

Trust for London

(formerly City Parochial Foundation)

Annual Report and Consolidated Financial Statements for the

Year ended 31 December 2010

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Registered Charity No. 205629



Trust for London

Tackling poverty and inequality

6 Middle Street
London EC1A 7PH

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Trust for London

Tackling poverty and inequality

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

The Trustee's Report

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.

This has been the fourth year of the grants policy introduced by Trust for London (formerly 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 Trust have remained to tackle poverty in London and to support the Church of England within London. The financial position of the Trust, in common with other investors, improved such that the endowment fund at the year end stood at £231 million.

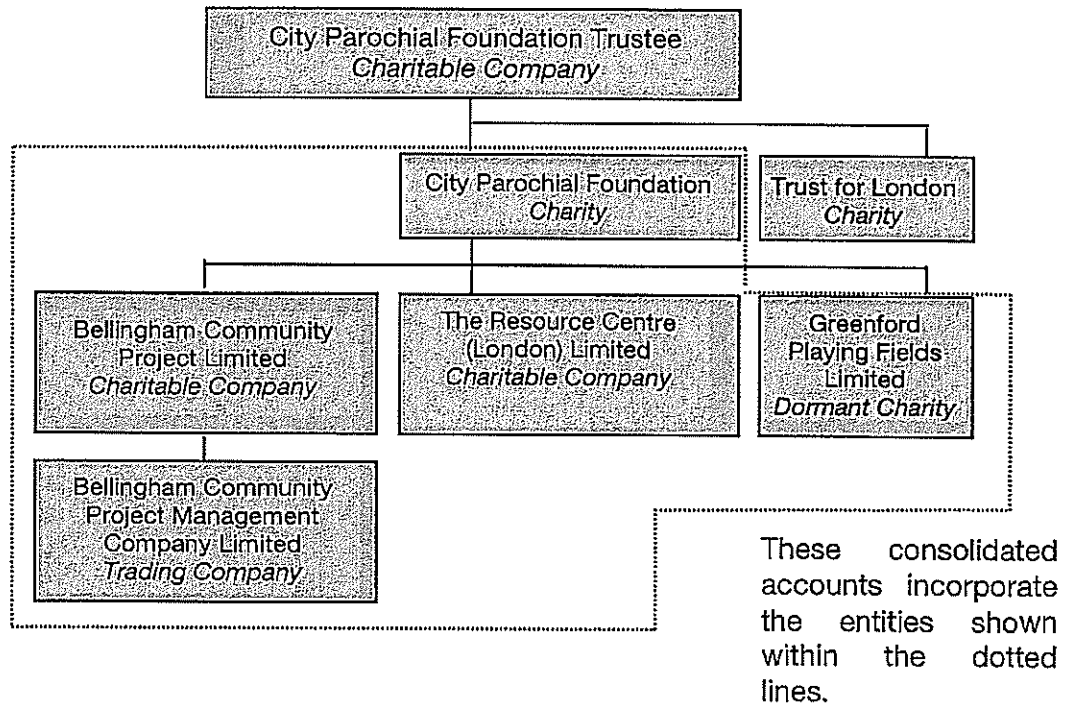
Information on the earlier history of the Trust is detailed at pages 33 and 34 of this report.

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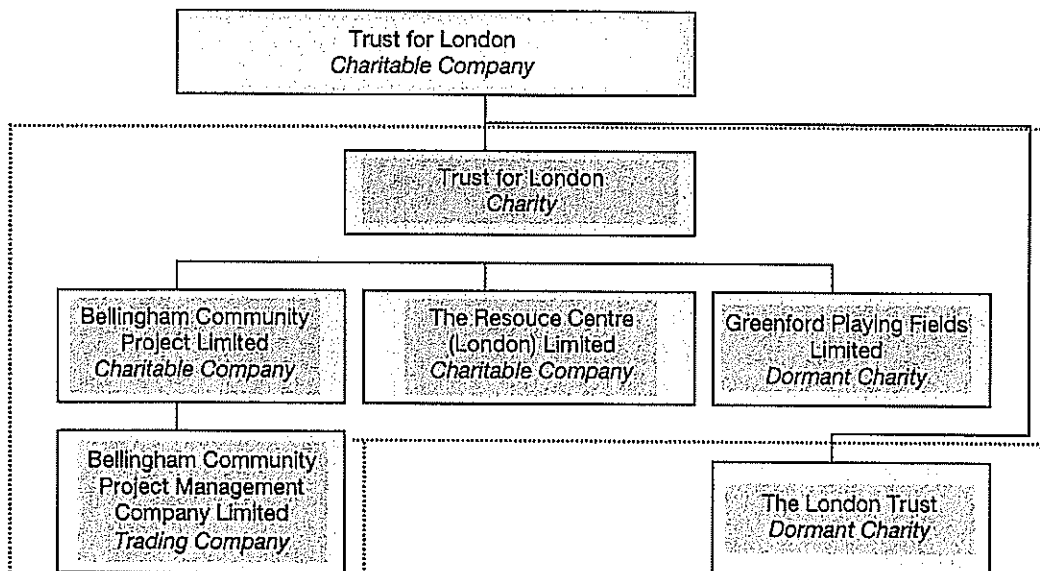
2. Structure, governance and management

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 (formerly City Parochial Foundation Trustee) and also Directors of this company and members of the Board. Up to 19 Board members are normally appointed by a variety of nominating bodies or by itself. For these, a range of recruitment processes, including advertisement, are used.

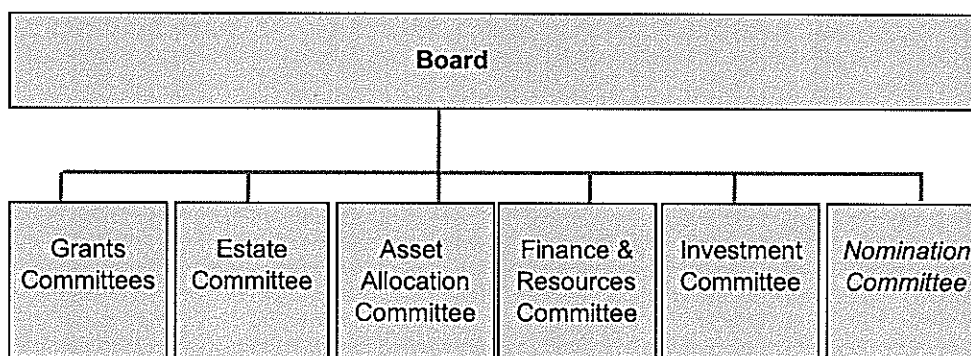
There is a policy in place to cover the induction and training of new trustees. Both face-to-face meetings and written information are provided and training opportunities are offered on an ongoing basis.

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 27 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 35 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 17, 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 for London (formerly The Resource Centre (London) Ltd and known as 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 36 of this report.

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2.4 Risk management

The Trust 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 Trust has reviewed its existing internal controls, and ongoing work is being 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 now forms part of the Central Fund operations.

