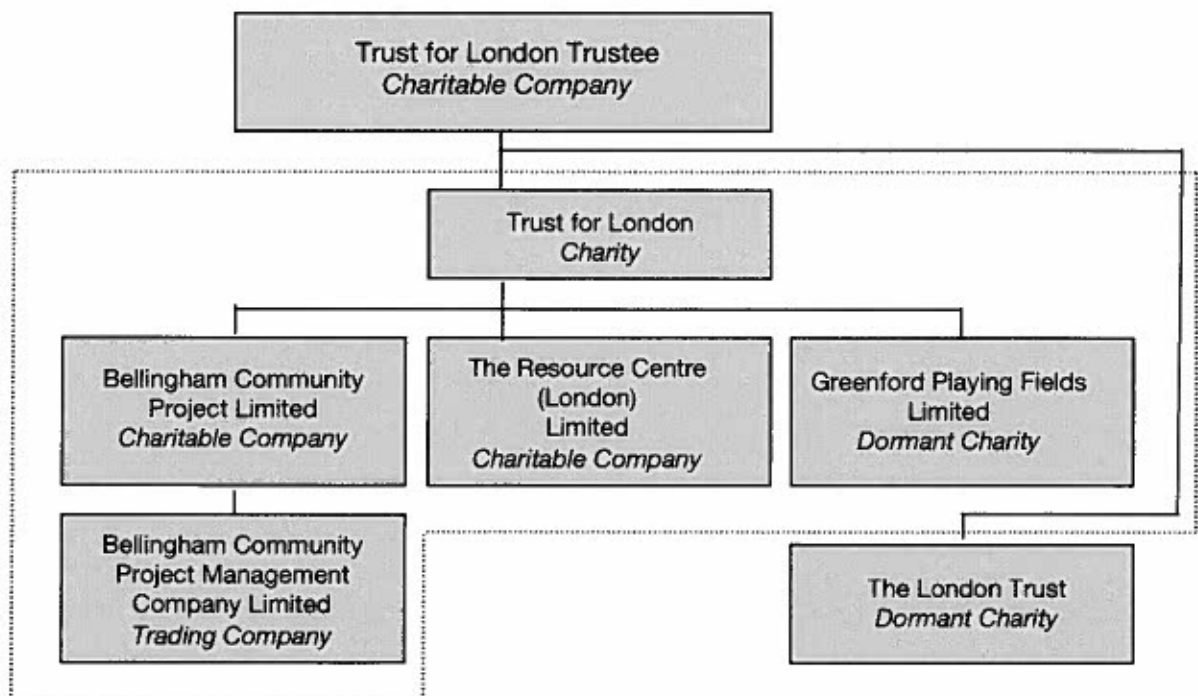
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**2. Structure, governance and management
2.1 Structure**

2.1.1 Structure prior to amalgamation at 30 June 2010



2.1.2 Structure after amalgamation at 1 July 2010



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2.2 Trustees

The Trustees are trustees of Trust for London Trustee Ltd (formerly City Parochial Foundation Trustee Limited) and also Directors of this company and members of the Board. Up to 18 Board members (formerly known as Central Governing Body members) are normally appointed by a variety of nominating bodies or by itself. For these, a range of recruitment processes, including advertisement, are used.

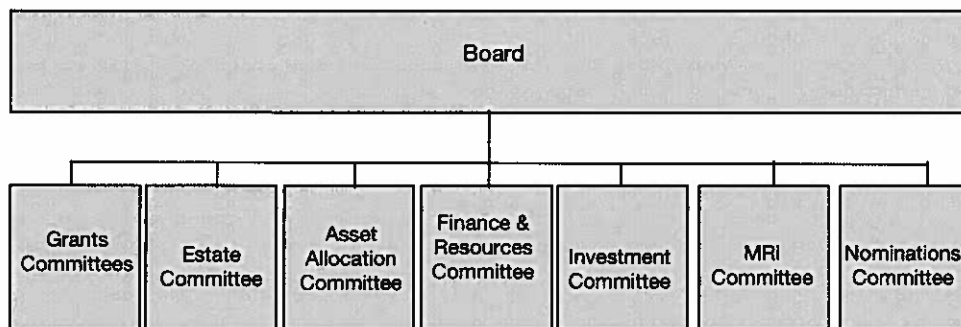
There is a policy in place to cover the induction and training of new trustees. Both face-to-face meetings and written information are provided and training opportunities are offered on an ongoing basis.

All trustees give freely of their time and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 11 and 26 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.

All the trustees are appointed on a five-year term by their nominating body. The administrative details regarding the Trustees are provided at page 34 of this report.

2.3 Governance

The Board has ultimate oversight and responsibility for the Trust's activities but has delegated decision making to Board Committees.



A small staff team, currently 18, works for the Trust providing appropriate input into the policy debates, and the means of implementing all the decisions taken. In addition another six are employed by the Resource Centre and two 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 senior staff are provided on page 35 of this report.

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2.4 Risk management

The Foundation has a formal risk management process to assess business risks and implement risk management strategies. 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. As part of the process the Foundation has reviewed its existing internal controls, and ongoing work will be undertaken 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 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 grant making programme of the former Trust for London will form part of the Central Fund operations.

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

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 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 Trustee confirms that that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation'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: -

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i) Investment strategy

The Foundation is authorised by the Charity Commission to pursue a total return approach to investment. The Foundation 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 funds transferred from the former Trust for London at 1 January 2010 will not be subject to the total return order but with the agreement of the Charity Commission will remain expendable.

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. In the coming year it is intended to continue making fewer but larger grants with the intention that those grants have more impact.

The Foundation 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 Foundation 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.

iii) Resources strategy

The Foundation uses its resources in ways other than grant making such as the provision of facilities for charitable purposes.

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 the Resource Centre
- d) the provision of facilities at Bellingham

The City Church fund grants were administered in accordance with the core objects.

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4 Financial review and achievements in the year

Incoming resources

The Foundation, like many investors, has gained fund value in the recent market recovery with the portfolio returning 14.7% in 2009.

Income from investment properties represented 46% of the incoming resources rising from £2,716,481 in 2008 to £4,291,108 in 2009. This was as a result of the completion of the One Wood Street development which generated an exceptional rental inflow of £1.306 million. Income from indirect property has fallen.

Dividends and interest receivable however fell from £4,337,633 to £3,121,791.

i) Investment performance

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 are set out in the table below:

Sector	Total return 2009 %	Benchmark 2009 %
Investment properties and uninvested cash	6.5	3.5
Indirect property investments	-0.4	-1.8
Total property portfolio	4.8	2.4
Passively managed equities	19.9	19.5
Actively managed equities	26.4	22.4
Total equities portfolio	24.5	21.5
Total cash and near cash portfolio	3.4	1.1
Total portfolio	14.7	12.0

Property Investments

The investment property portfolio is shown in the accounts at an open market value of £64,793,109 (2008 £63,764,576). There were no purchases. The portfolio showed unrealised and realised gains totaling of £1.53 million.

