



Trust for London

Tackling poverty and inequality

# Trust for London

## Annual Report and Consolidated Financial Statements for the

### Year ended 31 December 2015

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## Contents

Chair's foreword	
The Trustee's Annual Report	pages 1 - 15
Independent Auditor's Report	pages 16 - 17
Consolidated Statement of Financial Activities	page 18
Balance Sheets	page 19
Consolidated Statement of Cash Flows	page 20
Notes forming part of the accounts	pages 21 - 32
Five Year Summary	page 33
History	pages 34 - 35
Trustees, Officers and Advisers	pages 36 - 37

## Chair's foreword

In 2015 we supported groups trying to address London's housing problems, those campaigning to improve air quality, and launched initiatives to combat low pay.

In total, we invested £7.3 million in 130 grants to help tackle London's social issues. We made these grants and directed our funding based on robust evidence. Some of this evidence comes from the on-the-ground expertise of the groups we fund. The rest comes in the form of research we commission, such as our flagship London's Poverty Profile report which was updated in 2015. We are able to fund this work because of our endowment funds. As of the end of December 2015, the total value of our funds had risen to £297 million from £292 million in 2014. The positive returns come from a combination of both income and capital and allowed the Trust to distribute the grants noted above.

The year also brought important political changes, with the announcement of the National Living Wage and a decision to rethink cuts to tax credits, which were initially proposed to go along with its introduction.

There were internal changes too, and we were sad to see valuable trustees retire but also grateful for the contributions they made. We were also fortunate enough to welcome some excellent new trustees and staff.

That was then. However, as this report is being published in July 2016, you will be reading it as we are half way into our 125th year of existence. 125 years of working for, and with, Londoners. For over a century we've worked with a huge number of civil society groups to do things such as: set up the first ever Citizens Advice Bureau; set up the first ever London law centre; support the pioneering work of William Beveridge, who went on to found the welfare state; and help fund the extension of Hampstead Heath, as part of our programme to protect the 'lungs of the city'.

We, and London, are much changed since 1891. And the EU Referendum result will bring changes. However, throughout our 125 years, we have sought to hold true to our values: pioneering new approaches, enabling and empowering communities, listening and learning from those we fund, and working in partnership with others.

July 2016 also means that we have a new Mayor and a newly elected London Assembly. They are important partners, and we look forward to working with them, as we did with the previous administration.

In the coming year, we hope to inform the debate on how we can make London an even better city. We will seek to fund work that directly helps to solve some of its most pressing problems.

Jeff Hayes, Chair of Trustees

July 2016

## The Trustee's Annual Report

### 1. Overview

The overall objectives of the Trust are to tackle poverty in London through the Central Fund and to support the Church of England within London through the City Church Fund. This was the third year of the Central Fund's 2013-2017 quinquennial funding programme. The number, size and destination of the grants awarded reflect that policy.

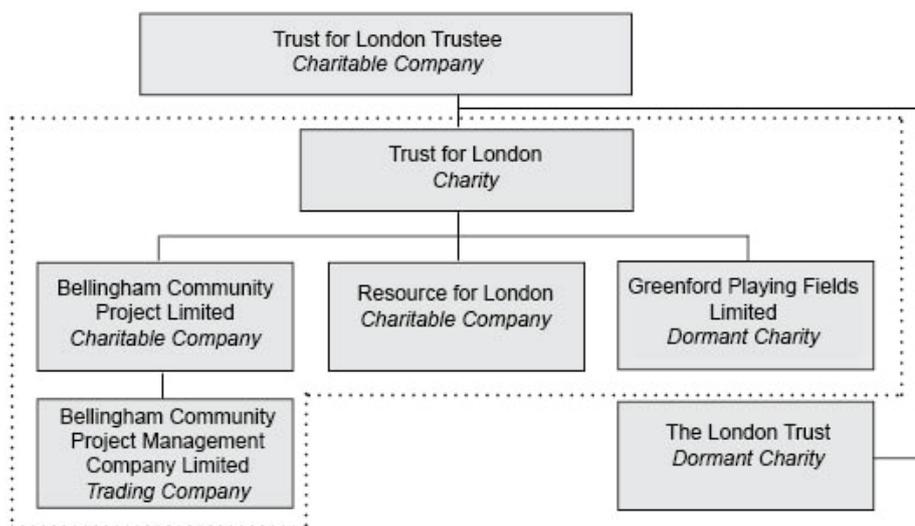
The financial position of the Trust was such that the endowment funds at the year end stood at £295 million, an increase of £6 million over the value at the end of 2014 having continued to rise on the back of the London property market.

The history of the Trust is given at pages 34 and 35 of this report.

### 2. Structure, governance and management

#### 2.1 Structure

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



These consolidated accounts incorporate the entities shown within the dotted lines.

#### 2.2 Trust for London funds

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

### 2.3 Trustee

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

All the trustees are appointed on a five-year term. The administrative details regarding the Trustees are provided at page 36 of this report.

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

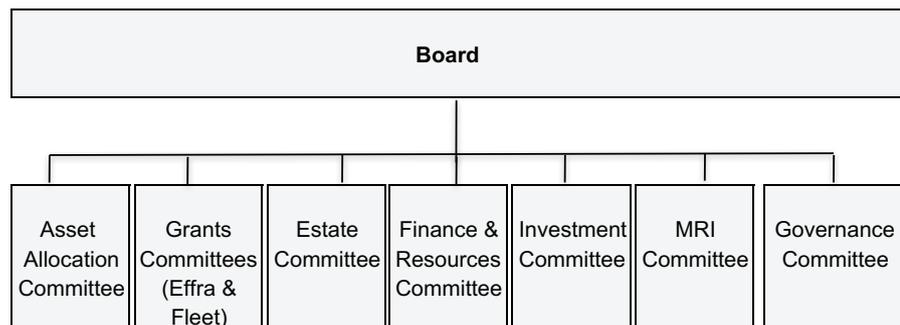
### 2.4 Key management personnel remuneration

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

All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 10 and 24 to the accounts. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises in accordance with policy.

### 2.5 Governance

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



The small staff team, currently 20, led by the Chief Executive works for the Trust providing appropriate input into the policy debates, and the means of implementing all the decisions taken. In addition another three are employed by the Bellingham Community Project.

The advisers to the Trust, namely the Solicitors, the Property Investment Advisers, the Property Valuers, the Property Managing Agents, the Investment Managers and the Auditors, have an important role in raising issues and in some cases working with the staff on preliminary policy papers. The administrative details of the Trust's advisers and key management personnel are provided on page 37 of this report.

## **2.6 Risk management**

The Trust has a formal risk management process to assess business risks and implement risk management strategies in the context of the Trust's strategic plan for 2013-2017. This involves identifying the types of risks it faces, categorising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

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

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

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

## **3 Objectives and activities for the public benefit**

### **3.1 Core objects**

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

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

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

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

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

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

### **3.2 Strategies employed to achieve objectives**

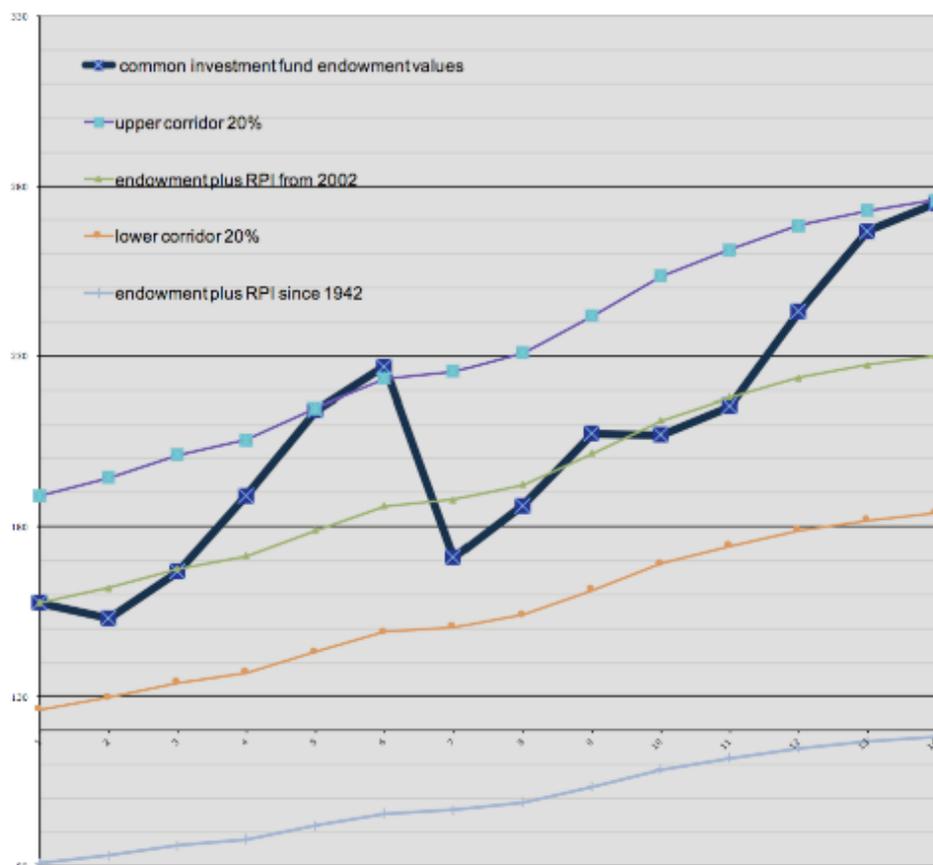
The three key strategies employed to achieve these objectives are: -