The Trust 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 Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

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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. 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.

Use of expendable endowment

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 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 expend a proportion of the endowment fund itself.

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 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.

iii) Resources strategy

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

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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 for London
- d) the provision of facilities at Bellingham

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

4 Financial review and achievements in the year

Incoming resources

The Trust, like many investors, has gained fund value in the continued market recovery with the portfolio returning 16.6% in 2010.

Income from investment properties represented 45% of the incoming resources falling from £4,291,108 in 2009 to £3,459,182 in 2010. This is explained by an exceptional rental inflow in 2009 of £1.306 million regarding one specific property. Income from indirect property has risen.

Dividends and interest receivable rose slightly from £3,121,791 to £3,281,163.

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	Permanent fd Total return 2010 %	Benchmark 2010 %	Expendable fd Total return 2010 %	Benchmark 2010 %
Investment properties and uninvested cash	19.35	10.0	-	-
Indirect property investments	11.5	12.2	11.9	12.2
Total property portfolio	18.5	10.3	11.9	12.2
Passively managed equities	13.3	12.8	13.1	12.8
Actively managed equities	16.0	15.1	15.8	15.1
Total equities portfolio	15.2	14.4	15.0	14.4
Total cash and near cash portfolio	1.1	0.5		
Total portfolio	16.6	12.3	14.8	14.3

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Property Investments

The investment property portfolio is shown in the accounts at an open market value of £69,614,349 (2009 £64,793,109). There were no purchases. The portfolio showed unrealised and realised gains totaling of £12.5 million.

The steps the Trust 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.

GM Real Estate 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 Trust has Indirect Property units. The policy of holding for the longer term was pursued and no stocks were bought or redeemed. Including the £1,125,296 worth of assets transferred in from The London Trust, the units had a total value of £11,665,054 (2009: £9,895,982). 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 forming part of the permanent endowment to rise to £80,965,834 at the year end from £73,192,886 at 31 December 2009 whilst the market value of the index tracking investment portfolio including uninvested cash rose to £32,838,956 as at 31 December 2010 from £30,337,989 the previous year.

The actively managed investments transferred to the Trust at a value of £11,746,700 from The London Trust, forming part of the expendable endowment, rose to £13,050,061 by the year-end whilst the market value of the index tracking investment portfolio including uninvested cash rose to £5,666,943 as at 31 December 2010 from £5,106,771 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.

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The Trust also invests in a cash and near cash portfolio of £11.2 million which aims to outperform the three month London Interbank Bid Rate (LIBID). Additionally £7.2 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 £10,828,845 (2009: £11,072,643). Of this amount £6,505,106 (2009: £6,494,001) was payable from the Central Fund and £4,323,739 (2009: £4,378,642) was payable from the City Church Fund as detailed in note 8.

a) Grants made from the Central Fund

2010 was the fourth year of the 2007 quinquennial programme during which the Trust was distributing grants to tackle poverty in London with the following priorities:

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- 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

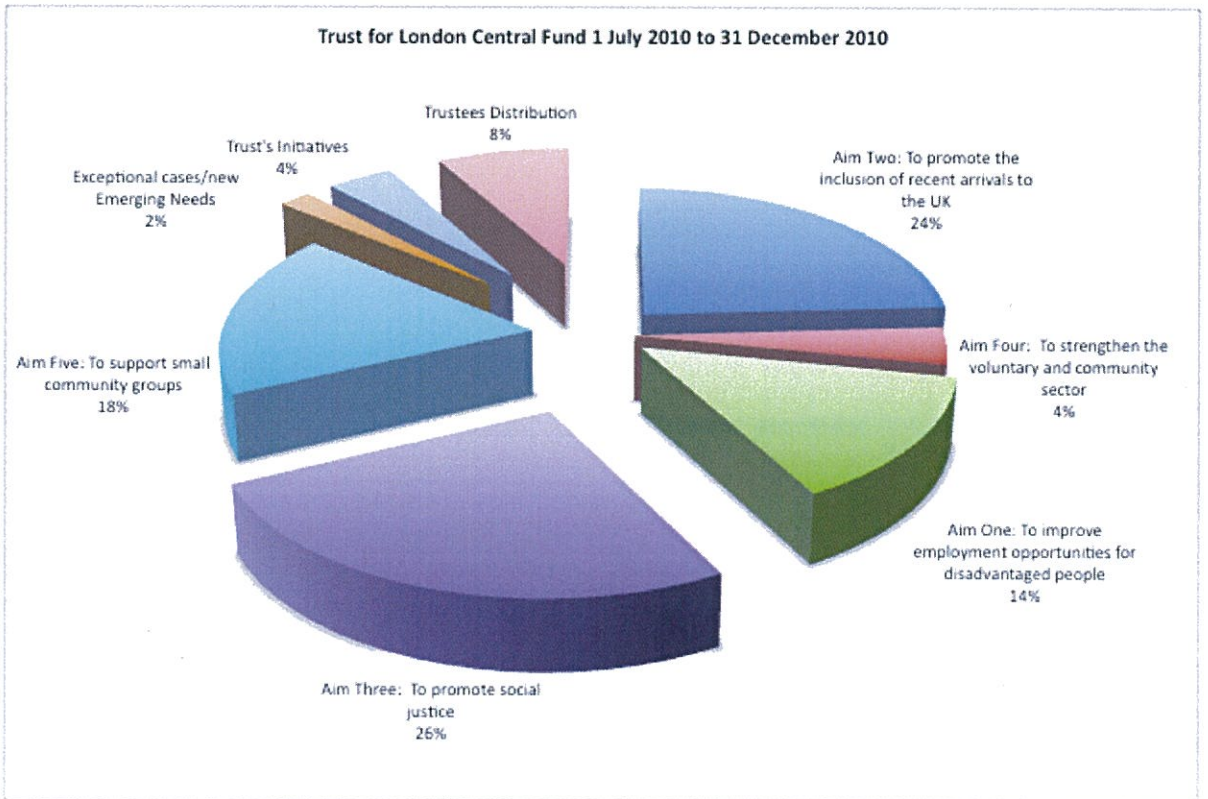
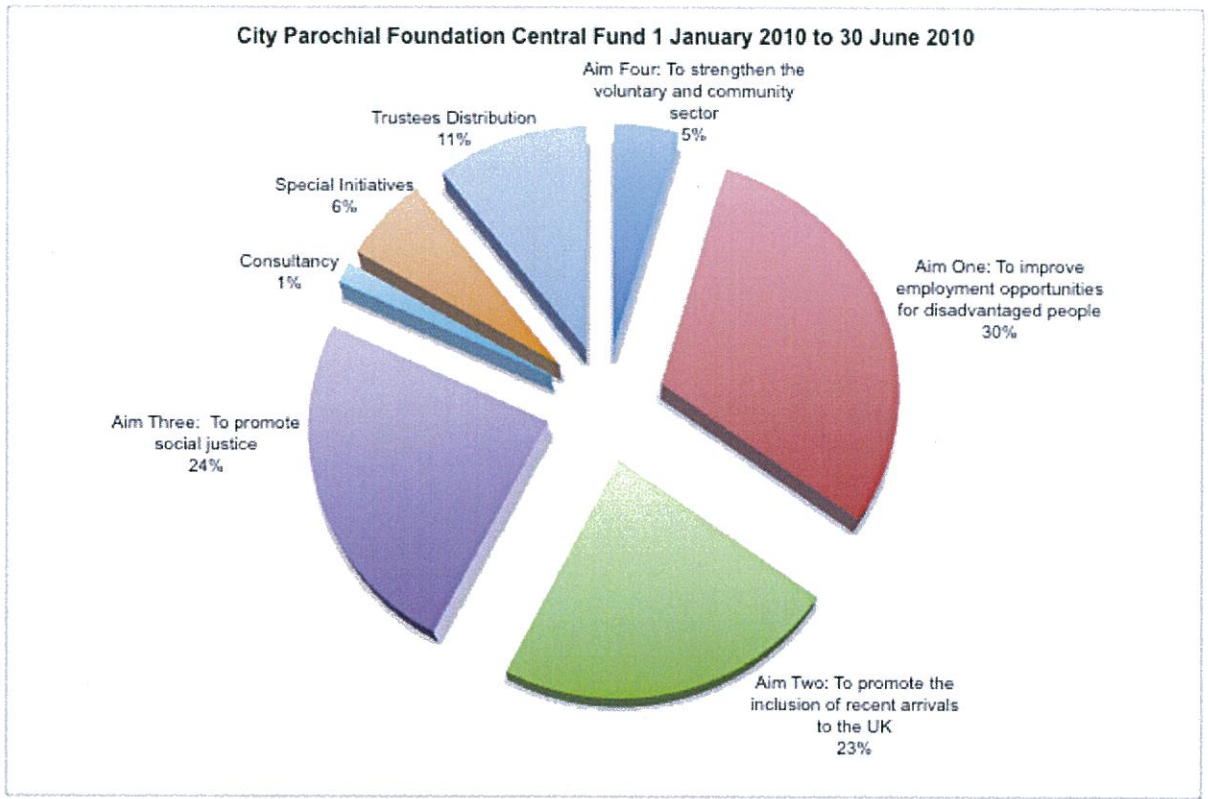
It is particularly aimed at working with the excluded, the disadvantaged and those discriminated against.