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The steps the Foundation has taken to sell non-performing assets and restructure its property portfolio generally to reduce risk and increase the consistency of its rental income cash flows led 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 outperform the appropriate IPD index, to increase the overall yield and to de-risk the portfolio in terms of the lease maturities, exposure to voids and concentrated exposure to individual tenants. Their performance is included in the table above.

Indirect property investments

The Foundation has Indirect Property units. The policy of holding for the longer term was pursued and no stocks were bought or redeemed. The units had a total value of £9,895,982 (2008: £10,542,207). Actual performance is included in the table above.

Equity Investments

The improving market conditions led the market value of the actively managed investments including uninvested cash to rise to £73,192,886 at the year end from £59,638,700 at 31 December 2009 whilst the market value of the index tracking investment portfolio including uninvested cash rose to £30,337,989 as at 31 December 2009 from £26,175,833 the previous year.

The active investment managers were tasked to run actively managed portfolios for the Combined Fund on a discretionary basis with a current mandate to outperform a composite index comprising 50% of the FT All Share and 50% of the MSCI World £ Index (Developed Markets), both on a rolling three year total return (net) basis. The passive managers are tasked to track the WM Charities (ex property) index on a rolling three year basis gross of fees.

The Foundation also invests in a cash and near cash portfolio of £11.3 million which aims to outperform the three month London Interbank Bid Rate (LIBID). Additionally £2.1 million was held on short term deposit. Actual performance is included in the table above.

ii) Grants and consultancies payable

Total grants and consultancies payable in the year were £11,072,643 (2008: £11,524,629). Of this amount £6,494,001 (2008: £6,749,183) was payable from the Central Fund and £4,378,642 (2008: £4,775,446) was payable from the City Church Fund.

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a) Grants made from the Central Fund

2009 was the third year of the 2007 quinquennial programme during which the Foundation was distributing grants to tackle poverty in London with the following priorities: -

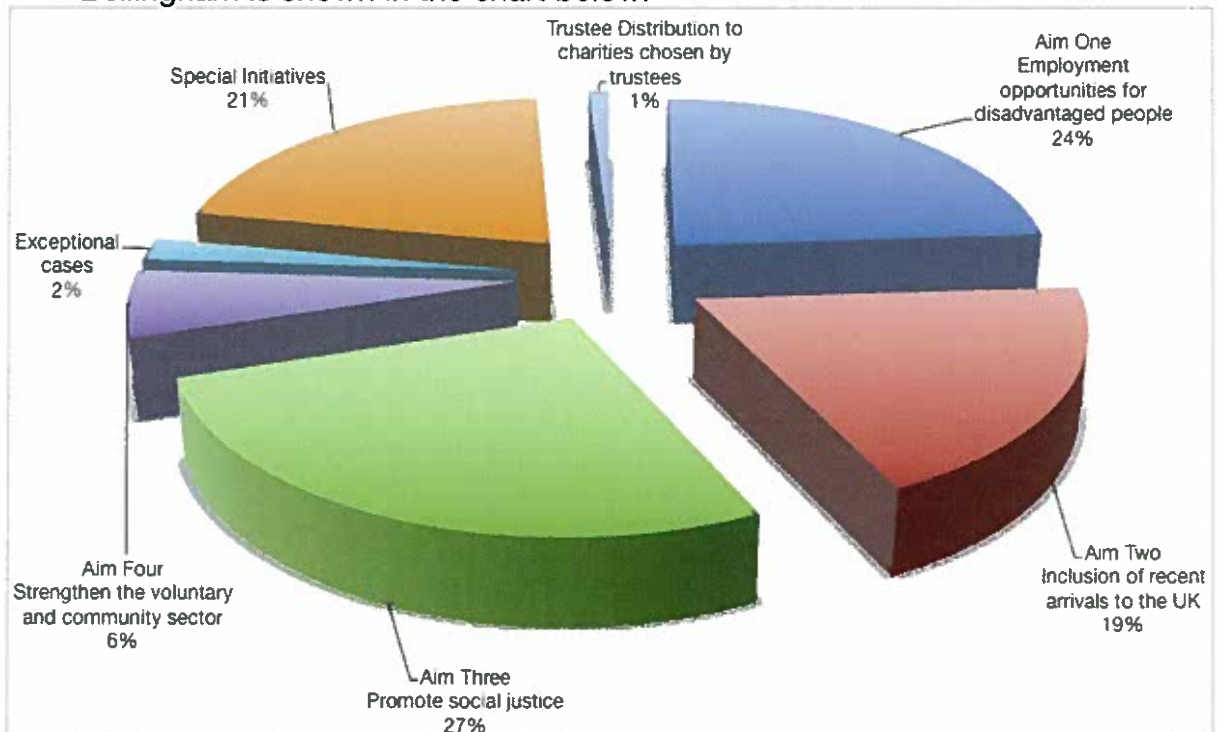
- To improve employment opportunities for disadvantaged people
- To promote the inclusion of recent arrivals to the UK
- To promote social justice
- To strengthen the voluntary and community sector

It is particularly aimed at working with the excluded, the disadvantaged and those discriminated against.

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

The grants budget for the year was £5.9 million (2008: £6.5 million). This was distributed in open programme grants and in the support of several programmes including Female Genital Mutilation, Domestic Violence and Safeguarding Children. In total 122 grants (2008: 106) were made under the open grant programme to charities in the Social Welfare field working to benefit poor Londoners in response to our core objectives. £267k unspent will be carried forward to 2010.

An analysis of grants made from the Central Fund in 2009 other than that to Bellingham is shown in the chart below:



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Grants analysis and policies

Two separate publications 'Annual Review 2009' and 'Grants List 2009' give further details of the grants made from the Central Fund. Our grant policies are detailed in our current 'Funding guidelines' publication. 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 consultancies shown in the Grants List is given below:

	2009 £	2008 £
Grants and consultancies per Grants List	6,223,067	6,316,101
Grants written back	(314,870)	(130,901)
Other – Bellingham	(40,000)	(12,078)
	<hr/>	<hr/>
Net Central Fund grants and consultancies (see note 8)	5,868,197	6,173,122
	<hr/> <hr/>	<hr/> <hr/>

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 Foundation's governing instruments. One third of the income is allocated to the City churches and, after a contribution of £103,400 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	%	%	%
London	44.37	Rochester	6.18
Southwark	29.05	Guildford	2.27
		Chelmsford	15.30
		St Albans	2.83

Details of the grants payable from the City Church Fund are given in note 8.

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.

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iii) Subsidiary charities

a) The Resource Centre

In 1992 the Foundation applied funds to the conversion of a property to house the Resource Centre (London) Limited, then known as the London Voluntary Sector Resource Centre Limited, at 356 Holloway Road, London N7. This subsidiary of the Foundation is itself a registered charity and is incorporated as a company limited by guarantee. The objective of the Resource Centre is to provide office accommodation, and meeting and conference facilities for London voluntary sector organisations at a price reasonable to them.

The facilities were well used in 2009 with over 432 organisations booking meeting rooms. Although the yearly average usage was below that in 2008, the Centre is still provides an invaluable service that otherwise would not be available to many organisations.