#### **i) Investment strategy**

##### **Use of permanent endowment**

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

Trust for London - Common investment Fund Endowment value 2002 to 2015 compared to inflation corridors



### Use of expendable endowment

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

To enable the Trust to provide a regular and increasing stream of income for the Trust's beneficiaries, the Trust has agreed that in addition to spending the income derived from the expendable endowment, it will also expend a proportion of the endowment fund itself. In 2015 that amounted to £171K.

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

#### ii) Grant making strategy

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

The Trust operates through a significant open programme and through the funding of special initiatives. The open programme is available to any eligible applicant whilst the special initiatives are designed to achieve greater impact on poverty and supporting disadvantaged communities in London through a more focused approach. This latter approach leads to the Trust becoming more 'engaged' as a funder and in 'adding value'. The many and varied ways in which this has been achieved include having a greater potential to influence policy makers, government and other external bodies and a greater capacity to get relevant people around the table – through our capacity to act as an 'honest broker' due to our independence.

The Trust produces an Annual Review to enable it to communicate information about individual grants and also the wider themes that underpin its grant-making to stakeholders and interested parties.

### iii) Resources strategy

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

## 3.3 Activities

The major activities in the year were: -

- a) the management of investment and property portfolios
- b) the making of grants for the relief of poverty
- c) the provision of facilities at Resource for London
- d) the provision of facilities at Bellingham

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

## 4 Financial review and achievements in the year

### i) Income and investment performance

Income from investment properties at £4,047,075 represented 45% of income dipping by 2% from £4,146,113 in 2014.

Dividends, alternative fund income and interest receivable were 26% higher than in 2014 going from £2,732,019 to £3,441,882.

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

Sector	Common Investment Fund Total return 2015 %	Central Fund Total return 2015 %
Direct property portfolio	12.9	-
Global equities portfolios	1.9	2.6
Alternative funds portfolio	(0.5)	(0.5)
Cash and near cash portfolio	0.5	-
<b>Total portfolio</b>	<b>6.1</b>	<b>2.1</b>

### **Property Investments**

The Trust has gained fund value building on the London property market surge with the Common Investment Fund property portfolio showing a total return of 13% in 2015.

The investment property portfolio is shown in the accounts at a fair value (market value) of £106,597,799 (2014: £119,135,749). There were three sizeable disposals giving rise to realised gains of over £3 million. Although the portfolio is smaller it has shown substantial unrealised and realised gains totalling £12 million.

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

GM Real Estate manage the direct property portfolio on a non-discretionary basis and were set targets to improve and add to the portfolio within Central London; to increase the income yield and to de-risk the portfolio allowing other potentially riskier properties to be acquired within the existing risk management profile in terms of the lease maturities, exposure to voids and concentrated exposure to individual tenants. Their performance is included in the table on page 6.

### **Listed Investments**

Market conditions led the value of the actively managed global equities forming part of the Common Investment Fund permanent endowment to end the year at £75.7 million, having had £10.5m of funds added. This compares to £64.4 million at 31 December 2014. The emerging market equities fell by 5% to £20.2 million despite £2m of additional funds being added while the alternative funds portfolio had £5.7m of funds added and ended the year at £37.3 million, down 2%.

The actively managed global equities of the Central Fund expendable endowment ended the year at £12.1 million (2014: £11.3 million). The emerging market equities fell and ended the year at £2.5 million while the alternative funds portfolio ended the year up slightly at £3.1 million.

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

### **Mission related investments**

The Trust has invested £3.6 million to date in mission related investments including £1.9m in the Foundry, a social justice cluster project. The investment in the Praxis 'Language Gym' was written off following the project's closure in July 2015 at a cost of £13k.

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

**ii) Grants and consultancies payable**

Total grants and consultancies payable in the year, including support and governance costs, were £12,849,055 (2014: £13,052,418). Of this amount £8,047,027 (2014: £8,260,539) was payable from the Central Fund and £4,802,028 (2014: £4,791,879) was payable from the City Church Fund as detailed in note 8.

**a) Grants made from the Central Fund**

2015 was the third year of the quinquennial funding programme during which the Trust was distributing grants to tackle poverty and inequality in London with the following priorities: -

- Employment
- Advice
- Social Justice
- Violence
- Small Groups

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

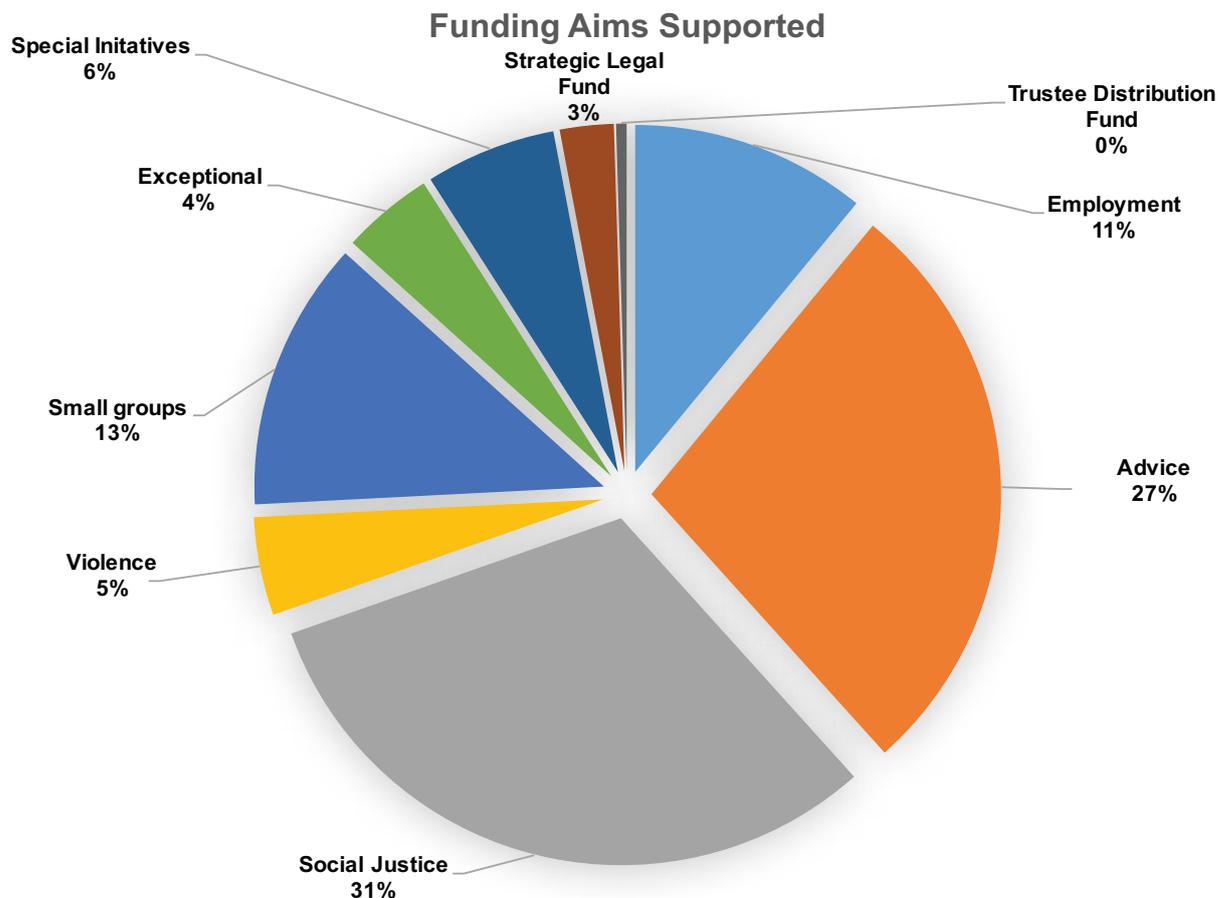
Grants were distributed in support of several initiatives including Step Up, a joint initiative with the Walcot Foundation to help low-paid workers to increase their earnings and progress into better jobs; piloting a hub and spoke model to tackle child sexual exploitation; an internship programme for the Moving On Up Initiative, which is supporting young black men into employment; a campaign to improve air quality in the capital; and the Strategic Legal Fund for young migrants, in addition to the open programme areas listed above. In total 130 grants (2014: 134) were made to charitable organisations working in the field of prevention or relief of poverty in London, in response to our core objectives.