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

Grants were distributed in open programme grants and in the support of several programmes including Female Genital Mutilation, Safeguarding Children and Domestic Violence. In total 112 grants (2009: 122) 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. £395k unspent will be carried forward to 2011 and this is reflected as unrestricted funds in the balance sheet.

An analysis of grants made from the Central Fund in 2010 before and after the amalgamation of the grant programmes other than that to Bellingham is shown in the chart below:

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Grants analysis and policies

A separate publication 'Annual Review 2010' gives 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 Annual Review is given below:

	2010 £	2009 £
Grants and consultancies	6,127,772	6,223,067
Grants written back	(360,133)	(314,870)
Other – Bellingham	(40,000)	(40,000)
Net Central Fund grants and consultancies (see note 8)	5,727,639	5,868,197

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 £103,000 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	%	Diocese	%
London	44.37	Rochester	6.18	Chelmsford	15.30
Southwark	29.05	Guildford	2.27	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.

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 of the Trust, formerly known the Resource Centre (London) Limited, is itself a registered charity and is incorporated as a company limited by guarantee. The objective of the

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Resource for London is to provide office accommodation, and meeting and conference facilities for London voluntary sector organisations at a price reasonable to them.

The facilities were under used in 2010 with room bookings reducing and some office space becoming available for hire. Although the yearly average usage was below that in 2009, the Resource for London still provides an invaluable service that otherwise would not be available to many organisations and plans are well underway to revitalize and remarket the Centre during 2011.

The accounts of Resource for London show net outgoing resources of £267,737 (2009: net outgoing resources £77,807), after payment of £206,389 (2009: £206,147) to the Trust as rent for the premises. It had total funds at 31 December 2010 of £113,263 (2009: 381,000).

The performance of the 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, 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 Trust 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 facilities will be affordable by the local community. Alongside the 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.

The accounts of the Project show net outgoing resources of £49,460 (2009: £138,737) after receipt of £40,000 (2009: £40,000) in grants from the Trust. It had total net assets at 31 December 2010 of £3,686,528 (2009: £3,735,988).

Bellingham Community Project Management Company Limited, a wholly owned subsidiary of the Project, showed a net loss of £288 (2009: loss £729).

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. The Resource for London is open to all charitable organisations in London and the Bellingham Community Project is for

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the benefit of the people of Bellingham and its surrounding community, irrespective of wealth.

5 The London Trust (formerly Trust for London)

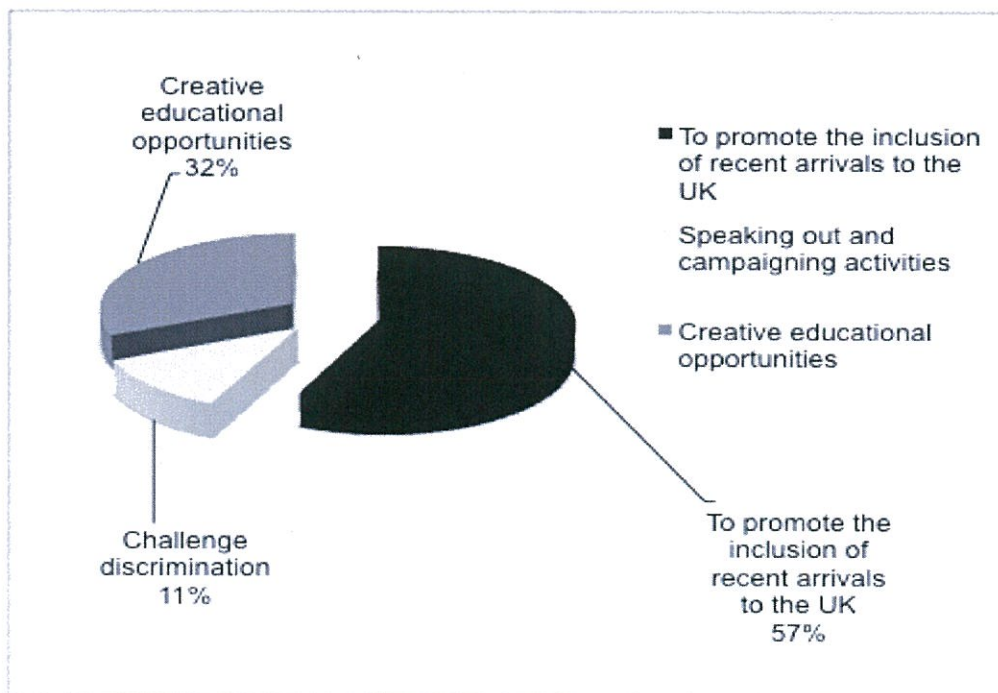
The London Trust (formerly Trust for London) is a sister charity of Trust for London but whose accounts are not consolidated with it. It was formed in 1986. It had an expendable endowment fund at 31 December 2009 of £17.3 million.