The accounts of the Resource Centre show net outgoing resources of £77,807 (2008: net outgoing resources £90,782), after payment of £206,147 (2008: £294,212) to the Foundation as rent for the premises. It had total funds at 31 December 2009 of £381,000 (2008: £458,807).

The performance of the Resource Centre 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 Foundation owns property in Lewisham, London SE6. The Bellingham site comprises a 12 acre playing field. The playing fields are the direct responsibility of the Foundation through its subsidiary, the Bellingham Community Project Limited, a registered charity, which runs a leisure and lifestyle centre on the site for the benefit of the local community. The Centre is managed on a day-to-day basis by Greenwich Leisure Limited. The principal funders of this £4 million building were Sport England, the Foundation itself and Lewisham Borough Council.

The directors aim to continue to develop the facilities on the site and are committed to ensuring that the charges for the new facilities will be affordable by the local community. Alongside the new Centre there has been continuing support for local community projects e.g. Sure Start, the Early Years Development Agency, Bellingham Interagency, and the Bellingham Festival.

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The accounts of the Project show net outgoing resources of £138,737 (2008: £118,364) after receipt of £40,000 (2008: £12,078) in grants from the Foundation. It had total net assets at 31 December 2009 of £3,735,988 (2008: £3,874,725).

Bellingham Community Project Management Company Limited, a wholly owned subsidiary of the Project, showed a net loss of £729 (2008: loss £50).

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 Foundation considers, provide public benefit. The Resource Centre is open to all charitable organisations in London and the Bellingham Community Project is for the benefit of the people of Bellingham and its surrounding community, irrespective of wealth.

5 The London Trust (formerly Trust for London)

The former Trust for London is a sister charity of the Foundation but whose accounts are not consolidated with it. It was formed in 1986. It has an expendable endowment fund which at 31 December 2009 stood at £17.3 million (2008: £14.8 million). This fund had income of £526,290 in 2009 (2008: £644,908). Grants are applied to projects which aim to support small new and emerging organisations that benefit local people and communities in London.

At 1 January 2010, all the assets and liabilities of the former Trust for London were transferred to the Foundation. The former 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 and the new name of Trust for London. At 1 July 2010 the former Trust for London was renamed the London Trust. It is intended that the London Trust will be wound up in due course.

6 Reserves policy

It is the Foundation's policy not to maintain any unrestricted reserves as ongoing working capital is available from the endowment under the total return policy adopted. A small proportion of the grant budget is permitted to be carried over the year end, if unspent at the year end.

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7 Plans for the future

Trust for London in its new guise (no longer being the separate charities of City Parochial Foundation and the former Trust for London) will continue to implement its quinquennial priorities. The new unified grant guidelines, revised as a result of the mid quinquennial review, are issued in booklet form and are also on the web. These give the priorities, expand upon how we intend to administer our funding and explain the application process.

Reviews of individual grant outcomes will be carried out. The Trust for London puts great store in monitoring and evaluation as a source of information from which it can both learn and disseminate learning to others.

Trust for London intends to continue and expand its programme related investment activities.

To ensure that Trust for London responds to the needs of users and allows them to influence the charity's development, organisations that tackle poverty in London will be consulted at the end of the five yearly planning cycle.

Suffice it to say Trust for London intends to continue to strive to find innovative ways of addressing poverty. The financial aim is to strengthen the asset base so as to maximise the funds available for distribution to help it in tackling poverty in London.

8 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 laws 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.

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

- selects suitable accounting policies and then applies them consistently;
- makes judgments 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;
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue its activities.

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 42(1) of the Charities Act 1993, those statements of accounts comply with the requirements of regulations under that provision. It has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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.

9 Disclosure of information to auditors

The Trustee which 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 charitable group's auditors are 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 charitable group's auditors are aware of that information.

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10 Trustee changes

The Trustee of the Trust for London (formerly City Parochial Foundation) throughout the year has remained Trust for London Trustee (formerly City Parochial Foundation Trustee). The Board of the Trustee saw changes in that Loraine Martins, Naomi Eisenstadt, Sophie Fernandes, Jeff Hayes and Luis Correia da Silva joined. Nigel Pantling, Maggie Baxter, Robert Hughes-Penney and Lynne Hillan stepped down.

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.

By order of the Trustee

Peter Williams 20 August 2010

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Report of the independent auditors to the Trustee of the Trust for London (formerly City Parochial Foundation)

We have audited the group and charity financial statements (the 'financial statements') of Trust for London (formerly City Parochial Foundation) for the year ended 31 December 2009 which comprise the group statement of financial activities, the group and charity balance sheets, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustee, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. 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 its trustee, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and Auditors

The Trustee's responsibilities for the preparation of the Trustee's Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustee's Responsibilities on page 12.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustee's Annual Report is not consistent with the financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustee's Report and consider the implications for our report if we become aware of any apparent misstatements within it. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and charity's affairs as at 31 December 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

M G Fallon (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Forest Gate, Brighton Road, Crawley, West Sussex RH11 9PT

Date:

Year ended 31 December 2009

Combined Statement of Financial Activities

	Note	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Endowment Funds 2009 £	Total 2009 £	Total 2008 £
Income and Expenditure						
<i>Incoming resources from generated funds</i>						
<i>Voluntary income</i>						
Donations		5,164	-	-	5,164	7,224
Grants receivable	2		200,000		200,000	-
<i>Activities for generating funds</i>						
Gross income of trading subsidiary	6	-	21	-	21	4,545
<i>Investment income</i>						
Dividends and interest receivable	3	-	-	3,121,791	3,121,791	4,337,633
Income from investment properties		-	-	4,291,108	4,291,108	2,716,481
Income from investment indirect property		-	-	606,006	606,006	709,938
Income to cover rechargeable expenses		-	-	239,981	239,981	273,132
Less: Rechargeable expenses		-	-	(239,981)	(239,981)	(273,132)
<i>Incoming resources from charitable activities</i>						
Resource Centre income	4	-	971,657	-	971,657	1,083,061
Bellingham Community Project income	5	-	157,172	-	157,172	272,128
Total incoming resources		5,164	1,328,850	8,018,905	9,352,919	9,131,010
Resources expended						
<i>Costs of generating funds</i>						
<i>Fund raising trading</i>						
- Costs of trading subsidiary	6	-	(750)	-	(750)	(4,595)
Income generation costs	7	-	-	(876,054)	(876,054)	(815,809)
<i>Charitable activities</i>						
Grants payable	8	(10,872,643)	(200,000)	-	(11,072,643)	(11,524,629)
Resource Centre operations	4	-	(843,317)	-	(843,317)	(879,631)
Bellingham Community Project operations	5	-	(335,909)	-	(335,909)	(402,570)
Governance costs	9	(117,149)	-	-	(117,149)	(108,234)
Total resources expended	10	(10,989,792)	(1,379,976)	(876,054)	(13,245,822)	(13,735,468)
Net (outgoing)/incoming resources before transfers		(10,984,628)	(51,126)	7,142,851	(3,892,903)	(4,604,458)
Gross transfers between funds	18	525,835	(166,147)	(359,688)	-	-
Total return transfers between funds	19	10,409,793	-	(10,409,793)	-	-
Net (outgoing)/incoming resources before other recognised gains/(losses)		(49,000)	(217,273)	(3,626,630)	(3,892,903)	(4,604,458)
Other recognised gains/(losses)						
<i>Net revaluation gains/(losses) on fixed assets for own use</i>						
	12	-	-	281,082	281,082	(837,726)
<i>Currency (losses)/gains on listed investments</i>						
Net gains/(losses) on listed investments and cash and near cash instruments		-	-	(8,617)	(8,617)	(32,350)
Net gains/(losses) on listed investments and cash and near cash instruments	13	-	-	17,929,041	17,929,041	(29,950,730)
Net losses on investment indirect property	13	-	-	(646,225)	(646,225)	(3,984,848)
Net gains/(losses) on investment properties	13	-	-	1,527,956	1,527,956	(16,520,765)
Total of other recognised gains/(losses)		-	-	19,083,237	19,083,237	(51,326,419)
Net movement in funds		(49,000)	(217,273)	15,456,607	15,190,334	(55,930,877)
Fund balances brought forward at 1 January		316,000	4,337,673	170,831,045	175,484,718	231,415,595
Fund balances carried forward at 31 December		267,000	4,120,400	186,287,652	190,675,052	175,484,718