We published a number of reports including the *Minimum Income Standards for London (MIS)*. This research, undertaken by the Centre for Research in Social Policy at Loughborough University, who also produce the UK MIS, explored what households in inner and outer London need for a minimum acceptable standard of living. We also published the third edition of *London's Poverty Profile*, providing updated data by the New Policy Institute on a range of poverty indicators, and a report on the *Prevalence of Female Genital Mutilation in England and Wales*, a study undertaken by City University London and Equality Now.

Our funding plus programme has provided 12 training courses to build skills in monitoring and evaluation, data collection, handling the media, and campaigning, to 146 individuals. We have also co-ordinated the Employment Legal Advice Network and the London Child Poverty Alliance.

A separate publication 'Review 2015' gives information on work that we fund that has come to fruition as well as signposts to what is coming up. <http://www.trustforlondon.org.uk/wp-content/uploads/2016/06/Trust-for-London-Annual-Review-2015.pdf>. The £170,272 that was unspent (2014: £204,350) will be carried forward to 2016 and this is reflected as restricted funds in the balance sheet.

An analysis of grants made from the Central Fund in 2015 other than that to Bellingham Community Project is shown in the chart below:



**Grants analysis and policies**

A separate publication ‘Funding List 2015’ <http://www.trustforlondon.org.uk/funding/other-funding/> gives further details of every grant made from the Central Fund. Our grant policies are detailed in our current ‘Funding guidelines’ publication <http://www.trustforlondon.org.uk/funding/apply-for-grant/funding-guidelines/> It is our view that proper assessment and monitoring of charitable priorities in London cannot be achieved without making visits to all grant applicants. Further details are available from our offices and on the website.

A reconciliation of grants and consultancies shown in the ‘Funding List 2015’ is given below:

	2015 £	2014 £
Grants	7,258,812	7,474,160
Grants written back	(257,909)	(200,510)
Other – Bellingham	(50,000)	(50,000)
Net Central Fund grants (see note 8)	6,950,903	7,223,650

**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 £109,000 towards prior charges made by the Church Commissioners, two thirds of the income is payable to the six Dioceses in the proportions and amounts listed below:

Diocese	%	£	Diocese	%	£
London	44.37	1,323,919	Rochester	6.18	184,400
Chelmsford	15.30	456,523	Southwark	29.05	866,798
Guildford	2.27	67,733	St Albans	2.83	84,442

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 is itself a registered charity and is incorporated as a company limited by guarantee. The objective of Resource for London is to provide office space and meeting rooms to London based charitable organisations at an affordable rent.

Ethical Property Company continues to manage the Centre and works closely with the Board of Resource for London to meet this objective such that the overall performance of the centre has been the best since 2008.

The Centre has seen further improvements in equipment and has also run special initiatives to support organisations in London working with minority communities.

The accounts of Resource for London show net unrestricted income of £136,211 (2014: net income £50,846). It had a total deficit of funds at 31 December 2015 of £146,915 (2014: £256,093). Support is in place to ensure it remains a going concern.

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

**b) Bellingham Community Project**

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

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

The 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. Bellingham Interagency, Bellingham Golden Oldies (BEGO) and the Bellingham Festival.

The accounts of the Project show net expenditure of £83,237 (2014: £27,535) after receipt of £50,000 (2014: £50,000) in grants from the Trust. It had total net assets at 31 December 2015 of £3,253,377 (2014: £3,336,614).

Bellingham Community Project Management Company Limited, a wholly owned subsidiary of the Project, showed a net loss of £216 (2014: profit £2,918).

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

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

**5 The London Trust**

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

**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 Staff remuneration

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

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

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

In addition the Trust publishes on its website key facts about salaries including 'high to low' pay ratios and staff salary bands.

The Trust's Remuneration Committee have governance responsibility for the oversight of the Chief Executive's pay reviews, whilst the Trust's Finance & Resources Committee have oversight of staff pay reviews. All report to the Board of Trustees.

The Remuneration Committee, which meets annually, is comprised of the Chair, Vice-Chair & Vice-Chair of Finance & Resources Committee. Its main responsibilities are to:-

- determine the remuneration package of the Chief Executive
- approve any performance related pay awards as recommended by the Chair

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

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

### **Our remuneration policy**

The Trust's pay and grading policy will:

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

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

We aim to recruit, subject to experience, at a lower point within a band, providing scope for performance to be rewarded. We pay interns the London Living wage.

In 2015-16 the Trust awarded staff a 1% cost of living increase in salary. Four members of staff earn more than £60,000 per annum (being three remunerated between £60,000 and £70,000 and one remunerated between £100,000 and £110,000.) The Chief Executive is the highest paid member of staff. Further information on staffing costs and pensions is presented in the notes to the financial statements.

## **8 Plans for the future**

Trust for London will implement its quinquennial funding priorities for the period 2013 to 2017. These fall into the following programme areas:

- Employment
- Advice
- Social Justice
- Violence
- Small Grants

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

The Trust also undertakes a programme of proactive work on specific issues, often in collaboration with other funders. Our plans for the future include developing special initiatives on mental health and job retention; and tackling violence experienced by young people. Other proactive work will include a greater focus on housing, particularly those living in the private rented sector, and promoting partnerships between specialist legal advisors and frontline organisations working with vulnerable migrants.

The funding strategy over this quinquennial period is to direct more resources towards work which is innovative and challenging, and which has the potential to influence others. We will also continue to provide training and development support to organisations to improve their skills and capacity in evaluation, learning and campaigning.

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

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

## **9 Trustee matters**

The Board saw changes in that Sophie Fernandes appointed by the City of London resigned and Alison Gowman joined to replace her. Roger Evans who was appointed by the GLA also resigned.

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.

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

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

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

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

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

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

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

By order of the Trustee

Jeff Hayes  
1 July 2016

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

We have audited the financial statements of Trust for London for the year ended 31 December 2015 set out on pages 18 to 32.

The financial reporting framework that has been applied in their preparation is applicable law FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustee as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee, 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, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 the Charities Act 2011 and report in accordance with regulations made under section 154 of the 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 Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustee's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2015 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**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 2011 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
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP  
Statutory Auditor  
London