At 1 January 2010, all the assets and liabilities of the former Trust for London were transferred to City Parochial Foundation. The former Trust for London continued its separate grant making programme through City Parochial Foundation 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. The statutory accounts are available from our offices.

This has been the fourth year of the grants policy introduced by the former Trust For London 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 objective of The London Trust has remained to benefit local communities in London by supporting small new or emerging organisations during the six months the Trust continued to operate independently. In 2010, 63% of applications funded were new to the Trust (2009: 50%).

The Trust under its open programme made 27 grants (2009: 39 grants) totalling £493,528 (2009: £702,400) during its six months of independent operation.

An analysis of how grants were allocated to different priority areas is shown below:



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Grants analysis and policies

A separate publication 'Annual Review 2010' gives further details of the grants made from the Trust. These are available from our offices.

A reconciliation of grants shown in the Annual Review is given below:

	2010 £ Half-year
Grants	493,528
Grants written back	(26,000)
Net Trust grants	<u>467,528</u>

6 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. A small proportion of the grant budget is permitted to be carried over the year end, if unspent at the year end.

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. 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.

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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.

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.

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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.

10 Trustee matters

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 Peter Brooks and Sue Logan joined and Nigel Pantling, the former chair, 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 1 July 2011

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Independent auditor's report 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 2010 which comprise the group statement of financial activities, the group and charity balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 Auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 14 the Trustee is responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor 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, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2010 and of the group's and charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 1993.

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; 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.

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:

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Year ended 31 December 2010

Combined Statement of Financial Activities

	Note	Restricted Funds 2010 £	Unrestricted Funds 2010	Endowment Funds 2010 £	Total 2010 £	Total 2009 £
Income and Expenditure						
<i>Incoming resources from generated funds</i>						
<i>Voluntary income</i>						
Donations		-	-	-	-	5,164
Grants receivable	2	-	-	-	-	200,000
<i>Activities for generating funds</i>						
Grant consultancy		-	9,996	-	9,996	-
Gross income of trading subsidiary	6	4	-	-	4	21
<i>Investment income</i>						
Dividends and interest receivable	3	-	450,075	2,831,088	3,281,163	3,121,791
Income from investment properties		-	-	3,459,182	3,459,182	4,291,108
Income from investment indirect property		-	67,182	566,628	633,810	606,006
Income to cover rechargeable expenses		-	-	231,673	231,673	239,981
Less: Rechargeable expenses		-	-	(231,673)	(231,673)	(239,981)
<i>Incoming resources from charitable activities</i>						
Resource for London income	4	720,648	-	-	720,648	971,657
Bellingham Community Project income	5	194,710	-	-	194,710	157,172
Total incoming resources		915,362	527,253	6,856,898	8,299,513	9,352,919
Resources expended						
<i>Costs of generating funds</i>						
Fund raising trading						
- Costs of trading subsidiary	6	(292)	-	-	(292)	(750)
Income generation costs	7	-	(20,835)	(841,594)	(862,429)	(876,054)
<i>Charitable activities</i>						
Grants payable	8	-	(11,353,218)	-	(11,353,218)	(11,072,643)
Resource for London operations	4	(781,996)	-	-	(781,996)	(843,317)
Bellingham Community Project operations	5	(284,170)	-	-	(284,170)	(335,909)
<i>Governance costs</i>						
	9	-	(159,068)	-	(159,068)	(117,149)
Total resources expended	10	(1,066,458)	(11,533,121)	(841,594)	(13,441,173)	(13,245,822)
Net (outgoing)/incoming resources before transfers		(151,096)	(11,005,868)	6,015,304	(5,141,660)	(3,892,903)
Gross transfers between funds	19	(166,389)	918,420	(752,031)	-	-
Total return transfers between funds	20	-	10,215,448	(10,215,448)	-	-
Net (outgoing)/incoming resources before other recognised gains/(losses)		(317,485)	128,000	(4,952,175)	(5,141,660)	(3,892,903)
Other recognised gains/(losses)						
Net revaluation gains/(losses) on fixed assets for own use	13	-	-	106,260	106,260	281,082
Currency (losses)/gains on listed investments		-	-	(4,487)	(4,487)	(8,617)
Net gains/(losses) on listed investments and cash and near cash instruments	14	-	-	14,588,594	14,588,594	17,929,041
Net losses on investment indirect property	14	-	-	643,776	643,776	(646,225)
Net gains/(losses) on investment properties	14	-	-	12,511,673	12,511,673	1,527,956
Total of other recognised gains/(losses)		-	-	27,845,816	27,845,816	19,083,237
Net movement in funds		(317,485)	128,000	22,893,641	22,704,156	15,190,334
Fund balances brought forward at 1 January		4,120,400	267,000	186,287,652	190,675,052	175,484,718
Fund balances transferred in at 1 January from The London Trust	12	-	-	17,312,267	17,312,267	-
Fund balances carried forward at 31 December		3,802,915	395,000	226,493,560	230,691,475	190,675,052

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 accounts have been prepared under acquisition accounting principles and the comparatives have not been restated. The notes on pages 21 to 31 form part of these accounts.

Annual Report and
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Year ended 31 December 2010

Balance Sheets

	Note	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Fixed assets					
Tangible fixed assets	13	7,385,536	7,447,929	3,878,328	3,774,589
Investments	14	228,634,911	187,808,699	228,634,911	187,808,699
		<u>236,020,447</u>	<u>195,256,628</u>	<u>232,513,239</u>	<u>191,583,288</u>
Current assets					
Debtors	15	1,377,099	2,214,251	1,209,508	2,051,507
Cash and short term deposits		356,361	290,759	-	-
Cash at bank and in hand		6,421,742	5,710,760	6,399,157	5,405,458
		<u>8,155,202</u>	<u>8,215,770</u>	<u>7,608,665</u>	<u>7,456,965</u>
Liabilities					
Creditors: amounts falling due within one year	16	(12,064,959)	(10,438,408)	(11,814,129)	(10,126,663)
Net current (liabilities)/assets		<u>(3,909,757)</u>	<u>(2,222,638)</u>	<u>(4,205,464)</u>	<u>(2,669,698)</u>
Total assets less current liabilities		232,110,690	193,033,990	228,307,775	188,913,590
Creditors: amounts falling due after more than one year	17	(1,419,215)	(2,358,938)	(1,419,215)	(2,358,938)
Net assets	23	<u>230,691,475</u>	<u>190,675,052</u>	<u>226,888,560</u>	<u>186,554,652</u>
The funds of the charity					
Permanent Endowment fund	23	207,406,602	186,287,652	207,406,602	186,287,652
Expendable Endowment fund	23	19,086,958	-	19,086,958	-
Restricted income fund	21	332,140	526,517	-	-
Restricted capital fund	21	3,470,775	3,593,883	-	-
Unrestricted Central distribution fund	22	395,000	267,000	395,000	267,000
Total charity funds		<u>230,691,475</u>	<u>190,675,052</u>	<u>226,888,560</u>	<u>186,554,652</u>

The accounts were approved by the Board on 1 July 2011 and signed on their behalf by:

Peter Williams
Chair
1 July 2011

The accounts have been prepared under acquisition accounting principles and the comparatives have not been restated. The notes on pages 21 to 31 form part of these accounts.