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 20 to 30 form part of these accounts.

Annual Report and
Consolidated Financial Statements 2009
of Trust for London Trustee (formerly City Parochial Foundation Trustee)

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Year ended 31 December 2009

Balance Sheets

	Note	Group 2009	Group 2008	Foundation 2009	Foundation 2008
		£	£	£	£
Fixed assets					
Tangible fixed assets	12	7,447,929	7,350,296	3,774,589	3,510,297
Investments	13	187,808,699	171,138,963	187,808,699	171,138,963
		195,256,628	178,489,259	191,583,288	174,649,260
Current assets					
Debtors	14	2,214,251	1,821,859	2,051,507	1,651,358
Cash and short term deposits		290,759	362,519	-	-
Cash at bank and in hand		5,710,760	7,415,611	5,405,458	7,122,207
		8,215,770	9,599,989	7,456,965	8,773,565
Liabilities					
Creditors: amounts falling due within one year	15	(10,438,408)	(9,989,733)	(10,126,663)	(9,660,983)
Net current (liabilities)/assets		(2,222,638)	(389,744)	(2,669,698)	(887,418)
Total assets less current liabilities		193,033,990	178,099,515	188,913,590	173,761,842
Creditors: amounts falling due after more than one year	16	(2,358,938)	(2,614,797)	(2,358,938)	(2,614,797)
Net assets	22	190,675,052	175,484,718	186,554,652	171,147,045
The funds of the charity					
Permanent Endowment fund	22	186,287,652	170,831,045	186,287,652	170,831,045
Restricted income fund	20	526,517	620,819	-	-
Restricted capital fund	20	3,593,883	3,716,854	-	-
Unrestricted fund	21	267,000	316,000	267,000	316,000
Total charity funds		190,675,052	175,484,718	186,554,652	171,147,045

The accounts were approved by the Board on 20 August 2010 and signed on their behalf by:

Peter Williams
Chair
20 August 2010

The notes on pages 20 to 30 form part of these accounts.

Year ended 31 December 2009

Consolidated Cash Flow Statement

	Note	2009	2008
		£	£
Net cash outflow from operating activities	A	(3,907,313)	(2,739,029)
Investment and capital expenditure			
Purchase of listed investments		(14,371,941)	(22,409,496)
Sales of listed investments		13,381,895	23,225,216
Purchase of cash and near cash investments		-	-
Sales of cash and near cash investments		2,631,659	6,689,797
Purchase of investment properties		(47,277)	(5,683,191)
Sales of investment properties		546,700	-
Purchase of investment indirect property		-	-
Sales of investment indirect property		-	1,096,844
Purchase of fixed assets		(10,334)	(86,227)
Net cash inflow from investments and capital expenditure		2,130,702	2,832,943
(Decrease)/increase in cash		(1,776,611)	93,914
Analysis of change in cash			
Cash balance as at 1 January		7,778,130	7,684,216
Net cash (outflow)/inflow		(1,776,611)	93,914
Cash balance as at 31 December		6,001,519	7,778,130

Note to the cash flow statement

A. Reconciliation of operating result to net cash outflow from operating activities

	£	£
Net outgoing resources before revaluations and transfers	(3,892,903)	(4,604,458)
Depreciation charges	193,783	200,466
(Loss)/gain on currency	(8,617)	(32,350)
(Decrease)/increase in debtors	(392,392)	989,266
Increase in creditors: Amounts falling due within one year	448,675	255,396
(Decrease)/increase in creditors: Amounts falling due after more than 1 year	(255,859)	452,651
Net cash outflow from operating activities	(3,907,313)	(2,739,029)

Year ended 31 December 2009

Notes to the Financial Statements

1 Accounting policies

(i) Preparation of financial statements

The financial statements are prepared under the historical cost convention, with the exception of property and other investments which are included on a market value basis. The accounts have been prepared in accordance with applicable accounting standards, Charities Acts and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

(ii) Basis of preparation

In preparing the financial statements for the year ended 31 December 2009 the Foundation has taken into account all information that could reasonably be expected to be available.

(iii) Basis of consolidation

The Resource Centre (London) Limited and Bellingham Community Project Limited have been treated as branches as defined in the SORP. Therefore all their transactions are accounted for gross in these accounts. The funds of the branches 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 gross income and costs of this company are shown on separate lines in the Statement of Financial Activities and a summary income and expenditure account presented in the notes. A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by paragraph 397 of SORP.

(iv) Incoming Resources and Resources Expended

All income and expenditure is shown in the Statement of Financial Activities.

Grants receivable and donations are credited to the Statement of Financial Activities when they are receivable.

Resource Centre rent, service charge income and similar income represents income from the operation of the Resource Centre at 356 Holloway Road, London, N1 accounted for on a receivable basis.

Investment income and income tax recoverable are accrued.

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

Gross income of trading subsidiary relates to the operations of Bellingham Community Project Management Company Ltd.

Costs of generating 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 generating income.

Charitable activities include grants made for charitable purposes from the Central Fund at the discretion of the Foundation, are charged to Grants Payable when they are approved by the Foundation. When grants are withdrawn or unclaimed they are shown as a deduction from Grants Payable. Grants approved by the Foundation 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.

Resource Centre costs relate directly to the operation of the Resource Centre. 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 Foundation 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.

In some cases expenses are payable jointly by the Foundation and its connected charity, the Trust for London. The basis of the apportionment between the charities is in relation to gross income and staff time spent on each charity's business.

(v) Investments

Freehold and leasehold investment property is included in the Balance Sheet at open market value. The valuation was prepared as at 31 December 2009 by Cluttons, Chartered Surveyors. The valuation was made in accordance with R.I.C.S. guidelines. The previous valuation had been carried out at 31 December 2008. 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.

Realised and unrealised gains and losses are reflected in the Statement of Financial Activities and allocated to the respective funds. Realised gains on investment property sales represent the difference between the net sale proceeds and the market value of the properties at the start of the year.