Date: 15 July 2016

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

Year ended 31 December 2015

	Note	Restricted Funds	Restricted Central Fund & Subsidiaries City Church Fund	Endowment Funds	Total	Total
		2015 £	2015 £	2015 £	2015 £	2014 £
<b>Income</b>						
<i>Income and endowments</i>						
<i>Donations</i>						
Donations		-	-	-	-	2,000
Grants receivable	3	-	115,000	-	115,000	600,000
<i>Charitable activities</i>						
Resource for London income		1,213,139	-	-	1,213,139	1,179,617
Bellingham Community Project income		99,100	-	-	99,100	183,553
Training income		-	240	-	240	900
<i>Investment income</i>						
Income from mission related assets		-	107,289	-	107,289	125,492
Dividends, alternative fund income and interest	4	-	497,232	2,944,650	3,441,882	2,732,019
Income from investment properties		-	-	4,047,075	4,047,075	4,146,113
Income from investment indirect property		-	-	-	-	11,657
Income to cover rechargeable expenses		-	19,683	495,616	515,299	494,226
Less: Rechargeable expenses		-	(19,683)	(495,616)	(515,299)	(494,226)
<i>Transfer to income: Total return transfers between funds</i>	5	-	12,461,134	(12,461,134)	-	-
<b>Total income</b>		1,312,239	13,180,895	(5,469,409)	9,023,725	8,981,351
<b>Expenditure</b>						
<i>Raising funds</i>						
- Costs of trading subsidiary		(218)	-	-	(218)	(19,635)
Investment management costs	6	-	(651,784)	(669,495)	(1,321,279)	(1,178,866)
<i>Charitable activities</i>						
Relief of poverty	8	-	(8,047,027)	-	(8,047,027)	(8,260,539)
Furtherance of religion	8	-	(4,802,028)	-	(4,802,028)	(4,791,879)
Impairment of mission related investment	9	-	(13,162)	-	(13,162)	(163,162)
Resource for London operations		(926,124)	-	-	(926,124)	(872,607)
Bellingham Community Project operations		(232,335)	-	-	(232,335)	(238,535)
<b>Total expenditure</b>		(1,158,677)	(13,514,001)	(669,495)	(15,342,173)	(15,525,223)
<b>Net gains/(losses) on investments</b>						
Currency losses on listed investments		-	-	-	-	(141)
Net gains/(losses) on listed investments and cash and near cash instruments	12	-	-	(718,107)	(718,107)	3,300,341
Net gains on investment indirect property	12	-	-	-	-	53,086
Net gains on investment properties	12	-	-	11,741,178	11,741,178	26,942,678
<b>Total of net gains/(losses) on investment</b>		-	-	11,023,071	11,023,071	30,295,964
<b>Net income/(expenditure) before transfers</b>		153,562	(333,106)	4,884,167	4,704,623	23,752,092
<b>Transfers between funds</b>	18	(127,837)	299,028	(171,191)	-	-
<b>Net income/(expenditure) before other recognised gains/(losses)</b>		25,725	(34,078)	4,712,976	4,704,623	23,752,092
<b>Other recognised gains/(losses)</b>						
Net revaluation gains on fixed assets for own use	11	-	-	1,174,611	1,174,611	924,136
<b>Net movement in funds</b>		25,725	(34,078)	5,887,587	5,879,234	24,676,228
Fund balances brought forward at 1 January		3,086,014	204,350	288,712,759	292,003,123	267,326,895
<b>Fund balances carried forward at 31 December</b>		3,111,739	170,272	294,600,346	297,882,357	292,003,123

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 21 to 32 form part of these accounts.

Year ended 31 December 2015

**Balance Sheets**

	Note	Group 2015 £	Group 2014 £	Trust 2015 £	Trust 2014 £
<b>Fixed assets</b>					
Tangible assets	11	10,128,991	8,946,802	7,000,583	5,844,509
Investments	12	295,773,021	289,559,742	296,202,585	289,559,742
		<b>305,902,012</b>	<b>298,506,544</b>	<b>303,203,168</b>	<b>295,404,251</b>
<b>Current assets</b>					
Debtors	13	841,638	872,078	776,254	1,161,161
Short term cash deposits		203,219	202,998	-	-
Cash at bank and in hand		6,306,375	5,568,910	5,963,801	5,232,328
		<b>7,351,232</b>	<b>6,643,986</b>	<b>6,740,055</b>	<b>6,393,489</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(12,485,971)	(11,268,663)	(12,287,689)	(11,001,887)
<b>Net current liabilities</b>		<b>(5,134,739)</b>	<b>(4,624,677)</b>	<b>(5,547,634)</b>	<b>(4,608,398)</b>
<b>Total assets less current liabilities</b>		<b>300,767,273</b>	<b>293,881,867</b>	<b>297,655,534</b>	<b>290,795,853</b>
Creditors: amounts falling due after more than one year	15	(2,884,916)	(1,878,744)	(2,884,916)	(1,878,744)
<b>Total net assets</b>	21	<b>297,882,357</b>	<b>292,003,123</b>	<b>294,770,618</b>	<b>288,917,109</b>
<b>The funds of the group and charity</b>					
Permanent endowment funds	21	271,967,200	266,741,625	271,967,200	266,741,625
Central Fund expendable endowment fund	21	22,633,146	21,971,134	22,633,146	21,971,134
Restricted funds subsidiaries	19	3,111,739	3,086,014	-	-
Central Fund restricted fund	20	170,272	204,350	170,272	204,350
<b>Total group and charity funds</b>		<b>297,882,357</b>	<b>292,003,123</b>	<b>294,770,618</b>	<b>288,917,109</b>

The accounts were approved by the Board on 1 July 2016 and signed on their behalf by:

**Jeff Hayes**  
Chair  
1 July 2016

The notes on pages 21 to 32 form part of these accounts.

Year ended 31 December 2015

**Consolidated Statement of Cash Flows**

	Note	2015	2014
		£	£
<b>Net cash outflow from operating activities</b>	<b>A</b>	(3,868,296)	(5,319,022)
<b>Investment and capital expenditure</b>			
Purchase of listed investments		(26,534,854)	(35,839,167)
Sales of listed investments		10,121,659	12,829,998
Purchase of unlisted investments		(435,795)	(112,822)
Net movement in cash and near cash investments		(99,999)	27,368,998
Net movement in cash held by investment managers		(1,405,201)	(3,599,399)
Purchase of investment properties		(145,342)	(19,692)
Sales of investment properties		24,424,470	3,972,900
Sales of investment indirect property		-	1,562,083
Purchase of mission related investments		(1,187,266)	(313,162)
Sales of mission related investments		58,958	125,000
Purchase of fixed assets		(235,648)	(163,846)
Sales of fixed assets		45,000	-
<b>Net cash inflow from investments and capital expenditure</b>		<b>4,605,982</b>	<b>5,810,891</b>
<b>Increase/(decrease) in cash</b>		<b>737,686</b>	<b>491,869</b>
<b>Analysis of change in cash</b>			
Cash balances as at 1 January		5,771,908	5,280,039
Net cash inflow		737,686	491,869
<b>Cash balances as at 31 December</b>		<b>6,509,594</b>	<b>5,771,908</b>

**Note to the cash flow statement**

	£	£
<b>A. Reconciliation of operating result to net cash outflow from operating activities</b>		
Net expenditure before revaluations and transfers	(6,318,448)	(6,543,872)
Depreciation charges	183,070	169,213
(Loss)/gain on currency	-	(141)
Impairment in mission related investment	13,162	163,162
Decrease/(Increase) in debtors	30,440	466,558
Increase/(decrease) in creditors: Amounts falling due within one year	1,217,308	307,973
increase in creditors: Amounts falling due after more than one year	1,006,172	118,085
<b>Net cash provided by/(used in) operating activities</b>	<b>(3,868,296)</b>	<b>(5,319,022)</b>

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

**Year ended 31 December 2015**

## Notes to the Financial Statements

### 1 Basis of preparation of financial statements and assessment of going concern

Trust for London is a charity registered in England and Wales governed by 31 December 2004 scheme which operates from 6 Middle Street London EC1A 7PH.

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

The accounts have been prepared in accordance with applicable accounting standards, Charities Acts and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In preparing these accounts, the trustee has considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. In its estimation, the impact of transitioning is not material to the financial statements and therefore the restatement of comparative items, apart from the re-allocation of governance costs, is not required. Financial resources are well placed to manage the business risks. Our planning processes have taken into account the current economic climate and its potential impact on sources of income. We believe that there are no material uncertainties that call into doubt the charity's ability to continue and the accounts have therefore been prepared on a going concern basis.

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

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

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

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

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

Valuation of investment properties and valuation of land and buildings - the charity's investment properties and land and buildings other than the Bellingham Leisure & Lifestyle Centre are stated at their estimated fair value based on professional valuations as disclosed in notes 11 and 12.

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

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

### 2 Accounting policies

#### (i) Basis of consolidation

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

#### (ii) Income and expenditure

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

All income is accounted for on an accruals basis.

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

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

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

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

Liabilities are recognised in the Statement of Financial Activities as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

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

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

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

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

**Year ended 31 December 2015**

**Notes to the Financial Statements (continued)**

**2 Accounting policies (continued)**

**(iii) Financial instruments**

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

**(iv) Investments**

Freehold and leasehold investment properties are included in the balance sheet at fair value (market value) at the balance sheet date. The valuation was prepared as at 31 December 2015 by Cluttons, Chartered Surveyors, in accordance with R.I.C.S. guidelines. The previous valuation had been carried out at 31 December 2014. 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.

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

**(v) Tangible fixed assets**

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

Freehold land and buildings other than the Bellingham Leisure & Lifestyle Centre is included in the balance sheet at fair value (market value) at the balance sheet date. The valuation was prepared as at 31 December 2015 by Cluttons, Chartered Surveyors, in accordance with R.I.C.S. guidelines. The previous valuation had been carried out at 31 December 2014.