Year ended 31 December 2010

Consolidated Cash Flow Statement

	Note	2010	2009
		£	£
Net cash outflow from operating activities	A	(4,877,373)	(3,907,313)
Investment and capital expenditure			
Purchase of listed investments		(9,706,795)	(14,371,941)
Sales of listed investments		11,916,987	13,381,895
Net movement in cash and near cash investments		(5,004,026)	2,631,659
Purchase of investment properties		(4,791)	(47,277)
Sales of investment properties		7,695,224	546,700
Purchase of investment indirect property		-	-
Sales of investment indirect property		-	-
Purchase of fixed assets		(20,428)	(10,334)
Net cash inflow from investments and capital expenditure		4,876,171	2,130,702
Acquisitions			
Cash balance transferred in from The London Trust at 1 January	B	777,786	-
Increase/(decrease) in cash		776,584	(1,776,611)
Analysis of change in cash			
Cash balance as at 1 January		6,001,519	7,778,130
Net cash inflow/(outflow)		776,584	(1,776,611)
Cash balance as at 31 December		6,778,103	6,001,519

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		(5,141,660)	(3,892,903)
Depreciation charges		189,081	193,783
(Loss)/gain on currency		(4,487)	(8,617)
(Decrease)/increase in debtors		880,904	(392,392)
Increase in creditors: Amounts falling due within one year		248,737	448,675
(Decrease)/increase in creditors: Amounts falling due after more than 1 year		(1,049,948)	(255,859)
Net cash outflow from operating activities		(4,877,373)	(3,907,313)
B. Acquisition			
Net assets acquired:			
Investments		16,853,472	
Indirect property		1,125,296	
Debtors		43,752	
Cash		777,786	
Creditors: Amounts falling due within one year		(1,377,814)	
Creditors: Amounts falling due after more than 1 year		(110,225)	
		<u>17,312,267</u>	
Cash payment to acquire		-	
Transferred into expendable endowment		<u>17,312,267</u>	

Year ended 31 December 2010

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 2010 the Trust has taken into account all information that could reasonably be expected to be available.

(iii) Basis of consolidation

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

Investment income and income tax recoverable are accrued.

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 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 Trust, are charged to Grants Payable when they are approved by the Trust. When grants are withdrawn or unclaimed they are shown as a deduction from Grants Payable. Grants approved 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.

Resource for London costs relate directly to the operation of the 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.

In some cases expenses are payable jointly by the Trust and its connected charity, The London Trust (formerly 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 2010 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 2009. 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 2010

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 2010 by Cluttons, Chartered Surveyors, in accordance with R.I.C.S guidelines. The previous valuation had been carried out at 31 December 2009.

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 Trust in furtherance of the general objectives of the Trust.

The Permanent 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.

The Expendable Endowment Fund is expendable and therefore available for distribution as grants or loans for charitable purposes at the discretion of the Trustee.

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

(x) Acquisitions

Under the acquisition method of accounting, assets and liabilities acquired are recognised at their fair values as at the date of acquisition. The difference between these and the cost of acquisition of nil has been accounted for as a transfer into expendable endowment funds.

(xi) 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 2010 £	Total 2009 £
Henry Smith Charity grant : Developing Independent Domestic Violence Project Advocacy Services	-	-	200,000
	-	-	200,000

3 Dividends and interest receivable

	Unrestricted funds The London Trust £	Permanent Endowment Funds £	Total 2010 £	Total 2009 £
Income from listed investments	434,825	2,582,026	3,016,851	2,663,416
Income from cash held as part of investment portfolio	15,037	74,261	89,298	44,413
Bank and other interest receivable	213	174,801	175,014	413,962
	450,075	2,831,088	3,281,163	3,121,791

Year ended 31 December 2010

Notes to the Financial Statements (continued)

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

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. Resource for London is treated as a branch of the charity and accordingly its accounts are consolidated into the accounts of the Trust. Rent of £206,389 (2009: £206,147) was paid by the Resource for London to the Trust.

	Restricted funds 2010 £	Restricted funds 2010 £	Restricted funds 2009 £	Restricted funds 2009 £
Incoming resources from generated funds				
Investment income		146		589
Incoming resources from charitable activities		720,502		971,068
Total incoming resources		720,648		971,657
<i>Resources expended</i>				
Charitable activities	(765,974)		(828,351)	
Governance costs	(16,022)	(781,996)	(14,966)	(843,317)
Net outgoing/(incoming) resources		(61,348)		128,340

5 Net expenditure of operational subsidiary Bellingham Community Project

a) 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 offices in Randlesdown Road, Bellingham. Grants totalling £40,000 (2009: £40,000) were made by the Trust towards running costs. It runs a leisure and lifestyle centre for the benefit of the local community and provides support for local community projects.

	Restricted funds 2010 £	Restricted funds 2010 £	Restricted funds 2009 £	Restricted funds 2009 £
Incoming resources from generated funds				
Voluntary income		149,312		94,932
Investment income		219		168
Incoming resources from charitable activities		45,179		62,072
Total incoming resources		194,710		157,172
<i>Resources expended</i>				
Cost of generating funds	(25,350)		(14,387)	
Charitable activities	(255,136)		(318,091)	
Governance costs	(3,684)	(284,170)	(3,431)	(335,909)
Net outgoing resources		(89,460)		(178,737)

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 2010 £	Restricted funds 2010 £	Restricted funds 2009 £	Restricted funds 2009 £
Gross income of trading subsidiary		-		-
Interest receivable		4		21
Total incoming resources		4		21
<i>Resources expended</i>				
Cost of sales	-		(142)	
Administrative expenses	(292)	(292)	(608)	(750)
Loss for the year		(288)		(729)

Year ended 31 December 2010

Notes to the Financial Statements (continued)

7 Costs of generating funds

Permanent endowment:	Permanent Endowment £	Total 2010 £	Total 2009 £
Investment management fees	367,870	367,870	318,303
Property management fees	183,844	183,844	336,784
Depreciation	4,047	4,047	4,514
Staff costs (net)	165,991	165,991	156,984
Other costs of generating income	67,669	67,669	59,469
Income generation costs	789,421	789,421	876,054
Charged against permanent endowment funds (see note 19):			
Investment management fees	(355,881)	(355,881)	(306,314)
Asset allocation advice	(11,989)	(11,989)	(11,989)
Property management fees	(51,591)	(51,591)	(41,385)
	(419,461)	(419,461)	(359,688)
Net cost charged to unrestricted funds	369,960	369,960	516,366