Year ended 31 December 2009

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

(vi) Tangible fixed assets

Tangible fixed assets costing more than £1,000 are shown at cost (or valuation) less depreciation.

Freehold land and buildings have been valued as at 31 December 2009 by Cluttons, Chartered Surveyors, in accordance with R.I.C.S guidelines. The previous valuation had been carried out at 31 December 2008.

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 land and buildings - 50 years

Operational leasehold land and buildings - life of the lease

Assets in the course of construction - nil

Computer equipment - 25%

Leisure & Lifestyle Centre equipment - 10%

Furniture and fittings - 20%

(vii) Cash and short term deposits

Cash and short term 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 made.

(ix) Fund Accounting

General funds are available for use at the discretion of the Foundation in furtherance of the general objectives of the Foundation.

The Endowment Fund is a permanent endowment. 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.

Restricted funds represent funds held for the purpose of the charity's branches, the Resource Centre and Bellingham Community Project Limited, which are separate charities.

(x) Taxation

Under Section 505, the Taxes Act 1998 the charity is not subject to taxation on its charitable activities.

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

2 Grants receivable

	Restricted Funds £	Total 2009 £	Total 2008 £
Henry Smith Charity grant : Developing Independent Domestic Violence Project Advocacy Services	200,000	200,000	-
	200,000	200,000	-

3 Dividends and interest receivable

	Endowment Funds £	Total 2009 £	Total 2008 £
Income from listed investments	2,663,416	2,663,416	2,902,041
Income from cash held as part of investment portfolio	44,413	44,413	678,224
Bank and other interest receivable	413,962	413,962	757,368
	3,121,791	3,121,791	4,337,633

Year ended 31 December 2009

Notes to the Financial Statements (continued)

4 Net income of operational subsidiary The Resource Centre (London) Ltd

The City Parochial Foundation is the sole member of The Resource Centre (London) Limited. The liability of the member is limited to £1. The Resource Centre operates from offices at 356 Holloway Road, a property leased to it by the City Parochial Foundation. It operates a resource centre for charities, providing them with office accommodation, conference, meeting rooms and other facilities. The Resource Centre is treated as a branch of the charity and accordingly its accounts are consolidated into the accounts of the Foundation. Rent of £206,147 (2008: £294,212) was paid by the Resource Centre to the Foundation.

	Restricted funds 2009 £	Restricted funds 2009 £	Restricted funds 2008 £	Restricted funds 2008 £
Incoming resources from generated funds				
Investment income		589		15,763
Incoming resources from charitable activities		971,068		1,067,298
Total incoming resources		971,657		1,083,061
<i>Resources expended</i>				
Charitable activities	(828,351)		(861,851)	
Governance costs	(14,966)	(843,317)	(17,780)	(879,631)
Net incoming resources		128,340		203,430

5 Net expenditure of operational subsidiary Bellingham Community Project

a) Bellingham Community Project Limited is a charitable venture run by the City Parochial Foundation in Bellingham. The liability of the members is limited to £1. The City Parochial Foundation 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 offices in Randlesdown Road, Bellingham. Grants totalling £40,000 (2008: £12,078) were made by the Foundation towards running costs.

	Restricted funds 2009 £	Restricted funds 2009 £	Restricted funds 2008 £	Restricted funds 2008 £
Incoming resources from generated funds				
Voluntary income		94,932		214,159
Investment income		168		3,671
Incoming resources from charitable activities		62,072		54,298
Total incoming resources		157,172		272,128
<i>Resources expended</i>				
Cost of generating funds	(14,387)		(9,794)	
Charitable activities	(318,091)		(389,696)	
Governance costs	(3,431)	(335,909)	(3,080)	(402,570)
Net outgoing resources		(178,737)		(130,442)

6 Net expenditure of trading subsidiary Bellingham Community Project Management Company Ltd

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 with the Companies House.

	Restricted funds 2009 £	Restricted funds 2009 £	Restricted funds 2008 £	Restricted funds 2008 £
Gross income of trading subsidiary				3,500
Interest receivable		21		1,045
Total incoming resources		21		4,545
<i>Resources expended</i>				
Cost of sales	(142)		(3,906)	
Administrative expenses	(608)	(750)	(689)	(4,595)
Loss for the year		(729)		(50)

Year ended 31 December 2009

Notes to the Financial Statements (continued)

7 Costs of generating funds

	Endowment Funds £	Total 2009 £	Total 2008 £
Investment management fees	318,303	318,303	339,265
Property management fees	336,784	336,784	277,588
Depreciation	4,514	4,514	5,206
Staff costs (net)	156,984	156,984	140,131
Other costs of generating income	59,469	59,469	53,619
Income generation costs	876,054	876,054	815,809
less charged against endowment funds (see note 18):			
Investment management fees	(306,314)	(306,314)	(339,265)
Asset allocation advice	(11,989)	(11,989)	-
Property management fees	(41,385)	(41,385)	(24,897)
	(359,688)	(359,688)	(364,162)
Net cost charged to unrestricted funds	516,366	516,366	451,647

8 Grants payable

	Unrestricted Central fund 2009 £	Unrestricted City Church fund 2009 £	Restricted Funds 2009 £	Total funds 2009 £	Unrestricted funds 2008 £
Central Fund grants authorised	6,174,707	-	200,000	6,374,707	6,214,023
Central Fund consultancies authorised	8,360	-	-	8,360	90,000
Central Fund grants written back	(314,870)	-	-	(314,870)	(130,901)
Net Central Fund grants and consultancies made	5,868,197	-	200,000	6,068,197	6,173,122
Church Commissioners and Dioceses	-	2,836,637	-	2,836,637	3,108,666
City Churches Grants Committee	-	1,387,179	-	1,387,179	1,523,193
Schedule VII payments to City Churches	-	31,140	-	31,140	31,140
Grants made	5,868,197	4,254,956	200,000	10,323,153	10,836,121
Grant making support costs					
Staff costs (net)	432,611	86,812	-	519,423	463,659
Consultants (Central fund only)	10,000	-	-	10,000	10,000
Depreciation	13,237	2,820	-	16,057	18,519
Other support costs	169,956	34,054	-	204,010	196,330
	6,494,001	4,378,642	200,000	11,072,643	11,524,629

Further details and analysis of grants made and consultancies undertaken is available in the Trustee's report and, for the Central Fund, the Annual Review 2009 and the Grants List 2009. The last two reports are available from our offices and on the website.