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

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

**(vi) Short term cash deposits**

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

**(vii) Pensions**

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

**(viii) Fund accounting**

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

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

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

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

**(ix) Taxation**

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

Year ended 31 December 2015

Notes to the Financial Statements (*continued*)

3 Restricted grants	Restricted Central Fund £ <i>Strategic Legal Fund</i>	Total 2015 £	<i>Total</i> 2014 £
Grant balances brought forward	180,939	180,939	120,000
Grants receivable			
Paul Hamlyn Foundation	100,000	100,000	-
Joseph Rowntree Charitable Trust	15,000	15,000	-
City Bridge Trust	-	-	400,000
Esmée Fairbairn Foundation	-	-	150,000
Unbound Philanthropy	-	-	40,000
Big Lottery Fund	-	-	10,000
	115,000	115,000	600,000
Grants authorised	(136,023)	(136,023)	(539,061)
<b>Grant balances carried forward</b>	<b>159,916</b>	<b>159,916</b>	<b>180,939</b>

4 Dividends, alternative fund income and interest receivable

	Restricted City Church Fund £	Restricted Central Fund £	Permanent endowment funds £	Total 2015 £	<i>Total</i> 2014 £
Income from listed investments	-	443,201	2,655,897	3,099,098	2,454,136
Income from cash held as part of investment portfolio	-	5,358	35,508	40,866	54,488
Alternative fund income	-	16,039	188,111	204,150	82,239
Bank and other interest receivable	2,085	30,549	65,134	97,768	141,156
	2,085	495,147	2,944,650	3,441,882	2,732,019

**Year ended 31 December 2015**

**Notes to the Financial Statements (continued)**

**5 Total return transfers between funds**

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

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

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

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

	<b>Trust for investment</b>	<b>Unapplied total return</b>	<b>Endowment funds</b>
	£	£	£
<b>Aggregate value of the assets since the outset of total return</b>			
Value at 31 December 1942	3,262,620	-	3,262,620
Additional endowed capital	1,159,639	-	1,159,639
Gain in value	-	262,319,366	262,319,366
Value at 1 January 2015	4,422,259	262,319,366	266,741,625

**Aggregate value of the assets for the year ended 31 December 2015**

Brought forward at 1 January 2015	4,422,259	262,319,366	266,741,625
Gain in value	-	10,694,984	10,694,984
Investment income receivable	-	6,991,725	6,991,725
Transfers to trust for application	-	(12,461,134)	(12,461,134)
Carried forward at 31 December 2015	4,422,259	267,544,941	271,967,200

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

**6 investment management costs**

**Common Investment Fund: Permanent endowment:**

	2015		2014
	£		£
Investment management fees	619,864		526,441
Property management fees	275,376		248,598
Depreciation	6,658		7,598
Staff costs (net)	211,304		208,663
Other costs of raising funds	76,535		85,596
Investment management costs	1,189,737		1,076,896
Costs transferred to restricted funds	(520,242)		(496,660)
Costs charged to permanent endowment funds	669,495		580,236
Being:-			
Investment management fees	(619,864)		(526,441)
Property management fees	(49,631)		(53,795)
	(669,495)		(580,236)

**Central Fund: expendable endowment:**

	2015		2014
	£		£
Investment and property management fees	110,378		81,502
Depreciation	495		557
Staff costs (net)	15,516		14,786
Other costs of raising funds	5,153		5,125
Investment management costs	131,542		101,970
Costs transferred from permanent endowment funds	520,242		496,660
Costs charged to restricted funds	651,784		598,630

**Year ended 31 December 2015**

**Notes to the Financial Statements (continued)**

**7 Governance costs**

	2015 £	2015 £	Total 2015 £	Total 2014 £
	Charitable expenditure	Investment management costs		
Legal and professional fees	4,315	1,045	5,360	25,093
Auditor's remuneration - audit & scrutiny fees	22,668	7,576	30,244	28,180
Trustee's expenses	20,142	4,879	25,021	31,925
Staff costs (net)	46,586	13,904	60,490	57,956
	<u>93,711</u>	<u>27,404</u>	<u>121,115</u>	<u>143,154</u>
Group auditor's fee (net of vat)			30,100	29,500

**8 Analysis of charitable expenditure**

	Operational activities of the Central Fund	Central Fund Grant making	City Church Fund Grant making	Total funds 2015	Total funds 2014
<i>- grant funded activity</i>					
Central Fund grants authorised		7,208,812		7,208,812	7,424,160
Central Fund grants written back		(257,909)		(257,909)	(200,510)
Grants and consultancies made for the relief of poverty		<u>6,950,903</u>		<u>6,950,903</u>	<u>7,223,650</u>
Church Commissioners and Dioceses			3,092,815	3,092,815	3,084,889
City Churches Grants Committee			1,515,268	1,515,268	1,511,304
Schedule VII payments to City Churches			31,140	31,140	31,140
Grants for the furtherance of religion			<u>4,639,223</u>	<u>11,590,126</u>	<u>11,850,983</u>
Resource for London and Bellingham operations	903,838	-	-	903,838	871,695
<i>- support and governance costs</i>					
Staff costs	108,236	753,970	111,087	973,293	928,600
Grant support consultancy	-	13,196	2,045	15,241	15,438
Depreciation	146,385	25,570	3,962	175,917	161,058
Legal and professional fees	-	21,412	1,806	23,218	34,036
Audit fees	-	15,373	7,295	22,668	19,697
Trustee's expenses	-	17,440	2,702	20,142	22,495
Other support costs	-	249,163	33,908	283,071	259,558
Impairment of mission related investment	13,162	-	-	13,162	163,162
Totals for 2015	<u>1,171,621</u>	<u>8,047,027</u>	<u>4,802,028</u>	<u>14,020,676</u>	<u>14,326,722</u>
Totals for 2014	<u>1,274,304</u>	<u>8,260,539</u>	<u>4,791,879</u>	<u>14,326,722</u>	

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

Further details and analysis of grants made and consultancies undertaken is available in the Trustee's report and, for the Central Fund, in 'Review 2015' ([www.trustforlondon.org.uk/about-us/review-2015](http://www.trustforlondon.org.uk/about-us/review-2015) and its companion document 'Funding List 2015' ([www.trustforlondon.org.uk/funding/what-we've-funded/funding-list-2015](http://www.trustforlondon.org.uk/funding/what-we've-funded/funding-list-2015).) The last two reports are available from our offices as well as being on the website.

**9 Impairment of mission related investments**

	2015 £	2014 £
In the early part of 2015 a further loan was made to Praxis Enterprise CC for £13,162. A further provision was made against this loan. In July 2015 Praxis Enterprise ceased trading and the whole loan in the amount of £176,324 was written off utilising the impairment provision.		
	13,162	163,162

Year ended 31 December 2015

Notes to the Financial Statements (*continued*)

10 Analysis of staff costs and remuneration of key management personnel	2015 £	2014 £
Wages and salaries	1,003,862	978,520
Termination costs	-	-
Social security costs	103,938	101,370
Pension costs	116,045	110,661
	1,223,845	1,190,551
Less: Recharged via service charges	(18,667)	(18,496)
Less: Recharged via grant costs	(5,064)	(20,005)
<b>Total costs charged</b>	<b>1,200,114</b>	<b>1,152,050</b>

No Board member received remuneration or any other benefits during the year (2014: nil). Out of pocket expenses were reimbursed to Board members as follows:

	2015 No.	2014 No.	2015 £	2014 £
Travel	1	2	321	400
Training/seminars/induction	-	7	-	1,162
	1	9	321	1,562

	2015 No.	2014 No.
The average head count (number of staff employed) during the year was:	23	22

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

Grant making	13	12
Bellingham	3	3
Administration	7	7
	23	22

The Trust considers its key management personnel comprise the trustees and the members of the Senior Management Team ie Chief Executive, Director of Finance & Admin, Director of Policy & Grants and Director of Special Initiatives & Evaluation. The total employment benefits including employer pension contributions of the key management personnel were £355,834 (2014: £353,479).

Number of employees who earned between:	Job titles of key management personnel included in bands	2015 No.	2014 No.
£60,001 and £70,000:	Director of Finance & Admin, Director of Policy & Grants and Director of Special Initiatives & Evaluation	3	3
£100,001 and £110,000:	Chief Executive	1	1

Contributions of £41,830 (2014: £44,391) were made in the year by the Trust to these individuals' personal pension within the group scheme.