Expendable endowment:	Expendable Endowment £	Total 2010 £	Total 2009 £
Investment management fees	52,173	52,173	-
Property management fees	-	-	-
Depreciation	383	383	-
Staff costs (net)	15,698	15,698	-
Other costs of generating income	4,754	4,754	-
Income generation costs	73,008	73,008	-
Charged against expendable endowment funds :			
Investment management fees	(52,173)	(52,173)	-
Net cost charged to unrestricted funds	20,835	20,835	-

8 Grants payable

	Unrestricted Central fund 2010 £	Unrestricted City Church fund 2010 £	Unrestricted The London Trust 2010 £	Total funds 2010 £	Unrestricted funds 2009 £
Central Fund grants authorised	6,087,772	-	-	6,087,772	6,374,707
Central Fund consultancies authorised	-	-	-	-	8,360
Central Fund grants written back	(360,133)	-	-	(360,133)	(314,870)
Net Central Fund grants and consultancies made	5,727,639	-	-	5,727,639	6,068,197
The London Trust grants authorised (see note 25)	-	-	493,528	493,528	-
The London Trust grants written back (see note 25)	-	-	(26,000)	(26,000)	-
Church Commissioners and Dioceses	-	2,799,029	-	2,799,029	2,836,637
City Churches Grants Committee	-	1,368,375	-	1,368,375	1,387,179
Schedule VII payments to City Churches	-	31,140	-	31,140	31,140
Grants made	5,727,639	4,198,544	467,528	10,393,711	10,323,153
Grant making support costs					
Staff costs (net)	533,992	91,513	36,763	662,268	519,423
Consultants (Central fund only)	20,164	-	-	20,164	10,000
Depreciation	13,472	2,520	1,324	17,316	16,057
Other support costs	209,839	31,162	18,758	259,759	204,010
	6,505,106	4,323,739	524,373	11,353,218	11,072,643

Further details and analysis of grants made and consultancies undertaken is available in the Trustee's report and, for the Central Fund and The London Trust, the Annual Review 2010 and the Grants List 2010. The last two reports are available from our offices and on the website.

9 Governance costs

	Unrestricted Funds £	Unrestricted The London Trust £	Total 2010 £	Total 2009 £
Staff costs (net)	45,085	2,902	47,987	38,984
Legal and professional fees	29,564	2,424	31,988	23,015
Auditors' remuneration - audit fees	40,418	7,844	48,262	38,462
Trustee's expenses	28,632	2,199	30,831	16,688
	143,699	15,369	159,068	117,149

Year ended 31 December 2010

Notes to the Financial Statements (continued)

10 Total resources expended in 2010

	Operational charitable activities	Grant making	Costs of generating funds	Governance	Total allocated
Grants for the relief of poverty	-	5,727,639	-	-	5,727,639
Grant research consultancy - relief of poverty	-	-	-	-	-
The London Trust grants	-	467,528	-	-	467,528
Grants for the furtherance of religion	-	4,198,544	-	-	4,198,544
Resource for London and Playing Field operations	609,630	-	-	-	609,630
Trustee's expenses	-	-	-	30,831	30,831
Staff costs	289,493	662,268	181,689	47,987	1,181,437
Legal and professional fees	-	-	-	31,988	31,988
Audit fees	-	-	-	48,262	48,262
Grant support consultancy	-	20,164	-	-	20,164
Investment management fees	-	-	420,043	-	420,043
Property management fees	-	-	183,844	-	183,844
Depreciation	167,335	17,316	4,430	-	189,081
Other costs	-	259,759	72,423	-	332,182
Totals for 2010	1,066,458	11,353,218	862,429	159,068	13,441,173

Totals for 2009	1,179,976	11,072,643	876,054	117,149	13,245,822
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Where costs are allocated the basis of apportionment is staff time spent on each activity.

11 Staff costs

	2010 £	2009 £
Wages and salaries	1,011,315	928,136
Social security costs	109,423	102,468
Pension costs	105,988	97,977
	1,226,726	1,128,581
Less: Costs borne by The London Trust (formerly Trust for London) in 2009	-	(88,419)
Less: Recharged via service charges	(45,288)	(37,158)
Total costs charged	1,181,438	1,003,004

No Board member received remuneration during the year (2009: nil). Out of pocket expenses were reimbursed to Board members as follows:

	2010 No.	2009 No.	2010 £	2009 £
Travel	1	3	227	104
Training/seminars/induction	-	1	1,075	260
	1	4	1,302	364

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

	2010 No.	2009 No.
Grant-making	10	10
Resource for London	6	5
Playing Fields	2	2
Administration	6	6
	24	23

On average the equivalent of one and a half staff members' time was allocated to The London Trust (formerly Trust for London) in 2009.

	2010 No.	2009 No.
Number of employees who earned between:		
£60,001 and £70,000:	3	1
£90,001 and £100,000:	1	1

Contributions of £35,797 (2009: £21,394) were made in the year by the Trust to these individuals' personal pension within the group scheme.

Year ended 31 December 2010

Notes to the Financial Statements (continued)

12 Fund balances transferred in at 1 January 2010 from The London Trust, a connected charity

	Investments £	Indirect Property £	Net Current Liabilities £	Long term Liabilities £	Total £
Endowment funds	16,853,472	1,125,296	(556,276)	(110,225)	17,312,267

On 1 January 2010 all the assets and liabilities of the former Trust for London totalling £17,312,267 as itemised above were transferred to the former City Parochial Foundation. This transfer was accounted for under acquisition accounting principles because the criteria for merger accounting were not met and the assets and liabilities were transferred in from outside of the Group. The investment assets had been revalued at 31 December 2009 and therefore were transferred at fair value which is the same as book value at 1 January 2010. No provisions for re-organisation or restructuring were included in the liabilities transferred.

See also note 25.