9 Governance costs

	Unrestricted Funds £	Total 2009 £	Total 2008 £
Staff costs (net)	38,984	38,984	34,799
Legal and professional fees	23,015	23,015	13,798
Auditors' remuneration - audit fees	38,462	38,462	40,084
Trustee's expenses	16,688	16,688	16,248
Other	-	-	3,305
	117,149	117,149	108,234

Other costs mainly relate to costs incurred in preparing statutory accounts

Year ended 31 December 2009

Notes to the Financial Statements (continued)

10 Total resources expended in 2009

	Operational charitable activities	Grant making	Costs of generating funds	Governance	Total allocated
Grants for the relief of poverty	-	6,059,837	-	-	6,059,837
Grant research consultancy - relief of poverty	-	8,360	-	-	8,360
Grants for the furtherance of religion	-	4,254,956	-	-	4,254,956
Resource Centre and Playing Field operations	721,696	-	-	-	721,696
Trustee's expenses	-	-	-	16,688	16,688
Staff costs	287,610	519,423	156,984	38,984	1,003,001
Legal and professional fees	-	-	-	23,015	23,015
Audit fees	-	-	-	38,462	38,462
Grant support consultancy	-	10,000	-	-	10,000
Investment management fees	-	-	318,303	-	318,303
Property management fees	-	-	336,784	-	336,784
Depreciation	170,670	16,057	4,514	-	191,241
Other costs	-	204,010	59,469	-	263,479
Totals for 2009	1,179,976	11,072,643	876,054	117,149	13,245,822

Totals for 2008	1,286,796	11,524,629	815,809	108,234	13,735,468
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Where costs are allocated the basis of apportionment is staff time spent on each activity.

11 Staff costs

	2009 £	2008 £
Wages and salaries	928,136	874,913
Social security costs	102,468	95,124
Pension costs	97,977	89,504
	1,128,581	1,059,541
Less: Costs borne by former Trust for London	(88,419)	(78,927)
Less: Recharged via service charges	(37,158)	(41,805)
Total costs charged	1,003,004	938,809

No Board member received remuneration during the year (2008: nil). Out of pocket expenses were reimbursed to Board members as follows:

	2009 No.	2008 No.	2009 £	2008 £
Travel	3	2	104	157
Training/seminars/induction	1	4	260	1,151
	4	6	364	1,308

The average number of employees (full-time equivalents) analysed by function was:

	2009 No.	2008 No.
Grant-making	10	10
Resource Centre	5	5
Playing Fields	2	3
Administration	6	5
	23	23

On average the equivalent of one and a half staff members' time is allocated to the Trust for London (2008: 1.5).

Number of employees who earned between:	2009 No.	2008 No.
£70,001 and £80,000:	-	-
£80,001 and £90,000:	-	1
£90,001 and £100,000:	1	-

Contributions of £12,668 (2008: £12,330) were made in the year by the Foundation to this individual's personal pension within the group scheme.

Year ended 31 December 2009

Notes to the Financial Statements (continued)

12 Fixed assets

Group	IT equipment £	Furniture, fittings and equipment £	Freehold land and buildings £	Total £
Cost or valuation				
Brought forward at 1 January	129,253	2,089,820	7,355,704	9,574,777
Additions in the year	7,684	2,650	-	10,334
Disposals/transfers in the year	(2,422)	(242,327)	-	(244,749)
Revaluation of properties	-	-	281,466	281,466
Carried forward at 31 December	134,515	1,850,143	7,637,170	9,621,828
Depreciation				
Brought forward at 1 January	104,172	1,723,104	397,205	2,224,481
Charge for year	13,964	100,378	79,441	193,783
Disposals/transfers in the year	(2,038)	(242,327)	-	(244,365)
Carried forward at 31 December	116,098	1,581,155	476,646	2,173,899
Net book value at 31 December 2009	18,417	268,988	7,160,524	7,447,929
Net book value at 31 December 2008	25,081	366,716	6,958,499	7,350,296
Foundation				
Foundation	IT equipment £	Furniture, fittings and equipment £	Freehold land and buildings £	Total £
Cost or valuation				
Brought forward at 1 January	99,328	167,155	3,463,425	3,729,908
Additions in the year	6,323	-	-	6,323
Disposals/transfers in the year	(2,422)	(950)	-	(3,372)
Revaluation of properties	-	-	281,466	281,466
Carried forward at 31 December	103,229	166,205	3,744,891	4,014,325
Depreciation				
Brought forward at 1 January	74,246	145,365	-	219,611
Charge for year	13,624	9,489	-	23,113
Disposals/transfers in the year	(2,038)	(950)	-	(2,988)
Carried forward at 31 December	85,832	153,904	-	239,736
Net book value at 31 December 2009	17,397	12,301	3,744,891	3,774,589
Net book value at 31 December 2008	25,082	21,790	3,463,425	3,510,297

Freehold land and buildings represent a proportion of the value of 6 Middle Street, EC1 which the Foundation occupies as offices, a proportion of 350-356 Holloway Road which is occupied by the Resource Centre and the Bellingham Leisure & Lifestyle Centre managed by Bellingham Community Project Ltd. All fixed assets are held for charitable purposes.

Year ended 31 December 2009

Notes to the Financial Statement (continued)	2009 £	2008 £
13 Fixed asset investments		
Group and Foundation		
Investment properties		
Market value at 1 January	63,764,576	74,602,150
Additions to investment properties	47,277	5,683,191
Disposals of investment properties	(546,700)	-
Unrealised gains/(losses) on revaluation of investment properties	981,256	(16,520,765)
Realised gains on investment properties	546,700	-
Market value at 31 December	64,793,109	63,764,576
Investment indirect property		
Market value at 1 January	10,542,207	15,623,899
Additions to investment indirect property	-	-
Disposals of investment indirect property	-	(1,096,844)
Unrealised losses on revaluation of investment indirect property	(646,225)	(4,056,316)
Realised gains on of investment indirect property	-	71,468
Market value at 31 December	9,895,982	10,542,207
Listed investments		
Market value at 1 January	80,930,690	111,789,456
Additions to listed investments	14,371,941	22,409,496
Disposals of listed investments	(13,381,895)	(23,225,216)
Realised and unrealised gains/(losses) on listed investments	17,824,278	(30,043,046)
Market value at 31 December	99,745,014	80,930,690
Sterling fixed interest	6,230,130	6,486,671
UK Equities and convertibles	45,968,097	36,411,896
Overseas investments	47,546,787	38,032,123
	99,745,014	80,930,690
Cash and near cash investments		
Market value at 1 January	15,901,490	22,498,971
Additions	-	-
Disposals	(2,631,659)	(6,689,797)
Realised and unrealised gains on cash and near investments	104,763	92,316
Market value at 31 December	13,374,594	15,901,490
Total market value at 31 December	187,808,699	171,138,963
*Total historical cost at 31 December	106,397,559	108,692,985

*Historical cost excludes investment properties as some of them were acquired over 100 years ago.
All investment properties are situated in the UK.

14 Debtors	Group 2009 £	Group 2008 £	Foundation 2009 £	Foundation 2008 £
Resource Centre operational debtors	130,943	154,985	-	-
Rent and insurance due from tenants	298,936	359,405	298,936	359,405
Amount due from connected charities	361,134	337,666	367,078	371,416
Rent deposits (note 15a)	307,059	321,180	307,059	321,180
Other debtors	38,649	65,802	26,989	58,946
Prepayments and accrued income	1,077,530	582,821	1,051,445	540,411
	2,214,251	1,821,859	2,051,507	1,651,358

Year ended 31 December 2009

Notes to the Financial Statements (continued)

15 Creditors: Amounts falling due within one year

	Group 2009 £	Group 2008 £	Foundation 2009 £	Foundation 2008 £
Grants payable for the relief of poverty	7,909,501	6,989,558	7,909,501	6,989,558
Grants payable for the furtherance of religion	962,261	1,443,361	962,261	1,443,361
Resource Centre operational creditors	39,021	40,771	-	-
Rents received in advance	518,916	515,069	518,916	515,069
Rent deposits (note 15a)	307,059	321,180	307,059	321,180
Other creditors	208,930	194,888	176,519	178,889
Accruals and deferred income	492,720	484,906	252,407	212,926
	10,438,408	9,989,733	10,126,663	9,660,983

**15a Rent deposits
Group and Foundation**

Interest bearing rent deposit accounts are held by the Foundation's solicitors as a condition of lease for certain property tenants. These deposits are eventually refundable to the tenants unless the tenants default on their rent payments. Accordingly the deposits are shown as both due to the Foundation in debtors and returnable to the tenants in creditors.