Year ended 31 December 2015

Notes to the Financial Statements (continued)

11 Fixed assets

Group	Leasehold improvements £	IT equipment £	Furniture, fittings and equipment £	Freehold land and buildings £	Total £
<b>Cost or valuation</b>					
Brought forward at 1 January	7,620	292,885	1,957,760	9,663,280	11,921,545
Additions in the year	-	54,524	156,535	24,589	235,648
Disposals/transfers in the year	-	(1,376)	-	(45,000)	(46,376)
Realised gains and revaluation of properties	-	-	-	1,174,611	1,174,611
Carried forward at 31 December	7,620	346,033	2,114,295	10,817,480	13,285,428
<b>Depreciation</b>					
Brought forward at 1 January	305	220,877	1,879,710	873,851	2,974,743
Charge for year	305	41,258	62,060	79,447	183,070
Disposals/transfers in the year	-	(1,376)	-	-	(1,376)
Carried forward at 31 December	610	260,759	1,941,770	953,298	3,156,437
Net book value at 31 December 2015	7,010	85,274	172,525	9,864,182	10,128,991
Net book value at 31 December 2014	7,315	72,008	78,050	8,789,429	8,946,802
<b>Trust</b>					
		IT equipment £	Furniture, fittings and equipment £	Freehold land and buildings £	Total £
<b>Cost or valuation</b>					
Brought forward at 1 January		194,216	137,875	5,771,001	6,103,092
Additions in the year		37,502	1,057	24,589	63,148
Disposals/transfers in the year		(1,376)	-	(45,000)	(46,376)
Realised gains and revaluation of properties		-	-	1,174,611	1,174,611
Carried forward at 31 December		230,342	138,932	6,925,201	7,294,475
<b>Depreciation</b>					
Brought forward at 1 January		128,962	129,621	-	258,583
Charge for year		34,135	2,550	-	36,685
Disposals/transfers in the year		(1,376)	-	-	(1,376)
Carried forward at 31 December		161,721	132,171	-	293,892
Net book value at 31 December 2015		68,621	6,761	6,925,201	7,000,583
Net book value at 31 December 2014		65,254	8,254	5,771,001	5,844,509
<b>*Total historical cost at 31 December</b>				-	-

\*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 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 2015

Notes to the Financial Statement ( <i>continued</i> )	2015 £	2015 £	2014 £
12 Fixed asset investments	Group	Trust	Group and Trust
<b>Investment properties</b>			
Market value at 1 January	119,135,749	119,135,749	96,146,279
Additions to investment properties	145,342	145,342	19,692
Disposals of investment properties	(24,424,470)	(24,424,470)	(3,972,900)
Unrealised gains on revaluation of investment properties	8,566,708	8,566,708	22,969,778
Realised gains on investment properties	3,174,470	3,174,470	3,972,900
<b>Market value at 31 December</b>	<b>106,597,799</b>	<b>106,597,799</b>	<b>119,135,749</b>
<b>Investment indirect property</b>			
Market value at 1 January	-	-	1,508,997
Disposals of investment indirect property	-	-	(1,562,083)
Realised losses on of investment indirect property	-	-	53,086
<b>Market value at 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Listed investments*</b>			
Market value at 1 January	135,200,656	135,200,656	108,896,017
Additions to listed investments	26,534,854	26,534,854	35,839,167
Disposals of listed investments	(10,121,659)	(10,121,659)	(12,829,998)
Realised and unrealised (losses)/gains on listed investments	(697,086)	(697,086)	3,295,470
<b>Market value at 31 December</b>	<b>150,916,765</b>	<b>150,916,765</b>	<b>135,200,656</b>
* includes global equities, bonds, multi-asset funds and alternative asset funds			
<b>Unlisted investments</b>			
Value at 1 January	112,822	112,822	-
Additions to unlisted investments	435,795	435,795	112,822
Disposals of unlisted investments	-	-	-
<b>Value at 31 December</b>	<b>548,617</b>	<b>548,617</b>	<b>112,822</b>
UK listed investments	61,926,879	61,926,879	88,710,915
Overseas listed investments	88,989,886	88,989,886	46,489,741
UK unlisted investments	548,617	548,617	112,822
<b>Market value at 31 December</b>	<b>151,465,382</b>	<b>151,465,382</b>	<b>135,313,478</b>
<b>Cash held by investment managers</b>			
<b>Market value at 31 December</b>	<b>23,141,601</b>	<b>23,141,601</b>	<b>21,736,400</b>
<b>Mission related investments</b>			
Value at 1 January	2,486,667	2,486,667	2,461,667
Additions/transfers in the year to mission related investments	1,187,266	1,616,830	313,162
Impairment of value of mission related investments (see note 9)	(13,162)	(13,162)	(163,162)
Repayment of mission related investments	(58,958)	(58,958)	(125,000)
<b>Value at 31 December</b>	<b>3,601,813</b>	<b>4,031,377</b>	<b>2,486,667</b>
<b>Cash and near cash investments</b>			
Market value at 1 January	10,887,448	10,887,448	38,251,575
Additions	14,499,999	14,499,999	3,000,000
Disposals	(14,400,000)	(14,400,000)	(30,368,998)
Realised and unrealised (losses)/gains on cash and near investments	(21,021)	(21,021)	4,871
<b>Market value at 31 December</b>	<b>10,966,426</b>	<b>10,966,426</b>	<b>10,887,448</b>
<b>Total market value at 31 December</b>	<b>295,773,021</b>	<b>296,202,585</b>	<b>289,559,742</b>
<b>*Total historical cost at 31 December</b>	<b>137,057,934</b>	<b>137,057,934</b>	<b>117,674,444</b>

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

All investment properties are situated in the UK.

**Year ended 31 December 2015**

**Notes to the Financial Statements (continued)**

<b>13 Debtors</b>	Group 2015 £	Group 2014 £	Trust 2015 £	Trust 2014 £
Resource for London trade debtors	95,046	145,987	-	-
Resource for London grants receivable	55,000	98,875	-	-
Bellingham trade debtors	-	1,578	-	-
Rent and insurance due from tenants	193,324	255,445	326,520	405,445
Amount due from connected charities	-	19,447	24,592	457,272
Rent deposits with solicitors	96,966	163,207	96,966	163,207
Loans outstanding	-	-	-	-
Other debtors	67,480	34,464	39,021	17,728
Prepayments and accrued income	333,822	153,075	289,155	117,509
	<b>841,638</b>	<b>872,078</b>	<b>776,254</b>	<b>1,161,161</b>

**14 Creditors: Amounts falling due within one year**

	Group 2015 £	Group 2014 £	Trust 2015 £	Trust 2014 £
Grants payable for the relief of poverty	7,372,766	8,324,342	7,372,766	8,324,342
Grants payable for the furtherance of religion	677,310	717,709	677,310	717,709
Resource for London trade creditors	74,755	91,096	-	-
Amount due to connected charities	-	19,447	-	-
Rents received in advance	767,973	709,162	767,973	709,162
Rent deposits with solicitors	96,966	163,207	96,966	163,207
Taxation and social security	2,751,735	615,899	2,751,735	615,899
Other creditors	191,842	172,750	136,102	90,396
Accruals and deferred income	552,624	455,051	484,837	381,172
	<b>12,485,971</b>	<b>11,268,663</b>	<b>12,287,689</b>	<b>11,001,887</b>

**15 Creditors: Amounts falling due after more than one year**

	Group 2015 £	Group 2014 £	Trust 2015 £	Trust 2014 £
Grants payable for the relief of poverty	2,884,916	1,878,744	2,884,916	1,878,744
	<b>2,884,916</b>	<b>1,878,744</b>	<b>2,884,916</b>	<b>1,878,744</b>

**15a Movement in provisions and funding commitments during year**

	Central fund grants payable 2015 £	City Church Fund grants payable 2015 £	Group 2015 £	Group 2014 £
Grants payable at start of year	10,203,086	717,709	10,920,795	10,355,299
New grants charged to the SOFA in year (see note 8)	7,208,812	4,639,223	11,848,035	12,051,493
Writebacks credited to the SOFA in year (see note 8)	(257,909)	-	(257,909)	(200,510)
Grants paid in the year	(6,896,307)	(4,679,622)	(11,575,929)	(11,285,487)
Grants payable at end of year	10,257,682	677,310	10,934,992	10,920,795

**16 Operating leases - lessor**

	2015 £	2014 £
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The Trust is entitled as landlord to income from investment properties under operating leases.