13 Fixed assets

Group	IT equipment £	Furniture, fittings and equipment £	Freehold land and buildings £	Total £
Cost or valuation				
Brought forward at 1 January	134,515	1,850,143	7,637,170	9,621,828
Additions in the year	19,224	1,204	-	20,428
Disposals/transfers in the year	(43,624)	(20,659)	-	(64,283)
Revaluation of properties	-	-	106,260	106,260
Carried forward at 31 December	110,115	1,830,688	7,743,430	9,684,233
Depreciation				
Brought forward at 1 January	116,098	1,581,155	476,646	2,173,899
Charge for year	17,528	92,112	79,441	189,081
Disposals/transfers in the year	(43,624)	(20,659)	-	(64,283)
Carried forward at 31 December	90,002	1,652,608	556,087	2,298,697
Net book value at 31 December 2010	20,113	178,080	7,187,343	7,385,536
Net book value at 31 December 2009	18,417	268,988	7,160,524	7,447,929
Trust				
Cost or valuation				
Brought forward at 1 January	103,229	166,205	3,744,891	4,014,325
Additions in the year	19,224	-	-	19,224
Disposals/transfers in the year	(43,624)	(20,659)	-	(64,283)
Revaluation of properties	-	-	106,260	106,260
Carried forward at 31 December	78,829	145,546	3,851,151	4,075,526
Depreciation				
Brought forward at 1 January	85,832	153,904	-	239,736
Charge for year	17,187	4,558	-	21,745
Disposals/transfers in the year	(43,624)	(20,659)	-	(64,283)
Carried forward at 31 December	59,395	137,803	-	197,198
Net book value at 31 December 2010	19,434	7,743	3,851,151	3,878,328
Net book value at 31 December 2009	17,397	12,301	3,744,891	3,774,589

*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 the value of 6 Middle Street, London, EC1 which the Trust occupies as offices, a proportion of 350-356 Holloway Road, London, N7 which is occupied by the Resource for London and the Bellingham Leisure & Lifestyle Centre managed by Bellingham Community Project Ltd. All fixed assets are held for charitable purposes.

Year ended 31 December 2010

Notes to the Financial Statement (<i>continued</i>)	2010 £	2009 £
14 Fixed asset investments		
Group and Trust		
Investment properties		
Market value at 1 January	64,793,109	63,764,576
Additions to investment properties	4,791	47,277
Disposals of investment properties	(7,695,224)	(546,700)
Unrealised gains/(losses) on revaluation of investment properties	9,046,449	981,256
Realised gains on investment properties	3,465,224	546,700
Market value at 31 December	69,614,349	64,793,109
Investment indirect property		
Market value at 1 January	9,895,982	10,542,207
Transfers in/additions to investment indirect property (note 12)	1,125,296	-
Disposals of investment indirect property	-	-
Unrealised losses on revaluation of investment indirect property	643,776	(646,225)
Realised gains on of investment indirect property	-	-
Market value at 31 December	11,665,054	9,895,982
Listed investments		
Market value at 1 January	99,745,014	80,930,690
Transfers in/additions to listed investments (note 12)	26,560,267	14,371,941
Disposals of listed investments	(11,916,987)	(13,381,895)
Realised and unrealised gains/(losses) on listed investments	14,583,703	17,824,278
Market value at 31 December	128,971,997	99,745,014
Sterling fixed interest	5,468,542	6,230,130
UK Equities and convertibles	59,446,962	45,968,097
Overseas investments	64,056,493	47,546,787
	128,971,997	99,745,014
Cash and near cash investments		
Market value at 1 January	13,374,594	15,901,490
Additions	8,660,000	-
Disposals	(3,655,974)	(2,631,659)
Realised and unrealised gains on cash and near investments	4,891	104,763
Market value at 31 December	18,383,511	13,374,594
Total market value at 31 December	228,634,911	187,808,699
*Total historical cost at 31 December	121,586,449	106,397,559

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

15 Debtors	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Resource for London operational debtors	142,418	130,943	-	-
Rent and insurance due from tenants	331,436	298,936	331,436	298,936
Amount due from connected charities	-	361,134	-	367,078
Rent deposits (note 16a)	389,892	307,059	389,892	307,059
Loans outstanding	10,000	-	10,000	-
Other debtors	41,206	38,649	41,206	26,989
Prepayments and accrued income	462,147	1,077,530	436,974	1,051,445
	1,377,099	2,214,251	1,209,508	2,051,507

Year ended 31 December 2010

Notes to the Financial Statements (continued)

16 Creditors: Amounts falling due within one year

	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Grants payable for the relief of poverty	9,501,694	7,909,501	9,501,694	7,909,501
Grants payable for the furtherance of religion	1,053,857	962,261	1,053,857	962,261
Resource for London operational creditors	35,190	39,021	-	-
Rents received in advance	373,720	518,916	373,720	518,916
Rent deposits (note 16a)	389,892	307,059	389,892	307,059
Other creditors	244,050	208,930	209,644	176,519
Accruals and deferred income	466,556	492,720	285,322	252,407
	12,064,959	10,438,408	11,814,129	10,126,663

**16a Rent deposits
Group and Trust**

Interest bearing rent deposit accounts are held by the Trust'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 Trust in debtors and returnable to the tenants in creditors.

	2010 £	2009 £
	389,892	307,059

**17 Creditors: Amounts falling due after more than one year
Group and Trust**

	2010 £	2009 £
Grants payable for the relief of poverty	1,419,215	2,358,938

18 Pension Scheme

On 30 June 1997 the Trust 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 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 2010 the Trust made contributions of £81,480 (2009 : £76,337) 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 2010 at the Resource for London were £18,472 (2009 : £16,235) and at the Project were £6,036 (2009 : £5,405).

All schemes comply with stakeholder requirements.

Year ended 31 December 2010

Notes to the Financial Statements (continued)

19 Transfers between funds

The grant, rent and interest transactions between the Trust 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 permanent endowment are charged against the endowment by way of a transfer between funds. The expendable endowment fund spent in the year to supplement the income derived from it is shown by way of transfer between funds.

	Unrestricted fund £	Restricted funds £	Endowment funds £
Subsidiary charity adjustments (see notes 4 & 5)	166,389	(166,389)	-
Investment management costs charged against permanent endowment (see note 7)	419,461	-	(419,461)
Expendable endowment fund spent in the year	332,570	-	(332,570)
	918,420	(166,389)	(752,031)

20 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 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 Trust 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 Trust'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 £	Permanent Endowment fund £
Investment income receivable	6,067,477	-	(6,067,477)
Transfer from unapplied return	4,147,971	-	(4,147,971)
	10,215,448	-	(10,215,448)

A summary of the Trust'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	-	95,579,671	95,579,671
Capital gains in the period	-	86,285,722	86,285,722
Value at 1 January 2010	4,422,259	181,865,393	186,287,652

Aggregate value of the assets for the year ended 31 December 2010

Brought forward at 1 January 2010	4,422,259	181,865,393	186,287,652
RPI uplift	-	4,770,734	4,770,734
Capital gains	-	20,496,187	20,496,187
Investment income receivable	-	6,067,477	6,067,477
Transfers to trust for application	-	(10,215,448)	(10,215,448)
Carried forward at 31 December 2010	4,422,259	202,984,343	207,406,602

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 2010

Notes to the Financial Statements (continued)

21 Restricted funds

	Balance at 31 December 2009 £	Incoming Resources £	Expenditure and transfers £	Balance at 31 December 2010 £
Income fund				
Resource for London	381,000	720,648	(988,385)	113,263
Bellingham Community Project Limited	145,517	234,714	(161,354)	218,877
	526,517	955,362	(1,149,739)	332,140
Capital fund				
Bellingham Community Project Limited	3,593,883	-	(123,108)	3,470,775
	4,120,400	955,362	(1,272,847)	3,802,915

22 Unrestricted funds

	Balance at 31 December 2009 £	Transfer from unapplied return £	Net outgoing resources £	Revaluations and transfers £	Balance at 31 December 2010 £
Investment Pool Fund	-	6,067,477	-	(6,067,477)	-
The London Trust	-	-	(539,742)	539,742	-
Central Fund	267,000	-	(6,196,079)	6,324,079	395,000
City Church Fund	-	-	(4,362,220)	4,362,220	-
	267,000	6,067,477	(11,098,041)	5,158,564	395,000

**23 Analysis of net assets between funds
Group and Trust**

	Tangible fixed assets £	Investments £	Net current (liabilities)/assets £	Long term liabilities £	Total £
Endowment fund					
Permanent endowment fund	3,878,328	208,726,655	(5,198,381)	-	207,406,602
Central expendable endowment fund	-	19,908,256	597,917	(1,419,215)	19,086,958
Unrestricted funds					
Central distribution fund	-	-	395,000	-	395,000
Trust net assets/(liabilities)	3,878,328	228,634,911	(4,205,464)	(1,419,215)	226,888,560
Capital restricted fund					
Bellingham Community Project Limited	3,470,775	-	-	-	3,470,775
Restricted income funds					
Bellingham Community Project Limited	1,040	-	217,837	-	218,877
Resource for London	35,393	-	77,870	-	113,263
Group net assets/(liabilities)	7,385,536	228,634,911	(3,909,757)	(1,419,215)	230,691,475

Year ended 31 December 2010

Notes to the Financial Statements (continued)

24 Combined Fund entitlement

The entitlement of the two participating funds in the Pool at 1 January 2010 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 2009 and is 59.8% Central Fund and 40.2% City Church Fund.

25 Connected charities

During 2010 Trust for London was a fellow trust of The London Trust (formerly Trust for London), a charity with which it shared offices and administration facilities, which was also administered by Trust for London Trustee and which has produced separate accounts.

The London Trust 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, The London Trust's (formerly Trust for London) activities have amalgamated with those of Trust for London (formerly 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.

26 Subsidiary Undertakings

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

Resource for London is a subsidiary of the Trust 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 Trust and is treated as a branch for accounting purposes. A description of the relationship is given in note 5.

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. 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 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 2010.

27 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 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.

	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
STATEMENTS OF FINANCIAL ACTIVITIES					
Incoming resources					
from charitable activities*	915	1,129	1,355	1,388	1,238
from generated funds	7,384	8,224	7,776	8,277	8,897
Total incoming resources	8,299	9,353	9,131	9,665	10,135
Resources expended					
<i>Costs of generating funds</i>					
Investment management costs	(863)	(877)	(821)	(1,010)	(831)
<i>Charitable activities*</i>	(12,419)	(12,252)	(12,806)	(11,824)	(11,565)
Governance costs	(159)	(117)	(108)	(86)	(82)
Total resources expended	(13,441)	(13,246)	(13,735)	(12,920)	(12,478)
Net outgoing resources	(5,142)	(3,893)	(4,604)	(3,255)	(2,343)
Other recognised gains and losses					
Gains on investment assets and assets for own use	27,846	19,083	(51,327)	15,530	27,041
Net movement in funds	22,704	15,190	(55,931)	12,275	24,698
Fund balances brought forward	190,675	175,485	231,416	219,141	194,443
Fund balances transferred in	17,312	-	-	-	-
Fund balances carried forward	230,691	190,675	175,485	231,416	219,141

BALANCE SHEETS AS AT 31 DECEMBER**Fixed assets**

Tangible fixed assets	7,385	7,448	7,350	8,302	8,678
Investments	228,635	187,808	171,139	224,514	214,069

Current assets

Debtors and stock	1,377	2,215	1,821	2,812	3,374
Cash deposits	356	290	363	336	501
Cash at bank and in hand	6,422	5,711	7,416	7,348	3,748
	8,155	8,216	9,600	10,496	7,623

Current creditors	(12,065)	(10,438)	(9,989)	(9,734)	(9,491)
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Net current (liabilities)/assets	(3,910)	(2,222)	(389)	762	(1,868)
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Creditors: amounts falling due after more than one year	(1,419)	(2,359)	(2,615)	(2,162)	(1,738)
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Net assets	230,691	190,675	175,485	231,416	219,141
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Capital funds

Permanent endowment funds	207,407	186,288	170,831	226,869	214,190
Expendable endowment funds	19,087	-	-	-	-
Restricted funds	3,802	4,120	4,338	4,547	4,951
Unrestricted funds	395	267	316	-	-
	230,691	190,675	175,485	231,416	219,141

* Resource Centre and Bellingham income and costs are all under these headings

This page does not form part of the audited accounts

Budgeted drawdown from capital	4,454	3,654	4,477	3,164	2,882
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**Annual Report and
Consolidated Financial Statements 2010
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 organisations 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.

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.

**Annual Report and
Consolidated Financial Statements 2010
of Trust for London Trustee (formerly City Parochial Foundation Trustee)**

Trustees

The Trustee of Trust for London is the Trust for London Trustee (formerly City Parochial Foundation Trustee) whose board members and nominating bodies, where applicable from 2 July 2010 to 1 July 2011, are listed below:

Nominating Body	Trustee	Committees
<i>Trust for London (formerly City Parochial Foundation)</i>	Miles Barber	A,F,G,M
	Luis Correia da Silva	A,G,I
	Tzeggai Yohannes Deres	G,M
	Naomi Eisenstadt	G,I
	Jeff Hayes	A,F,G,I,M
	Robert Laurence	A,G,E,I
	Sue Logan (<i>appointed 9/12/10</i>)	F,G
	Lorraine Martins	G,N
	Elahe Panahi	A,G
	Nigel Pantling (<i>Chair until 2/7/10</i>) (<i>Retired 2/7/10</i>)	
	Ingrid Posen	F,G,M
	Wilf Weeks	A,E,G,N
Peter Williams (<i>Chair from 2/7/10</i>)	A,E,F,G,I,M,N	
<i>City of London</i>	Revd Dr Martin Dudley	A,E,M
	Archie Galloway	E,G
	Sophie Fernandes (<i>appointed 8/4/10</i>)	F,G,I
<i>Church Commissioners</i>	Peter Delaney	A,E,F,G,I,M,N
	Deborah Finkler	F,G,N
<i>London Councils</i>	Peter Brooks (<i>appointed 24/9/10</i>)	G, I
<i>Greater London Authority</i>	Roger Evans	E,G

Key to Committees:

A	Asset Allocation	E	Estate Committee
G	Grants Committees	F	Finance & Resources Committee (formerly Finance, Resources & Investment Committee)
N	Nominations Committee	I	Investment Committee
M	MRI Committee		

Co-opted Members as at 1 July 2011:

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

**Annual Report and
Consolidated Financial Statements 2010
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>	GM Real Estate, 6, 7 & 8 Tokenhouse Yard, London EC2R 7AS Baker (City) LLP, 6 th Floor, 37-39 Lime Street, London, EC3M 7AY
<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