	2009 £	2008 £
	307,059	321,180

**16 Creditors: Amounts falling due after more than one year
Group and Foundation**

	2009 £	2008 £
Grants payable for the relief of poverty	2,358,938	2,614,797

17 Pension Scheme

On 30 June 1997 the Foundation wound up the City Parochial Foundation Superannuation Scheme and now provides a group personal pension scheme for the employees. The unfunded cost of liabilities due to the pensioners and staff nearing retirement in 1997 was met by the purchase of annuities amounting to £1,236,713 and written off over 5 years starting mid way through 1997.

Additionally, payments were made to staff employed at 30 June 1997 but due to retire before the end of 2005 to ensure that their retirement pension was underpinned to the extent of any shortfall between their pension under the group personal pension scheme and that which they would have been entitled to under the old scheme.

The Foundation makes contributions at a rate of 10% to individuals' personal pensions within the group scheme, provided they make a matching 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 2009 the Foundation made contributions of £76,337 (2008 : £69,111) to the scheme.

In addition staff at the Foundation's subsidiary charities are entitled to contributions at a rate of 10% of gross salaries to a personal pension scheme. Total contributions made in 2009 at the Resource Centre were £16,235 (2008 : £15,679) and at the Project were £5,405 (2008: £4,714).

All schemes comply with stakeholder requirements.

Year ended 31 December 2009

Notes to the Financial Statements (continued)

18 Transfers between funds

The grant, rent and interest transactions between the Foundation and its subsidiaries are shown as transfers between funds rather than incoming resources in the Statement of Financial Activities. Investment management costs relating to the endowment are charged against the endowment by way of a transfer between funds.

	Unrestricted fund £	Restricted funds £	Endowment fund £
Subsidiary charity adjustments (see notes 4 & 5)	166,147	(166,147)	-
Investment management costs charged against endowment (see note 7)	359,688	-	(359,688)
	525,835	(166,147)	(359,688)

19 Total return transfers between funds

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

Under the total return approach, the Foundation is permitted to allocate from the total return element of permanent endowment to the trust for application (income) ie unrestricted funds 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 Foundation's objective is to maintain the value of the trust for investment and of the income available for grant making, in real terms, while minimising the risk of the unapplied return becoming negative which could curtail its grant making ability.

Transfers to unrestricted funds

	Unrestricted fund £	Restricted funds £	Endowment fund £
Investment income receivable	7,142,851	-	(7,142,851)
Transfer from unapplied return	3,266,942	-	(3,266,942)
	10,409,793	-	(10,409,793)

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

	Trust for investment £	Unapplied total return £	Endowment fund £
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
RPI uplift for period	-	93,240,176	93,240,176
Capital gains in the period	-	73,168,610	73,168,610
Value at 1 January 2009	4,422,259	166,408,786	170,831,045

Aggregate value of the assets for the year ended 31 December 2009

Brought forward at 1 January 2009	4,422,259	166,408,786	170,831,045
RPI uplift	-	2,339,495	2,339,495
Capital gains	-	16,384,054	16,384,054
Investment income receivable	-	7,142,851	7,142,851
Transfers to trust for application	-	(10,409,793)	(10,409,793)
Carried forward at 31 December 2009	4,422,259	181,865,393	186,287,652

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.

Year ended 31 December 2009

Notes to the Financial Statements (continued)

20 Restricted funds

	Balance at 31 December 2008 £	Incoming Resources £	Expenditure and transfers £	Balance at 31 December 2009 £
Income fund				
The Resource Centre (London) Limited	458,807	971,657	(1,049,464)	381,000
Bellingham Community Project Limited	162,012	197,193	(213,688)	145,517
	620,819	1,168,850	(1,263,152)	526,517
Capital fund				
Bellingham Community Project Limited	3,716,854	-	(122,971)	3,593,883
	4,337,673	1,168,850	(1,386,123)	4,120,400

21 Unrestricted funds

	Balance at 31 December 2008 £	Transfer from unapplied return £	Net outgoing resources £	Revaluations and transfers £	Balance at 31 December 2009 £
Common Investment Fund	-	7,142,851	-	(7,142,851)	-
Central Fund	316,000.00	-	(6,610,349)	6,561,349	267,000
City Church Fund	-	-	(4,414,279)	4,414,279	-
	316,000	7,142,851	(11,024,628)	3,832,777	267,000

**22 Analysis of net assets between funds
Group and Foundation**

	Tangible fixed assets £	Investments £	Net current (liabilities)/assets £	Long term liabilities £	Total £
Endowment fund					
Common Investment Fund	3,774,589	187,808,699	(5,295,636)	-	186,287,652
Unrestricted funds					
Central Fund	-	-	2,625,938	(2,358,938)	267,000
City Church Fund	-	-	-	-	-
Foundation net assets/(liabilities)	3,774,589	187,808,699	(2,669,698)	(2,358,938)	186,554,652
Capital restricted fund					
Bellingham Community Project Limited	3,593,883	-	-	-	3,593,883
Restricted funds					
Bellingham Community Project Limited	-	-	145,517	-	145,517
The Resource Centre (London) Limited	79,457	-	301,543	-	381,000
Group net assets/(liabilities)	7,447,929	187,808,699	(2,222,638)	(2,358,938)	190,675,052

Year ended 31 December 2009

Notes to the Financial Statements (continued)

23 Combined Fund entitlement

The entitlement of the two participating funds in the Combined Fund at 1 January 2009 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 2008 and is 59.8% Central Fund and 40.2% City Church Fund.

24 Connected charities

During 2009 City Parochial Foundation was a fellow trust of the Trust for London, a charity with which it shared offices and administration facilities, which was also administered by City Parochial Foundation Trustee and which has produced separate accounts.

The Trust for London aimed to benefit and give priority to small local community based organisations with charitable purposes. Staff and other costs were apportioned in an equitable way between the two charities.

As a result of the asset transfer that occurred in 2010, Trust for London's activities have amalgamated with those of City Parochial Foundation. The new combined charity continues to operate from the same premises and with the same staff under the name of Trust for London.

25 Subsidiary Undertakings

**The Resource Centre (London) Limited
(Charity Registration Number 1015305)**

The Resource Centre is a subsidiary of the Foundation and is treated as a branch for accounting purposes. A description of the relationship is given in note 4.

**Bellingham Community Project Limited
(Charity Registration Number 1036667)**

Bellingham Community Project Limited is a subsidiary of the Foundation and is treated as a branch for accounting purposes. A description of the relationship is given in note 5.

**Greenford Playing Fields Limited
(Charity Registration Number 1036672)**

Greenford Playing Fields Limited is a subsidiary of the Foundation. The liability of the members is limited to £1. The City Parochial Foundation 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 2009.

26 Related party transactions

The Foundation 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 Foundation 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 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.

	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
STATEMENTS OF FINANCIAL ACTIVITIES					
Incoming resources					
from charitable activities*	1,129	1,355	1,388	1,238	1,247
from generated funds	8,224	7,776	8,277	8,897	8,366
Total incoming resources	9,353	9,131	9,665	10,135	9,613
Resources expended					
<i>Costs of generating funds</i>					
Investment management costs	(877)	(821)	(1,010)	(831)	(802)
Charitable activities*	(12,252)	(12,806)	(11,824)	(11,565)	(10,417)
Governance costs**	(117)	(108)	(86)	(82)	(89)
Total resources expended	(13,246)	(13,735)	(12,920)	(12,478)	(11,308)
Net outgoing resources	(3,893)	(4,604)	(3,255)	(2,343)	(1,695)
Other recognised gains and losses					
Gains on investment assets and assets for own use	19,083	(51,327)	15,530	27,041	23,976
Net movement in funds	15,190	(55,931)	12,275	24,698	22,281
Fund balances brought forward	175,485	231,416	219,141	194,443	172,162
Fund balances carried forward	190,675	175,485	231,416	219,141	194,443
BALANCE SHEETS AS AT 31 DECEMBER					
Fixed assets					
Tangible fixed assets	7,448	7,350	8,302	8,678	8,346
Investments	187,808	171,139	224,514	214,069	189,397
Current assets					
Debtors and stock	2,215	1,821	2,812	3,374	2,990
Cash deposits	290	363	336	501	2,469
Cash at bank and in hand	5,711	7,416	7,348	3,748	3,618
	<u>8,216</u>	<u>9,600</u>	<u>10,496</u>	<u>7,623</u>	<u>9,077</u>
Current creditors	(10,438)	(9,989)	(9,734)	(9,491)	(11,314)
Net current (liabilities)/assets	(2,222)	(389)	762	(1,868)	(2,237)
Creditors: amounts falling due after more than one year	(2,359)	(2,615)	(2,162)	(1,738)	(1,062)
Net assets	190,675	175,485	231,416	219,141	194,444
Capital funds					
Endowment funds	186,288	170,831	226,869	214,190	189,139
Restricted funds	4,120	4,338	4,547	4,951	5,057
Unrestricted funds	267	316	-	-	247
	<u>190,675</u>	<u>175,485</u>	<u>231,416</u>	<u>219,141</u>	<u>194,443</u>
* since 2005 Resource Centre and Bellingham income and costs all under these headings					
** prior to 2004 management and admin costs					
*** prior to 2005 cash investments shown under Current Assets					
This page does not form part of the audited accounts					
Budgeted drawdown from capital	3,654	4,477	3,164	2,882	1,873

**Annual Report and
Consolidated Financial Statements 2009
of Trust for London Trustee (formerly City Parochial Foundation Trustee)**

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 targets small locally based community organisation's which are independent of larger bodies.

The City Parochial Foundation is 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.

**Annual Report and
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of Trust for London Trustee (formerly City Parochial Foundation Trustee)**

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.

**Annual Report and
Consolidated Financial Statements 2009
of Trust for London Trustee (formerly City Parochial Foundation Trustee)**

Trustees

The Trustee of Trust for London is Trust for London Trustee (formerly City Parochial Foundation Trustee) whose board members and nominating bodies, where applicable, as at 20 August 2010 are listed below:

Nominating Body	Trustee	Committees
<i>Trust for London (formerly City Parochial Foundation)</i>	Miles Barber Maggie Baxter (retired 4/4/10) Luis Correia da Silva (appointed 2/7/10) Tzeggai Yohannes Deres Naomi Eisenstadt (appointed 1/1/10) Jeff Hayes (appointed 2/7/10) Robert Laurence Lorraine Martins (appointed 25/9/2009) Elahe Panahi Nigel Pantling (Chair until 2/7/10) (retired 2/7/10) Ingrid Posen Wilf Weeks Peter Williams (Chair from 2/7/2010)	A,F,G,M I G,M G,I A,F,I A,E,G,I G A,G F,G A,E,G,N A,E,F,G,I,M,N
<i>City of London</i>	Revd Dr Martin Dudley Archibald Galloway Robert Hughes-Penney (retired 4/4/10) Sophie Fernandes (appointed 8/4/10)	E,G,M E,G F
<i>Church Commissioners</i>	Peter Delaney Deborah Finkler	A,E,F,G,I,M,N F,G,N
<i>London Councils</i>	Lynne Hillan (retired 18/4/10)	
<i>Greater London Authority</i>	Roger Evans	E,G

Key to Committees:

A	Asset Allocation	E	Estate Committee
G	Grants Committee	F	Finance & Resources Committee
I	Investment Committee	M	Mission Related Investment Committee
N	Nominations Committee		

Co-opted Members as at 20 August 2010:

Asset Allocation Committee	Julian Franks
Grants Committees	David Bryan, Albert Tucker, Azim El-Hassan, Muge Dindjer, Maggie Baxter
Estate Committee	Richard Martin
Finance & Resources Committee	Emma Brookes, Bryn Jones
Investment Committee	Bryn Jones

**Annual Report and
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of Trust for London Trustee (formerly City Parochial Foundation Trustee)**

Officers and Advisers

Principal Staff:

<i>Chief Executive and Clerk to the Trustees</i>	Bharat Mehta
<i>Director of Finance & Administration</i>	Carol Harrison
<i>Director of Policy & Grants</i>	Mubin Haq
<i>Director of Special Initiatives & Evaluation</i>	Sioned Churchill

Professional Advisers:

<i>Solicitors</i>	Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH
<i>Property Investment Advisers – directly held portfolio</i>	Baker (City) LLP, 1 Cornhill, London EC3V 3ND
<i>Property Investment Advisers – indirectly held portfolio</i>	CBRE Investors, 21 Bryanston Street, London W1H 7PR
<i>Property Managing Agents</i>	Collier & Madge plc, 1 Great Cumberland Place, London, W1H 7AL
<i>Property Valuers</i>	Cluttons, 26-28 Albion Place, Maidstone, Kent, ME14 5DZ
<i>Auditors</i>	KPMG LLP, 1 Forest Gate, Brighton Road, Crawley RH11 9PT
<i>Bankers</i>	Lloyds TSB Bank plc, Public and Community Sector, 25 Gresham Street, London EC2V 7HN
<i>Investment Managers</i>	RCM (UK) Ltd, 155 Bishopsgate, London EC2M 3AD Martin Currie Investment Management UK Limited, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ES Veritas Asset Management (UK) Limited, Elizabeth House, 39 York Road, London SE1 7NQ Aviva Investors Global Services Ltd, 1 Poultry, London London EC2R 8EJ