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

Future minimum lease payments under non-cancellable operating leases for the each of the following periods :-

- not later than one year	634,328	817,308
- later than one year and not later than five years; and	1,200,641	1,163,214
- later than five years	-	68,900
	<b>1,834,969</b>	<b>2,049,422</b>

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

Future minimum lease payments under non-cancellable operating leases for the each of the following periods :-

- not later than one year	2,849,325	3,238,216
- later than one year and not later than five years; and	11,137,959	12,806,943
- later than five years	565,614,238	585,815,473
	<b>579,601,522</b>	<b>601,860,632</b>

\* these leases can have lives up to 1,000 years as they include ground rent leases which are valued at £83.35m and form some 75% of the portfolio.

Year ended 31 December 2015

**Notes to the Financial Statements (continued)**

**17 Pension Scheme**

The Trust provides a group personal pension scheme.

The Trust makes contributions at a rate of 10% to individuals' personal pensions within the group scheme, provided they make a personal contribution of at least 3%. During a transitional period, for certain members, the percentage of contributions may vary between 3% and 17% depending on the age of the employee. In 2015 the Trust made contributions of £109,043 (2014 : £103,990) 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 2015 at the Bellingham Community Project were £7,002 (2014: £6,671).

No staff are directly employed at Resource for London.

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

**18 Transfers between funds**

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

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

	Restricted funds Subsidiaries £	Restricted Central Fund £	Endowment funds £
Subsidiary charity adjustments	(127,837)	127,837	-
Central Fund - expendable endowment - spent in the year	-	171,191	(171,191)
	(127,837)	299,028	(171,191)

**19 Restricted funds - subsidiaries**

	Balance at 31 December 2014 £	Income £	Expenditure and transfers £	Balance at 31 December 2015 £
Resource for London	(256,093)	1,213,139	(1,103,961)	(146,915)
Bellingham Community Project Limited	3,342,107	149,100	(232,553)	3,258,654
	3,086,014	1,362,239	(1,336,514)	3,111,739

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

**20 Restricted funds - Central Fund and City Church Fund**

	Balance at 31 December 2014 £	Transfer from unapplied return £	Net income/ (expenditure) £	Revaluations and transfers £	Balance at 31 December 2015 £
Central Fund	23,411	7,025,653	(7,160,195)	121,487	10,356
Central Fund - restricted grants	180,939	115,000	(136,023)	-	159,916
City Church Fund	-	4,800,239	(4,799,943)	(296)	-
	204,350	11,940,892	(12,096,161)	121,191	170,272

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

Year ended 31 December 2015

**Notes to the Financial Statements (continued)**

**21 Analysis of net assets between funds**

a Group	Tangible fixed assets £	Investments £	Net current (liabilities)/assets £	Long term liabilities £	Total £
<b>Endowment funds</b>					
permanent endowment funds	2,200,583	268,478,171	1,288,446	-	271,967,200
expendable endowment - Central Fund	4,800,000	27,724,414	(7,006,352)	(2,884,916)	22,633,146
<b>Restricted funds</b>					
Central Fund	-	-	159,916	-	159,916
Central Fund - restricted grants	-	-	10,356	-	10,356
<b>Trust net assets/(liabilities)</b>	<b>7,000,583</b>	<b>296,202,585</b>	<b>(5,547,634)</b>	<b>(2,884,916)</b>	<b>294,770,618</b>
<b>Restricted funds</b>					
Bellingham Community Project Limited	2,959,277	-	299,377	-	3,258,654
Resource for London	169,131	(429,564)	113,518	-	(146,915)
<b>Group net assets/(liabilities)</b>	<b>10,128,991</b>	<b>295,773,021</b>	<b>(5,134,739)</b>	<b>(2,884,916)</b>	<b>297,882,357</b>
<b>b Trust</b>					
<b>Endowment funds</b>					
permanent endowment funds	2,200,583	268,478,171	1,288,446	-	271,967,200
expendable endowment - Central Fund	4,800,000	27,724,414	(7,006,352)	(2,884,916)	22,633,146
<b>Restricted funds</b>					
Central Fund	-	-	159,916	-	159,916
Central Fund - restricted grants	-	-	10,356	-	10,356
<b>Trust net assets/(liabilities)</b>	<b>7,000,583</b>	<b>296,202,585</b>	<b>(5,547,634)</b>	<b>(2,884,916)</b>	<b>294,770,618</b>

The entitlement of the two participating funds in the Common Investment Fund (also known as the Pool) at 1 January 2015 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 2014 and is 59.8% Central Fund and 40.2% City Church Fund. As a result, the allocation of income, gains and related expenditure across the two endowments has therefore been in the ratio 59.8% Central Fund and 40.2% City Church Fund.

**22 Connected charities**

During 2015 Trust for London was a fellow trust of The London Trust, a charity which is also administered by Trust for London Trustee and which produces separate accounts. The charity is dormant.

**23 Subsidiary Undertakings**

**Resource for London (Charity Registration Number 1015305)**

Resource for London is a subsidiary of the Trust. The Trust for London is the sole member of Resource for London. The liability of the member is limited to £1. Resource for London operates from offices at 356 Holloway Road, a property leased to it by the Trust. It operates a resource centre for charities, providing them with office accommodation, conference, meeting rooms and other facilities. Rent of £177,837 (2014: £150,000) was paid by Resource for London to the Trust.

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

Bellingham Community Project Limited is a subsidiary of the Trust. Bellingham Community Project Limited is a charitable venture run by Trust for London in Bellingham. The liability of the members is limited to £1. The Trust has control over the Project by virtue of the fact that it has a majority vote on the Board of Directors of the company. The Project operates from offices in Randlesdown Road, Bellingham. Grants totalling £50,000 (2014: £50,000) were made by the Trust towards running costs. It runs a leisure and lifestyle centre for the benefit of the local community which is managed by the London Borough of Lewisham and provides support for local community projects.

**Bellingham Community Project Management Company Limited**

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

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

Greenford Playing Fields Limited is a subsidiary of the Trust. The liability of the members is limited to £1. The Trust has a dominant influence over this company by virtue of the fact that it has a majority vote on the Board of Directors of the company and by virtue of the fact that each of its votes as a member counts three times. The company was treated as dormant in the year ended 31 December 2015.

**24 Related party transactions**

The Trust has a policy for declaration of interests by both trustees and staff. The declaring of interests by a trustee forms part of a wider code of behaviour expected of trustees in fulfilling their obligations towards the Trust and its beneficiaries. There have been no situations during the year where a trustee or member of staff has declared a commercial interest in any transaction. There have been more indirect interests declared, where for example a trustee is also a trustee of 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.

Notes to the Financial Statement (*continued*)

25 Comparative Statement of Financial Activities

	Year ended 31 December 2014			
	Restricted Funds Subsidiaries	Restricted Central Fund & City Church Fund	Endowment Funds	Total
	2014 £	2014 £	2014 £	2014 £
<b>Income</b>				
<i>Income and endowments</i>				
<i>Donations</i>				
Donations	-	2,000	-	2,000
Grants receivable	-	600,000	-	600,000
<i>Charitable activities</i>				
Resource for London income	1,179,617	-	-	1,179,617
Bellingham Community Project income	183,553	-	-	183,553
Training income	-	900	-	900
<i>Investment income</i>				
Income from mission related assets	-	125,492	-	125,492
Dividends, alternative fund income and interest	-	433,138	2,298,881	2,732,019
Income from investment properties	-	-	4,146,113	4,146,113
Income from investment indirect property	-	-	11,657	11,657
Income to cover rechargeable expenses	-	-	494,226	494,226
Less: Rechargeable expenses	-	-	(494,226)	(494,226)
<i>Transfer to income: Total return transfers between funds</i>	-	12,411,411	(12,411,411)	-
<b>Total income</b>	<b>1,363,170</b>	<b>13,572,941</b>	<b>(5,954,760)</b>	<b>8,981,351</b>
<b>Expenditure</b>				
<i>Raising funds</i>				
- Costs of trading subsidiary	(19,635)	-	-	(19,635)
Investment management costs	-	(598,630)	(580,236)	(1,178,866)
<i>Charitable activities</i>				
Relief of poverty	-	(8,260,539)	-	(8,260,539)
Furtherance of religion	-	(4,791,879)	-	(4,791,879)
Impairment of mission related investment	-	(163,162)	-	(163,162)
Resource for London operations	(872,607)	-	-	(872,607)
Bellingham Community Project operations	(238,535)	-	-	(238,535)
<b>Total expenditure</b>	<b>(1,130,777)</b>	<b>(13,814,210)</b>	<b>(580,236)</b>	<b>(15,525,223)</b>
<b>Net gains/(losses) on investments</b>				
Currency losses on listed investments	-	-	(141)	(141)
Net gains on listed investments and cash and near cash instruments	-	-	3,300,341	3,300,341
Net gains/(losses) on investment indirect property	-	-	53,086	53,086
Net gains on investment properties	-	-	26,942,678	26,942,678
<b>Total of net gains/(losses) on investment</b>	<b>-</b>	<b>-</b>	<b>30,295,964</b>	<b>30,295,964</b>
<b>Net income/ (expenditure) before transfers</b>	<b>232,393</b>	<b>(241,269)</b>	<b>23,760,968</b>	<b>23,752,092</b>
<b>Transfers between funds</b>	<b>(100,000)</b>	<b>321,619</b>	<b>(221,619)</b>	<b>-</b>
<b>Net (expenditure)/income before other recognised gains/(losses)</b>	<b>132,393</b>	<b>80,350</b>	<b>23,539,349</b>	<b>23,752,092</b>
<b>Other recognised gains/(losses)</b>				
Net revaluation gains on fixed assets for own use	-	-	924,136	924,136
<b>Net movement in funds</b>	<b>132,393</b>	<b>80,350</b>	<b>24,463,485</b>	<b>24,676,228</b>
Fund balances brought forward at 1 January	2,953,621	124,000	264,249,274	267,326,895
<b>Fund balances carried forward at 31 December</b>	<b>3,086,014</b>	<b>204,350</b>	<b>288,712,759</b>	<b>292,003,123</b>

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
<b>STATEMENTS OF FINANCIAL ACTIVITIES</b>					
<b>Income</b>					
charitable activities*	1,312	1,364	1,011	784	866
investment and other income	7,712	7,617	8,079	8,608	7,629
<b>Total income</b>	<b>9,024</b>	<b>8,981</b>	<b>9,090</b>	<b>9,392</b>	<b>8,495</b>
<b>Expenditure</b>					
Raising funds					
Investment management costs	(1,321)	(1,154)	(1,295)	(814)	(923)
Charitable activities*	(14,021)	(14,228)	(13,495)	(13,538)	(13,042)
Governance costs***	-	(143)	(150)	(119)	(151)
<b>Total expenditure</b>	<b>(15,342)</b>	<b>(15,525)</b>	<b>(14,940)</b>	<b>(14,471)</b>	<b>(14,116)</b>
Net gains/(losses) on investment assets	11,023	30,296	34,753	14,277	2,694
<b>Net income/(expenditure)</b>	<b>4,705</b>	<b>23,752</b>	<b>28,903</b>	<b>9,198</b>	<b>(2,927)</b>
<b>Other recognised gains and losses</b>					
Gains on assets for own use	1,174	924	373	304	785
<b>Net movement in funds</b>	<b>5,879</b>	<b>24,676</b>	<b>29,276</b>	<b>9,502</b>	<b>(2,142)</b>
Fund balances brought forward	292,003	267,327	238,051	228,549	230,691
Fund balances transferred in	-	-	-	-	-
<b>Fund balances carried forward</b>	<b>297,882</b>	<b>292,003</b>	<b>267,327</b>	<b>238,051</b>	<b>228,549</b>

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

Tangible fixed assets	10,129	8,947	8,028	7,707	7,512
Investments	295,773	289,560	265,402	235,376	226,549

**Current assets**

Debtors and stock	842	872	1,339	1,611	1,477
Short term cash deposits	203	203	203	223	263
Cash at bank and in hand	6,306	5,569	5,077	6,200	6,400
	7,351	6,644	6,619	8,034	8,140

<b>Current creditors</b>	<b>(12,486)</b>	<b>(11,269)</b>	<b>(10,961)</b>	<b>(11,529)</b>	<b>(11,966)</b>
<b>Net current (liabilities)/assets</b>	<b>(5,135)</b>	<b>(4,625)</b>	<b>(4,342)</b>	<b>(3,495)</b>	<b>(3,826)</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>(2,885)</b>	<b>(1,879)</b>	<b>(1,761)</b>	<b>(1,537)</b>	<b>(1,686)</b>
<b>Net assets</b>	<b>297,882</b>	<b>292,003</b>	<b>267,327</b>	<b>238,051</b>	<b>228,549</b>

**Capital funds of the group**

Permanent endowment funds	271,967	266,742	243,098	215,258	206,627
Expendable endowment funds	22,633	21,971	21,151	19,312	17,908
Restricted funds	3,112	3,086	2,954	3,137	3,442
Unrestricted funds	170	204	124	344	572
	297,882	292,003	267,327	238,051	228,549

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

\*\* Previously combined with gains on assets for own use

\*\*\* Not shown separately from 2015 onwards

This page does not form part of the audited accounts

<b>Budgeted drawdown from capital</b>	<b>5,429</b>	<b>5,243</b>	<b>4,380</b>	<b>5,463</b>	<b>4,350</b>
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## History

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

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

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

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

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

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

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

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

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

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

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

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

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

### Trustees, Officers and Advisers

The Trustee of Trust for London is the Trust for London Trustee whose board members, up to 1 July 2016, and nominating bodies are listed below:

Nominating Body	Trustee	Committees
<i>Trust for London</i>	Peter Baxter	A,I,G
	Stephen Burns	E,G
	Luis Correia da Silva	A,G,I
	Peter Delaney (term of office ended 30/6/2015)	
	Naomi Eisenstadt	G,I
	Tara Flood	A,G,M
	Jeff Hayes	A,E,F,G,Go,I,M
	Robert Laurence	A,E,G,I
	Sue Logan	A,F,G,M
	Loraine Martins	A,E,F,G,Go,I,M
	Sonia Sodha	G,I
	Wilf Weeks	A,E,G,Go
<i>City of London</i>	Sophie Fernandes (resigned 28/7/2015)	
	Archie Galloway	E,G,M
	Edward Lord	F,G,Go
	Alison Gowman (appointed 15/10/2015)	
<i>Charity Commissioners</i>	Deborah Finkler	F,G,Go
	The Rt Revd Adrian Newman	G,M
<i>London Councils</i>	Peter Brooks	G,I
<i>Greater London Authority</i>	Roger Evans (resigned 7/6/2016)	

Key to Committees			
<b>A</b>	Asset Allocation Committee	<b>E</b>	Estate Committee
<b>G</b>	Grants Committees	<b>F</b>	Finance & Resources Committee
<b>Go</b>	Governance Committee	<b>I</b>	Investment Committee
<b>M</b>	MRI Committee		

Co-opted Members as at 1 July 2016	
Asset Allocation Committee	Julian Franks
Grants Committees	Muge Dindjer, Maggie Baxter, Mulat Haregot, Steve Hynes, Matthew Oakley
Estate Committee	Cliff Hawkins
Finance & Resources Committee	Emma Brookes, Bryn Jones, Denise Joseph
Investment Committee	Catherine Howarth, Bryn Jones, David Moylett
MRI Committee	Antony Ross, Miles Barber, Peter Williams, Ingrid Posen

<b>Key management personnel:</b>	
<i>Chief Executive &amp; Clerk to the Trustees</i>	Bharat Mehta
<i>Director of Finance &amp; Administration</i>	Carol Harrison
<i>Director of Policy &amp; Grants</i>	Mubin Haq
<i>Director of Special Initiatives &amp; Evaluation</i>	Sioned Churchill

<b>Professional Advisers:</b>	
<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, 6th Floor, 37-39 Lime Street, London EC3M 7AY
<i>Property Managing Agents</i>	Savills plc, 33 Margaret Street, London W1G 0JD
<i>Property Valuers</i>	Cluttons LLP, 2 Portman Street, London W1H 6DU
<i>Auditors</i>	Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London EC4Y 8EH
<i>Bankers</i>	Lloyds Bank plc, 39 Threadneedle Street, London EC2R 8AU
<i>Investment Managers</i>	Martin Currie Investment Management UK Ltd, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2ES
	Veritas Investment Management LLP, 1st Floor, 90 Long Acre, London, WC2E 9RA
	Aviva Investors Global Services Ltd, 1 Poultry, London EC2R 8EJ
	Cazenove Capital Management Ltd, 12 Moorgate, London, EC2R 6DA
	Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU